

Weekly Technical Outlook

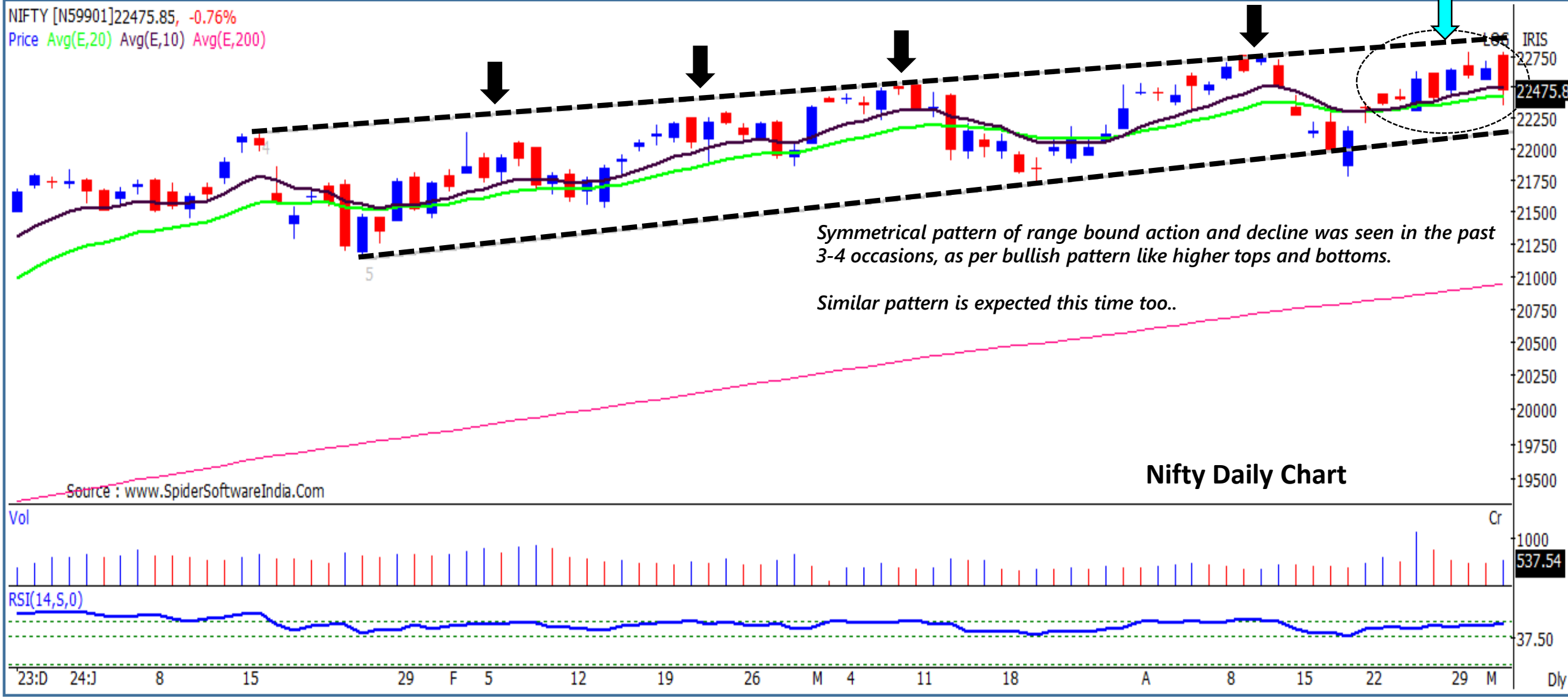
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A Chart Book On Benchmark,
Sectors, Global Market and Inter Market Analysis

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Moving in a broader range of 22800-22300. Present consolidation could be a buying opportunity. Crucial supports to be watched around 22300.



Decline below 22300 could continue consolidation/minor dip for short term. A decisive move above 22800 is likely to bring bulls back into action.

NIFTY [N59901] 22475.85, 0.25%
Price Avg(E,20) Avg(E,10)

Nifty Weekly Chart

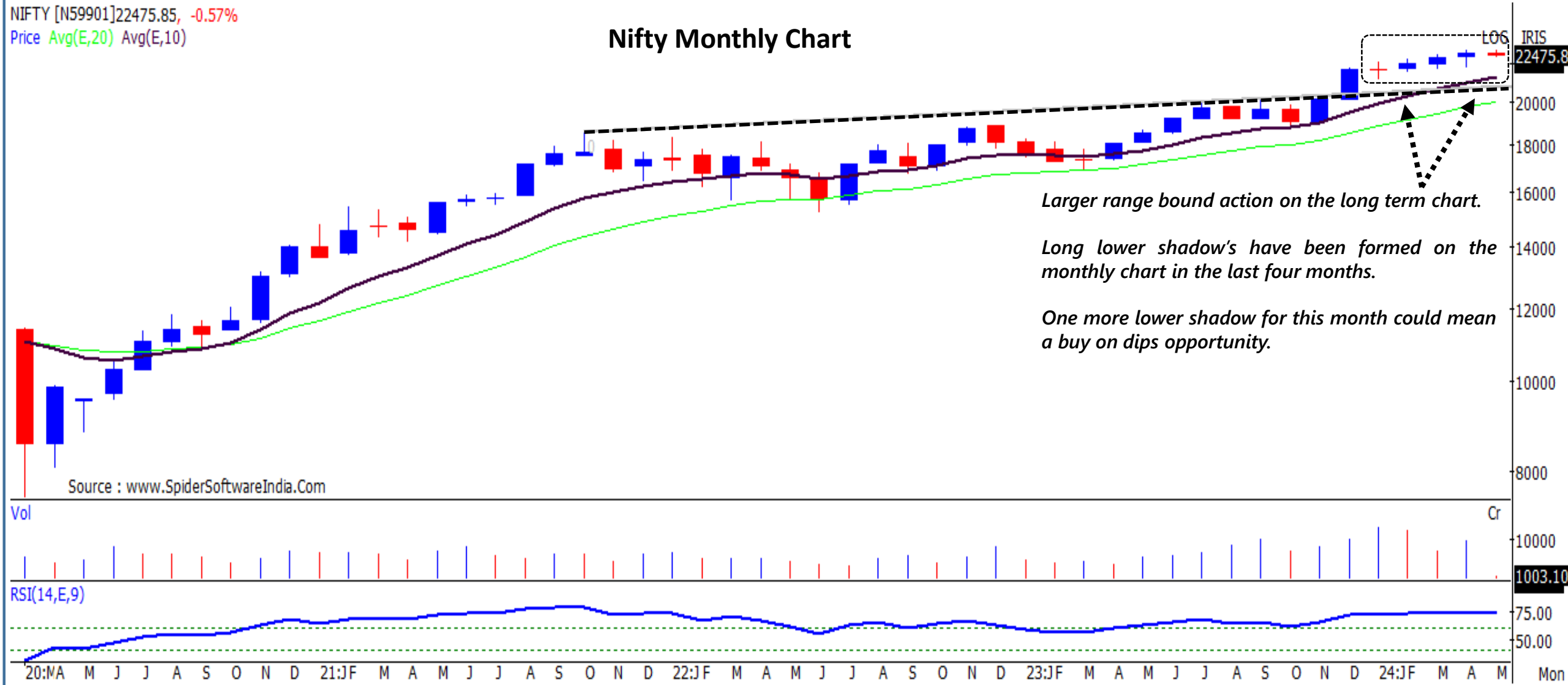


Formation of Doji on the weekly chart indicates caution for bulls at the highs.
Further downward correction from here is likely to be a buying opportunity.

The medium term trend of Nifty remains positive. Intra-month downward correction could be an opportunity for accumulation.

NIFTY [N59901] 22475.85, -0.57%
Price Avg(E,20) Avg(E,10)

Nifty Monthly Chart

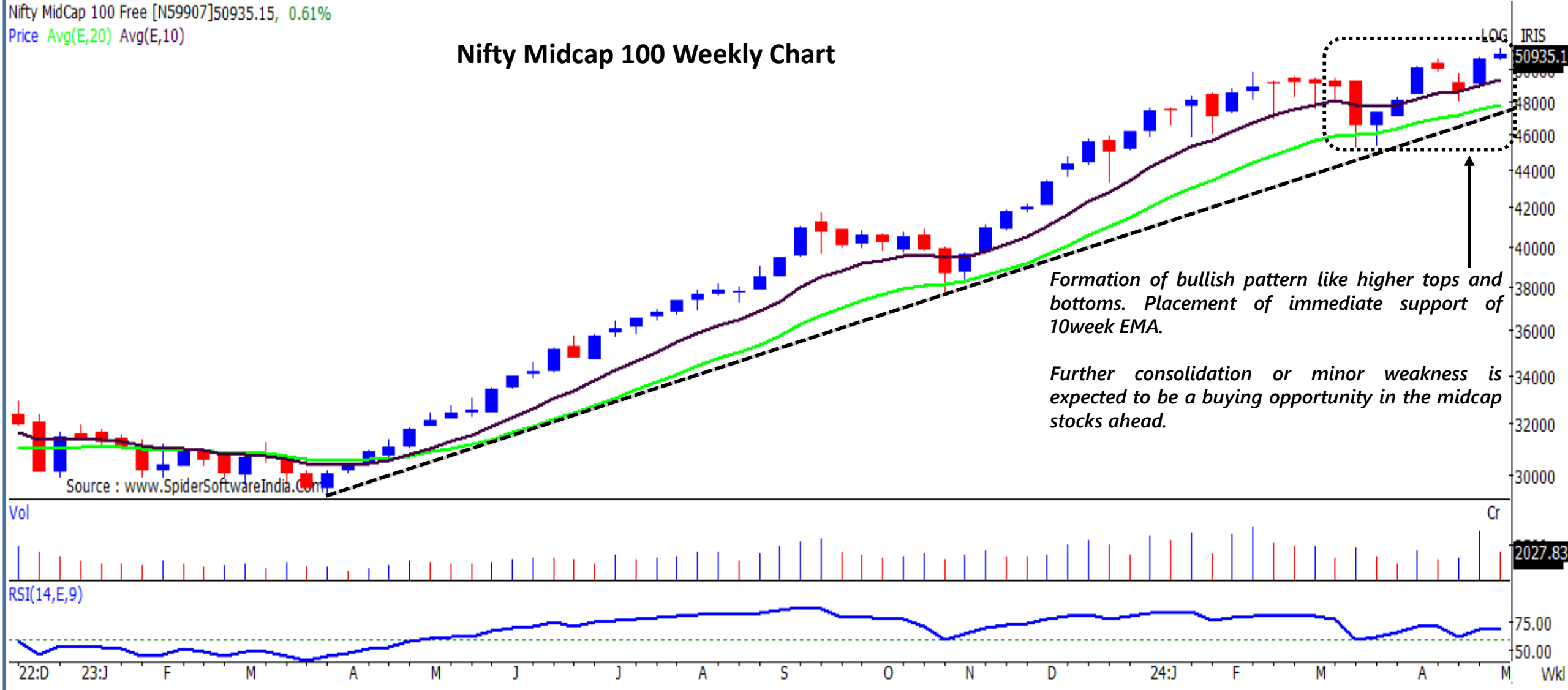


Source : www.SpiderSoftwareIndia.Com

Present consolidation or minor weakness in the midcap stocks could be an opportunity for longs. The long term uptrend remains intact.

Nifty MidCap 100 Free [N59907]50935.15, 0.61%
Price Avg(E,20) Avg(E,10)

Nifty Midcap 100 Weekly Chart



Formation of bullish pattern like higher tops and bottoms. Placement of immediate support of 10week EMA.

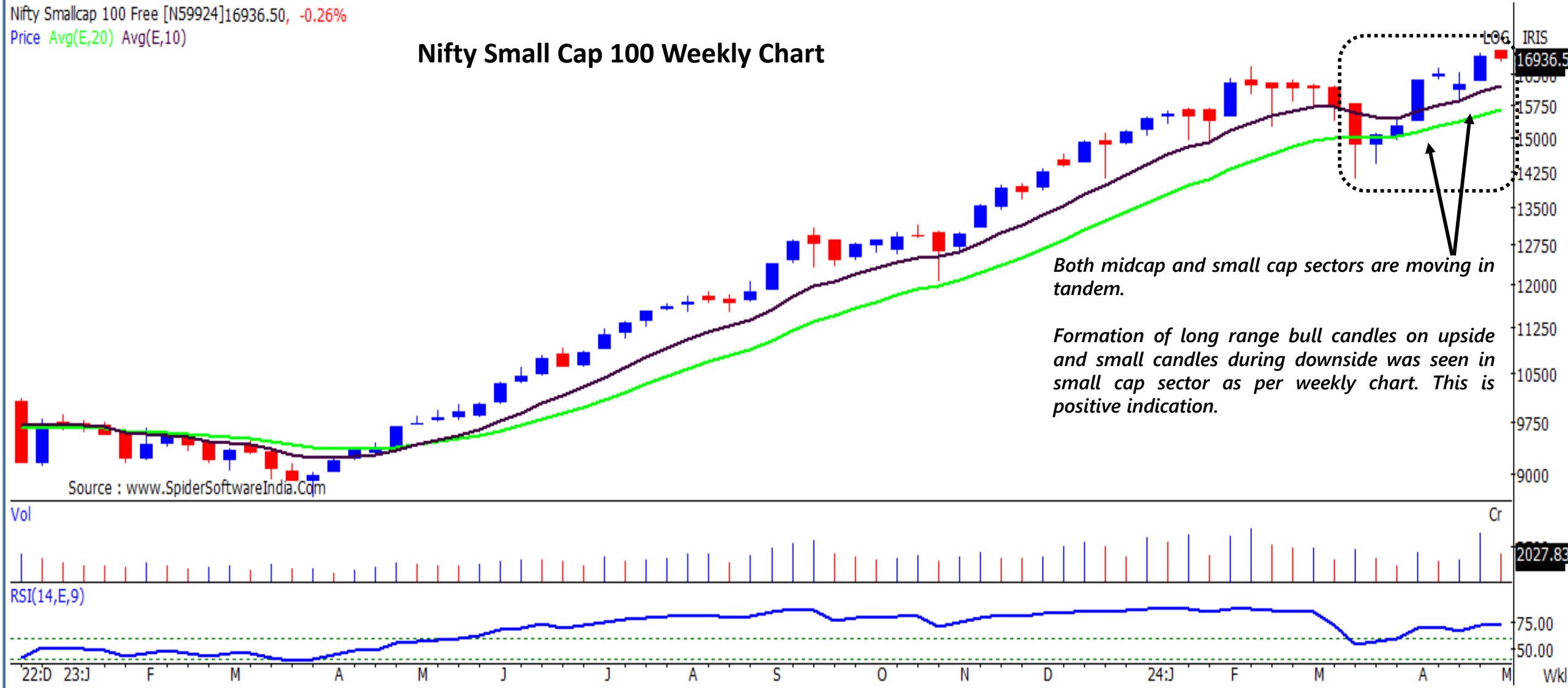
Further consolidation or minor weakness is expected to be a buying opportunity in the midcap stocks ahead.

Source : www.SpiderSoftwareIndia.com

Strengthening of upside momentum was seen in small cap sector. One may look for accumulation in the selective small cap stocks during dip.

Nifty Smallcap 100 Free [N59924] 16936.50, -0.26%
Price Avg(E,20) Avg(E,10)

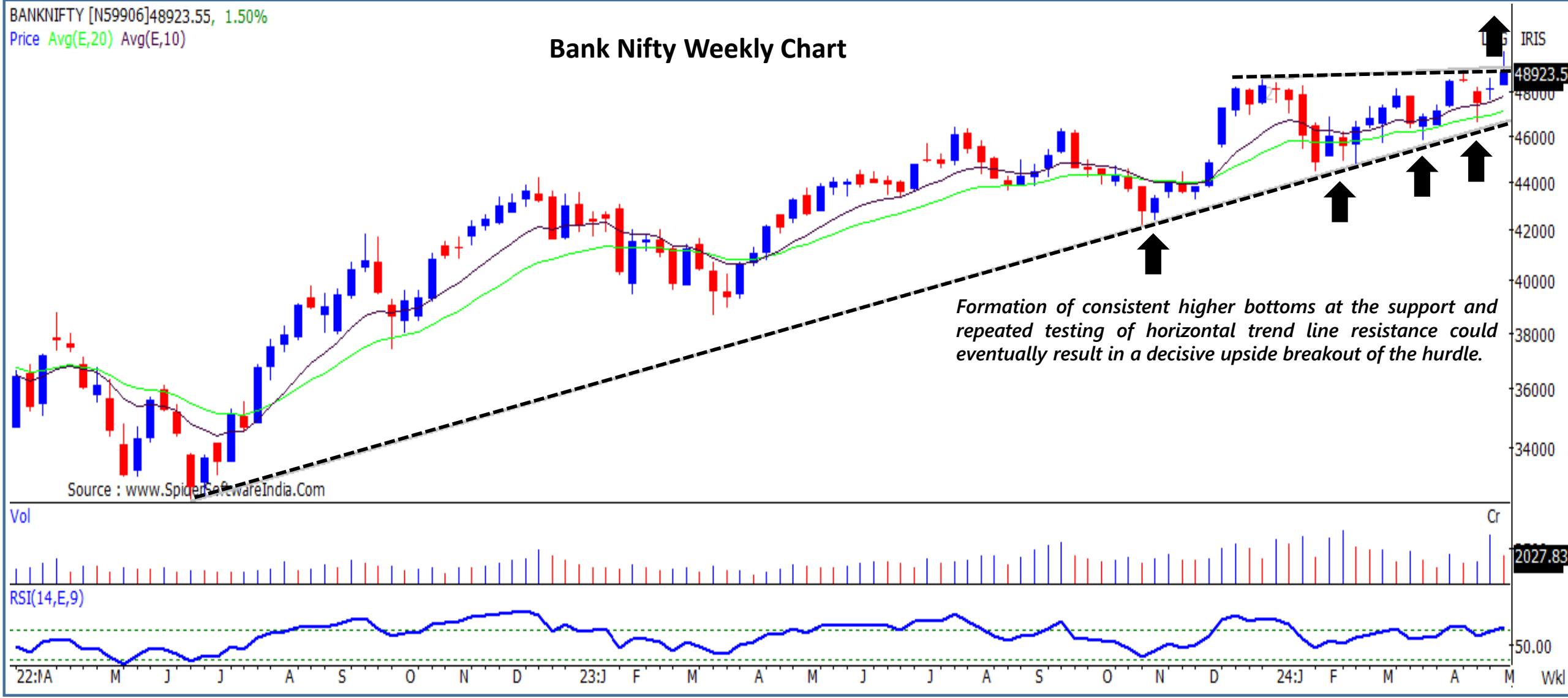
Nifty Small Cap 100 Weekly Chart



Bank Nifty: Placed in an attempt of decisive upside breakout of crucial overhead resistance. Banking stocks could be in limelight.

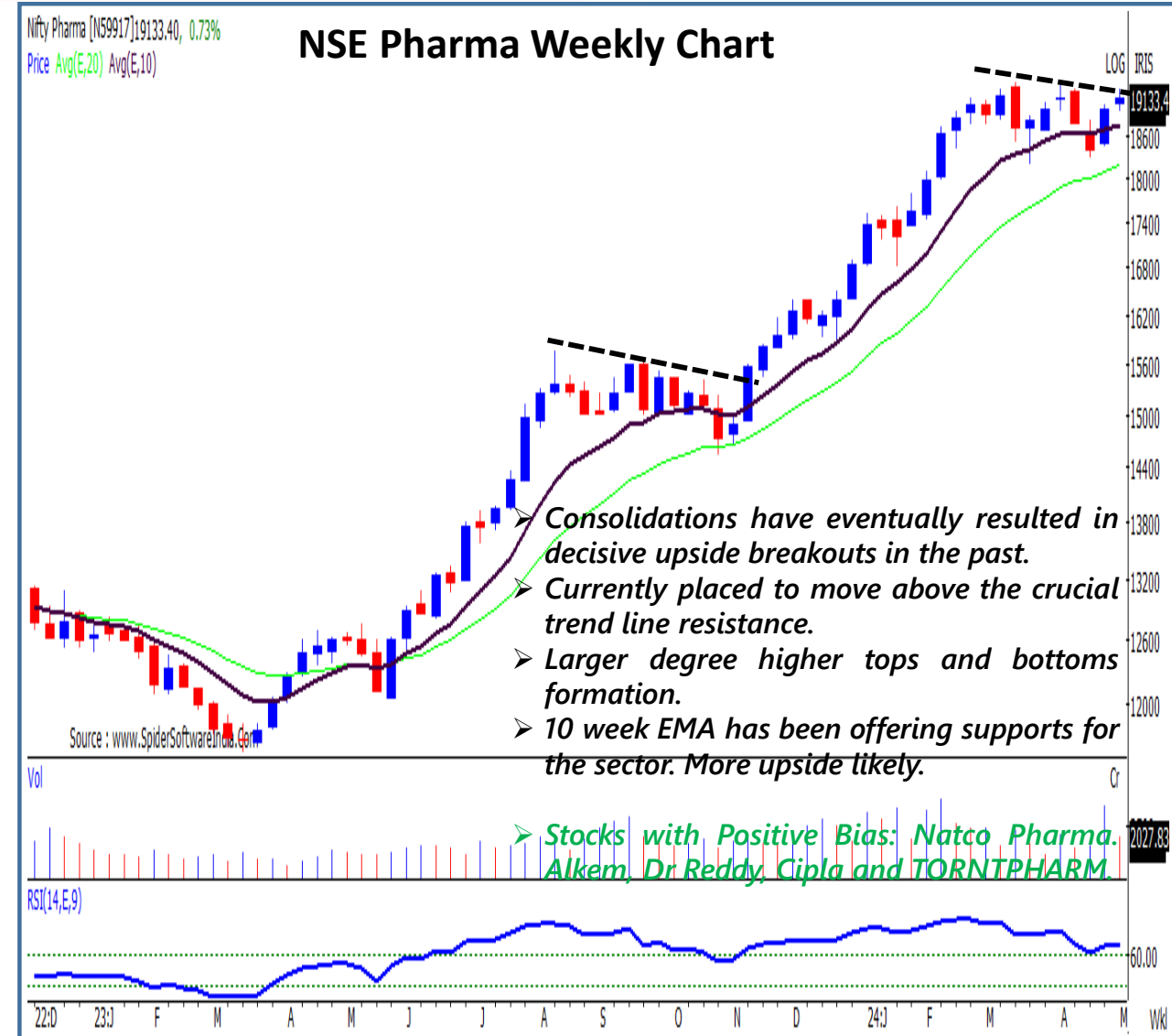
BANKNIFTY [N59906]48923.55, 1.50%
Price Avg(E,20) Avg(E,10)

Bank Nifty Weekly Chart

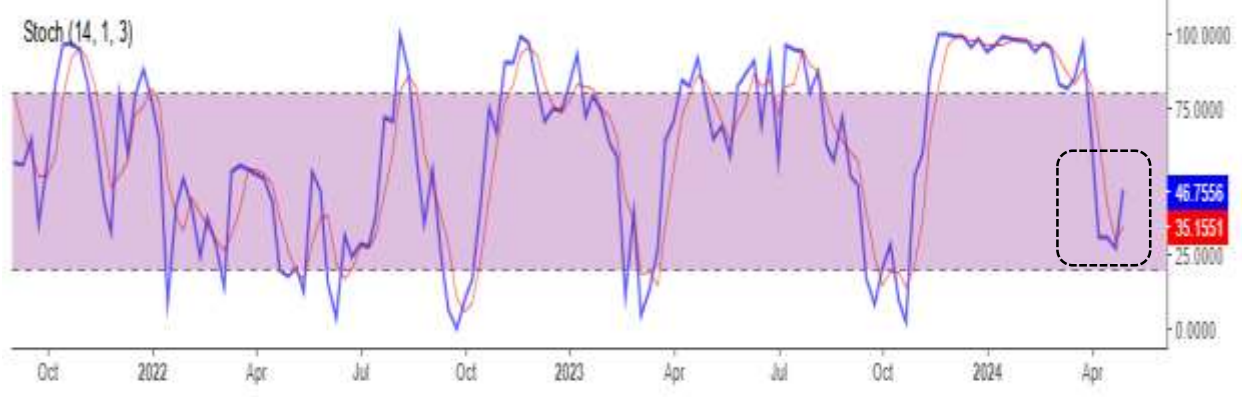
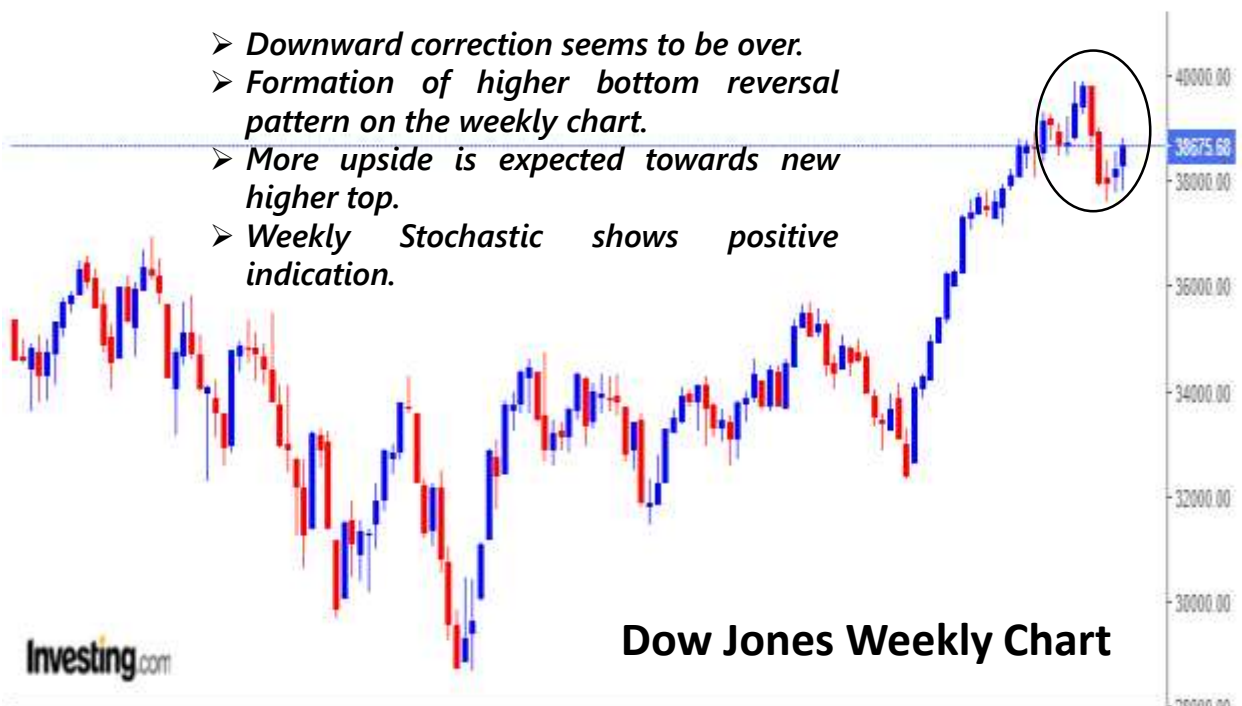


NSE PSE : Sharp upside breakout of key overhead resistance.

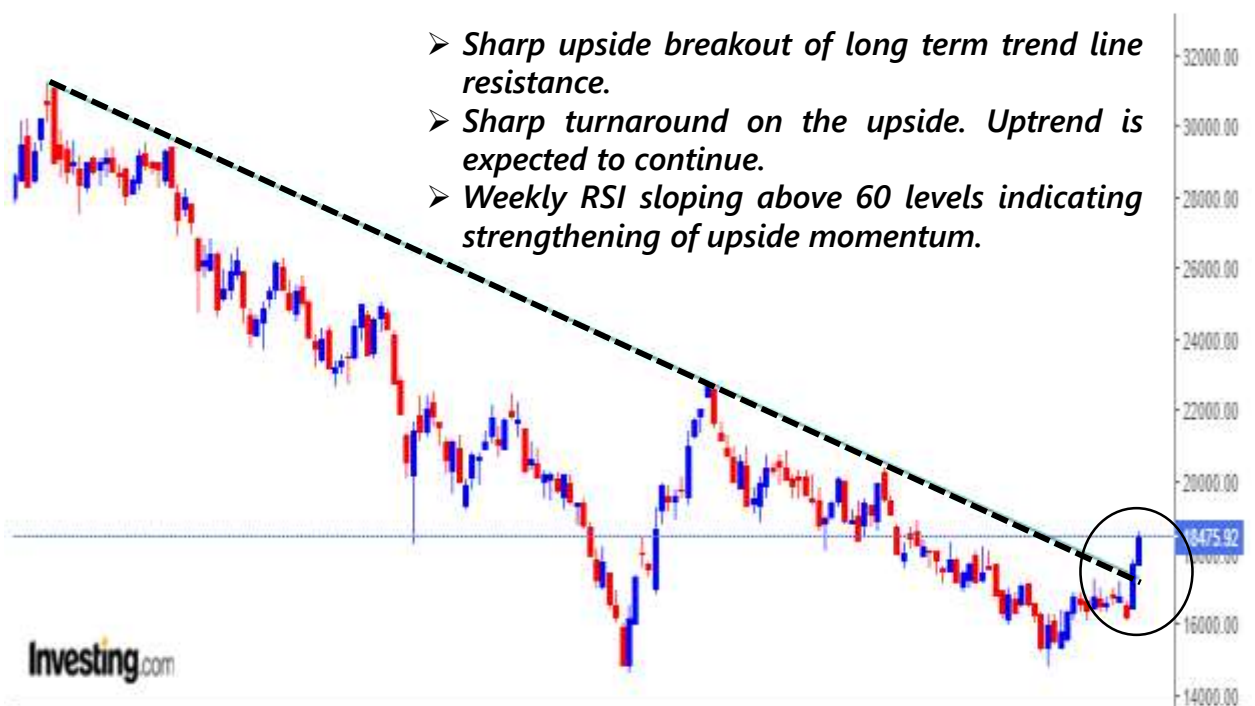
NSE Pharma : Placed at the edge of moving above the hurdle.



- Downward correction seems to be over.
- Formation of higher bottom reversal pattern on the weekly chart.
- More upside is expected towards new higher top.
- Weekly Stochastic shows positive indication.



- Sharp upside breakout of long term trend line resistance.
- Sharp turnaround on the upside. Uptrend is expected to continue.
- Weekly RSI sloping above 60 levels indicating strengthening of upside momentum.



- ❑ After showing range bound action with positive bias recently, the market witnessed sharp reversal on the downside from the all-time highs of 22794 levels on Friday and closed the day lower by 172 points.
- ❑ A long bear candle was formed on the daily chart, that has engulfed the small range candles of the last few sessions. Technically, this pattern indicates a formation of bearish engulfing pattern on the daily chart. But having formed this pattern amidst range movement, the bearish effect of this pattern could be less.
- ❑ The ascending channel is intact and the Nifty is seen reacting down from near the upper end of a channel around 22800 levels.
- ❑ Nifty on the weekly chart formed a long legged doji type candle pattern (type of grave stone doji) at the new highs. Normally, such doji pattern after a reasonable upside bounce alerts indecision/reversal after the confirmation. Hence, some more consolidation or minor dip can't be ruled out in the coming sessions.
- ❑ The range bound action continued in Nifty as per long term chart like monthly. Any intra-month decline is expected to be a buy on dips opportunity, as happened in the past.
- ❑ The broad market indices like midcap 100 and small cap 100 are into consolidation mode. Emerging strength on the upside and minor decline was seen recently. This is positive indication.
- ❑ Bank Nifty was not able to succeed with sharp upside breakout of 49300-49500 levels recently. Further upside bounce is expected from the lows and the index could attempt to retest the hurdles again in the near term.

Market Outlook

- **Nifty encountered hurdle again near 22800 mark and reacted down. Some more consolidations or minor dip is not ruled out in the coming week.**
- **Any consolidation/weakness could find support around 22300-22250 levels. A slide below this support could open more decline down to 21800 in the near term. However, a decisive move above the resistance of 22800 is likely to bring bulls back into action.**
- **The medium to long term uptrend remains intact. Intra-week/intra-month downward corrections are expected to be a buying opportunity, as Nifty could bounce back sharply from the lows.**
- **The upside momentum seems to have picked up in the Bank Nifty recently. We expect banking sector to bounce back from the lows and challenge the hurdles of 49600 again in the near term. Immediate support is at 48650 levels.**
- **The broad market indices like midcap and small cap are in a strong medium term uptrend. Though placed at the highs, still there is no sign of any significant reversal pattern forming. Further consolidations/minor dips could be a buying opportunity for selective midcap and small cap stocks ahead.**
- **Sectorally; Banking, PSU Banking, Pharma, PSE, Metal, Automobile and Realty are expected to outperform in the coming week. While, FMCG, Media, IT and Energy are expected to shift into further consolidation.**

It is advised to remain long in the market towards indices overhead hurdles. Any consolidation or minor weakness down to the immediate supports could be a buying opportunity. One may look to place strict stoploss on trading long positions.

Action Points	Nifty (CMP 22475)	Bank Nifty (CMP 48923)	Strategy to be adapted
<i>Short term trend</i>	<i>Range bound</i>	<i>Range bound</i>	<i>Continue longs with SL</i>
<i>Near to long term trend</i>	<i>Positive</i>	<i>Positive</i>	<i>Look to add more on dips</i>
<i>Immediate supports</i>	<i>22300</i>	<i>48650</i>	<i>Buy on dips opportunity</i>
<i>Near term upside targets</i>	<i>22800</i>	<i>49975</i>	<i>Book partial profits of longs and trail stoploss</i>
<i>Important long term supports for major trend reversals</i>	<i>21750</i>	<i>46570</i>	<i>Exit longs and create shorts on breakdown</i>

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