

Date: 4TH NOV 2019

NIFTY



Indian benchmark index began the post diwali week on a strong note as NSE-NIFTY surpassed its horizontal trend line resistance (placed at 11,700 levels) convincingly. As mention in the previous week report breach of 11700 will open the gate for 12000 in coming sessions and will be the next resistance for the Indian indices. Since previous three instances benchmark index was getting capped around 11700 levels. On 29th Oct, strong buying was witnessed in index which forced bulls to overtake bears and closed above 11800 marks.

Due to recent breakout in NIFTY, its key technical indicators once again turned in favour of bulls, hence our bullish view will remain intact, but near-term consolidation cannot be ruled out before hitting a lifetime high. Index is nicely poised above its 20, 50, 100 exponential moving averages (EMA) on daily interval which is positive for the Indian bourses.

In case of any decline, the index will continue to find support around 11,700 - 11650 levels, which coincides with horizontal trend line supports and till will act as line of polarity (resistance will act as support). However a stable move above 12000 levels will invalidate prior bearish trend reversal formation and it will strengthen the index to record new life-time-high.

NIFTY BANK



Bank Nifty continued its positive momentum for the sixth consecutive session by witnessing higher close than previous day closing on daily chart but traded within the trading range of previous day with major support at 30,000 levels. The index closed 2.76 percent higher for the week and closed at 30,330.55 and formed a strong bullish candle on the weekly scales suggesting bulls are holding a tight grip. Benchmark index is forming a higher highs higher lows formation on a weekly scale meanwhile downward falling trend line is acting as a near-term resistance.

In weekly chart, Momentum Oscillator RSI (14) is currently forming higher low formation which rightly reading above 50 levels with positive crossover. MACD is reading above zero line with positive crossover, which is bullish sign. Higher high Higher Low formation is still intact on weekly time line.

Previous week rally has basically changed the sentiment for the banking stocks as supports are shifting bit higher on weekly time line. In the near term, 29000 is an immediate support zone. In any case if there is breach of 29500 on closing basis then we may again check 28400 levels. 30800 levels are near term resistance, breach of that level on higher side will open the gate for the new high in banking index.

Sector Look: NIFTY Midcap100



On the Weekly chart NIFTY MIDCAP 100 INDEX has formed a “Falling wedge Pattern”. Currently prices are trading below its trend line which is acting as a resistance. Overall sentiments looks positive as midcap index has close above its 14 week high on weekly basis. On technical front, index has formed a ‘Morning Doji star candlestick pattern’ on weekly time frame which is acting as a near term support. 50 days Simple moving average is acting as a strong resistance near at 16989 levels on weekly time frame.

In weekly chart, it’s traded below 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is just holding above 50 levels with positive crossover.

On the lower end supports are seen at 16400/ 16000 on weekly chart. On the higher end break of 17000 will open the gate for 18000 levels in coming weeks.

Weekly Stock Idea: DBL



On the Weekly chart DBL has given a breakout of “Falling wedge pattern” on 1st Oct 2019. 50 days Simple moving average is acting as a strong resistance near at 459.95 levels on weekly time frame. The stock closed 6.19 % percent higher at 459 and formed a bullish candle on the daily and weekly chart. Currently prices are trading above its trend line support and have closed above its previous week high.

In daily chart, it’s traded above 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover.

On the lower end supports are seen at 420/390. On the higher end the stock may face resistance at 480 / 510 levels.

Based on the above Technical studies we can come out with a view that the price may move towards higher levels over the short period.

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