

Date: 9TH DEC 2019

NIFTY



In benchmark for this week four out of five days ended in red, which shows bears were on driver seat. This week's red candle has completely engulfed previous week bullish candle and formed Bearish Engulfing Candle stick pattern for the week.

The Nifty spot index has been struggling to clear the 12,150–12,200 zone, which was the potential reversal zone of a bearish harmonic AB=CD pattern. Even the market breadth remained in favour of declining counters, which indicates profit booking in individual stocks.

Furthermore nifty is clubbed with double Top bearish pattern on weekly interval which opens the concern for profit booking in nifty 50. Currently index is trading near the upper band of rising channel pattern on weekly scale which again concludes that profit booking at current junction cannot be ruled out.

Nifty is sustaining above its 50 days and 100 days Simple moving average on daily time frame. Daily RSI (14) is hovering near 60 – 70 range.

In case of any decline, the index will continue to find support around 11700 levels, which coincides with horizontal trend line supports and till will act as line of polarity (resistance will act as support). Any big move on higher should be expected only above 12100 levels on closing basis and it will strengthen the index to record new life-time-high till 12300 odd levels.

BANK NIFTY



A mixed week for the nifty bank where it formed four red and one green candles for the week. After opening flat at 32083.30, the Bank Nifty remained volatile to hit the day's low of 31628.30. Banking index is shaded in a range of 31400 – 32150 past couple of days. The Nifty Bank closed at 31,341.50 dragged by PSU Bank was down 4.4 percent, the biggest loser among all indices. Friday's session witnessed some profit booking on higher levels. Banking index is trading in a higher high higher low formation which indicates strong ongoing trend on monthly time frame.

In weekly chart, Momentum Oscillator RSI (14) is currently forming higher low formation which rightly reading near 60 levels with positive crossover. MACD is reading above zero line with positive crossover, which is bullish sign.

Bank nifty has witnessed a sweet rally from 28000 to 32150 in previous eight weeks. So some profit booking in coming session cannot be ruled out. In the near term, 31400 is an immediate support zone. In any case if there is breach of 31400 on closing basis then we may again visit 31000 levels in coming days. 32150 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 REALTY



On the Weekly chart NIFTY RLTY INDEX has given smaller trend line breakout within a border upward rising channel pattern. Since February 2016, Index is trading in a higher high higher low formation on weekly time frame. 100 days simple moving average is acting as a strong support on weekly time frame. Prices have completed its through back near the small trend line support and are ready to move upside. Overall sentiments looks positive as index has shown strong strength towards upside.

Momentum Oscillator RSI (14) is reading above 55 levels with positive crossover, which is positive for the index. MACD indicator is reading above its line of polarity with positive sentiments.

On the lower end supports are seen at 235/ 220 on weekly chart. On the higher end break of 296 will open the gate for 326 levels in coming weeks.

Weekly Stock Idea: Century Textile



On weekly chart CENTURY TEXTILE has given classical breakout above its horizontal trend line. Stock was on consolidation mode since past six months. A recent breakout has pushed the price above its 50, 100 simple moving averages on weekly set up. Stock has given breakout of cup and handle pattern in weekly chart.

Momentum oscillator RSI (14) on weekly and monthly chart are reading above 60 levels with positive crossover. MACD clearly shows positive trend and currently reading above the line of polarity.

Traders can accumulate the stock at current level and more on dip till 475 for the target of 535 with a stop loss below 449 on daily closing basis.

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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