

## VIEW

Market has mirrored the downswing in global equities which was impacted on concerns over trade war escalation between US & China and zooming VIX overshadowed bullish undertone for the entire week. Further retaliation of china against US tariff can give more pain to the market. As we are approaching to central election outcome, indices could continue to trade with high volatility. Investors should avoid high beta stocks as weakness in the stocks could be severe in the move of unfavourable election result.

**NIFTY-**

- Nifty gave neckline breakdown below its crucial support of 11550 level which will act as key resistance in the coming sessions.
- Index started trading below their respective averages of 20 & 50 DMA's
- The daily strength indicator RSI and the momentum indicator stochastic both are in bearish mode indicate downside move.
- However, thin line of parity which comes in the zone of 11180-11200 can restrict this downswing
- A decisive close below 11180 level could extend the correction to 11000 levels
- While a trade above 11360 can trigger a short- covering rally which may lift the index back to 11550 levels.

## CHART ANALYSIS



## SUPPORT &amp; RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11550	Neck line of Bearish H&S
Resistance 1	11360	Swing high on daily chart
Close	11278	
Support 1	11200	Line of Parity
Support 2	11000	Psychological level

## Banknifty Weekly

13-May-19

## VIEW

Banknifty gave a sharp downward movement throughout last week and closed the week with a net loss of 3.2% over its previous week's close. The selling was witnessed across the board, however Indusind Bank, ICICI Bank, Axis Bank and HDFC Bank lead to a decline.

**OBSERVATIONS:**

- 1) Banknifty has formed an 'Inverted Hammer' pattern on daily chart. It is a candlestick pattern found after down trend and usually taken to be a trend-reversal signal.
- 2) The Stochastic have reached at the oversold zone.

Currently Banknifty is in the profit booking phase and already corrected over 6% from its recent high of 30669.80 made on 18th April 2019. The above observations suggest that some relief rally is very likely from the current level in Banknifty. Therefore traders are advised holding/ initiating long position in the Banknifty by placing stop loss at 28375.

## CHART ANALYSIS



## SUPPORT &amp; RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	30100
Resistance 1	29610
Close	29041
Support 1	28784
Support 2	28375

## VIEW

Fresh trade war between US & China caused a jitters among emerging nation and hampered the rally of Rupee. Lack of negotiation between US & China would hurt India as it will raise india's trade deficit and current account deficit, thereby put pressure on the indian currency over a medium term period.

**TECHNICAL FACTORS-**

- Emergence of bull candle near support zone suggest strength in the pair
- Although it may face resistance near its falling trend line
- Positive crossover in stochastic also conducive for price pattern
- For moving on upside, it has to cross and sustain above 70.30 from where it can extend up to 71 marks
- Strong support lies at 69.28 followed by 69.00 mark

## CHART ANALYSIS



## SUPPORT &amp; RESISTANCE LEVELS

## USDINR LEVEL

Resistance 2	71.00
Resistance 1	70.3
Close	70.02
Support 1	69.28
Support 2	69.00

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