

Date: 7<sup>th</sup> Oct 2019

**NIFTY**



Benchmark index lost almost 3% and closed the shop in red for this week. In terms of candlestick index has formed “Evening Star candle Stick Pattern” on weekly interval which is bearish in nature. All the days in week closed in red which indicates bears are back in action. The S&P BSE Midcap index declined 3.87 percent and S&P BSE Large cap index fell 3.11 percent, while the Small cap Index was down 3.92 percent last week.

Index closed below 11200 level which was supported with a cluster of (20, 50, 100) exponential moving averages on daily interval. Momentum indicator RSI (14) has drift below 50 on weekly time frame.

Due to sharp correction in prices resistance has shift lower for this week which is placed at 11350/11500. In the near term, 11000 is an immediate support zone. In any case if there is breach of 11000 on closing basis then we may aspect sharp decline in benchmark index.

**NIFTY BANK**



The RBI's monetary policy committee on October 4 slashed rates by 25 bps and kept the stance accommodative to revive growth in Asia's third-largest economy. Banking index lost almost 700 points after announcement of credit policy. Nifty bank lost almost 7% this week erasing entire gain of previous two weeks. Banking rally exactly halted at 78.60% retracement from its previous swing high of 31783 to a recent swing low of 26560.

In terms of candlestick index has formed "Evening Star candle Stick Pattern" which is bearish in nature. In weekly chart, Momentum Oscillator RSI (14) has drift below 50 levels with negative crossover. MACD Indicator is hovering below zero line with negative crossover.

Due to sharp correction in prices resistance has shift lower for this week which is placed at 28900/29500. In the near term, 27000 is an immediate support zone. In any case if there is breach of 27000 on closing basis then we may aspect sharp decline in banking index.

**Sector Look: NIFTY Midcap 100**



On the Weekly chart NIFTYMIDCAP 100 INDEX has given a breakdown of “Consolidation Pattern”. A recent bull back has completed near its trend line resistance which is placed at 16270. Bearish candle is formed on weekly time frame and has closed below its previous week low.

In weekly chart, index is trading below 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading below 40 levels with negative crossover. MACD Indicator is hovering below zero line with negative crossover which is bearish sign for the midcap 100 index.

On the lower end supports are seen at 14970/14000 on weekly chart. On the higher end the index may face resistance at 16300 /17100 levels for next couple of weeks.

**Weekly Stock Idea: GRASIM**



On the Weekly chart GRASIM has given a breakdown of “Head and Shoulder Top Pattern”. Neck line of this pattern is acting as a resistance which is placed at 716 levels. Bearish candle is formed on weekly time frame and has closed below its previous week low.

In weekly chart, it's traded below 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading below 40 levels with negative crossover. MACD Indicator is hovering below zero line with negative crossover which is a bearish sign for the stock.

On the lower end supports are seen at 625/580. On the higher end the stock may face resistance at 740 / 900 levels.

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





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