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NIFTY



After witnessing a gap up opening at the start of the week benchmark index continues to trade in an extremely narrow range of almost 150 points for the week.

When we observe the daily chart for the last five trading sessions (week) it can be seen that nifty was in a no-trade zone and trapped in a range bond trade.

While analyzing the weekly chart we observed Nifty50 closed above its 50 & 200-week exponential moving averages, which will act as support in the near term. Meanwhile, momentum oscillator RSI (14) has formed a sharp V shape reversal and trading above 50 level with positive crossover on a weekly interval.

The higher high higher bottom formation is nicely poised on the daily time frame. Due to a further rise in the index, its major technical parameters remained in favor of bulls.

The first-quarter results have started and we expect the earning reaction after the management commentary in the individual stocks and expect markets to trade in a broad range over the next few weeks.

Strong resistance is capped near the 10850 level. Once we successfully jump above the hurdle 11200 will be on the cards. In case the Nifty50 violates its 10600 level, a sharp decline will take place. This could drag the Nifty towards the 10400 – 10350 levels.

BANK NIFTY



It was an odd-even week for the banking index where one day we have witnessed a green candle and another day a red candle.

A couple of weeks ago Bank Nifty created a whipsaw after witnessing breakout on the daily time frame. After a breakout banking index formed bearish engulfing candlestick pattern which drifts price below the consolidation range.

Instead of trading lower Bank Nifty firmly hold support near its 21 & 50-day exponential moving averages which are placed near 21300 & 21700 level on the daily chart.

Banking index closed above the previous weeks high and momentum oscillator RSI (14) is approaching near 50 level with a positive crossover which is positive for the index.

Technically Bank nifty is likely to outperform Nifty50 in coming trading session as it has witnessed break out of a consolidation range and has neglected its previous bearish candlestick pattern.

The Bank Nifty index has been a laggard in the current up move and it may outperform the broader markets with key potential targets of 23500 -24000 levels over the next few weeks. Immediate support for Bank Nifty is coming near 21700 -21500 zone.

Sector Look: NIFTY FINSER INDEX



On a daily chart after prolonged consolidation prices have broken its trend line resistance and currently trading above the same. NIFTY FINSER index witnessed a sharp up move from the support level of 8000 with broad-based momentum across the stocks.

Nifty Finser has closed 2.03% higher at 11091.20 and formed a 'DOJI Candlestick Pattern' in the weekly time frame. The doji candlestick chart pattern is a formation that occurs when a market's open price and close price are almost exactly the same. On the daily chart, the 21 and 100-week simple moving average is acting as a support that is placed at around 10710.30 level and 10650.85 level, is ready to move upside.

The counter is forming a base near 9600 levels since the last couple of days, which is supported by momentum oscillator RSI (14) which has rebounded from the oversold zone with positive crossover on a daily interval.

The majority of indicators and oscillators are showing a positive trend for the current scenario on daily time frame. RSI(14) is reading near to 46 on weekly time line.

On the higher end resistance is seen at the 11300/11550 level on the weekly chart. On the lower end support for the coming weeks is seen at 10800/10650 levels.

Weekly Stock Idea: BIOCON



Biocon has formed a bottom between 320 and 210 levels over 36 weeks. In April, the stock witnessed a breakout from the base with strong momentum and high and is trending higher since.

For the last five weeks, the stock has been consolidating in a narrow range of Rs 400-Rs 378 before the next leg of the uptrend. Thus, holding above the consolidation of Rs 378, the stock is likely to see a breakout on the upside.

On the daily chart, stock has given a breakout of the “Consolidation Pattern”. Price of stock has closed above 21 days simple moving average that is placed at around 395.08 levels on the daily time frame.

The majority of indicators and oscillators are showing a positive trend for the current scenario. Furthermore, prices have sustained above all its major simple moving averages.

On the lower end supports are seen at 380/360. On the higher end, the stock may face resistance at 435/475 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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