

VIEW

Domestic market went gung ho due to MODI-SUNAMI which waved off 21 opposition parties and achieved a spectacular victory. Stability of govt for coming five year turns market sentiment upbeat as the fear of hung parliament is nullify. Now the political risk has reduced and there would be renewed expectations for more reforms-oriented policy in the areas of disinvestment, GST simplification, labour reforms, ease of doing business and land acquisition. However, the current level of corporate valuation, geopolitical concern such as trade wars, US-IRAN conflict and the progress of monsoon will weigh on market sentiment.

**NIFTY-**

- a) Nifty is trading above its significant moving averages ie 50, 100 and 200 SMA suggest positive bias
- b) Bullish crossover in MACD on daily chart also suggesting the same
- c) Although negative divergence in RSI on daily chart can hinder its upside move
- d) As long as it sustains above 11550, further upside move is expected
- e) Immediate resistance is seen at 11900 above which index can rise till 12200 levels

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	12000	Psychological level
Resistance 1	11900	Near current swing high
Close	11844	
Support 1	11550	Neckline of previous Bearish H&S
Support 2	11425	Peak of previous Gap

VIEW

After giving a gap-up opening, Banknifty continuously rose to make a weekly high of 31705 and closed the week with a net gain of 6% over its previous week's close. The buying was witnessed across the board. However State Bank of India, ICICI Bank and Bank of Baroda were the major gainers during the last week.

**OBSERVATIONS:**

- 1) A gap was made in between 29560 and 30111 in Banknifty.
- 2) Banknifty is trading above 50, 100, 200 DMAs.
- 3) The comparative study between Nifty and Banknifty is showing that Banknifty was relatively stronger than Nifty during the last week (Banknifty rose 5.98% where as Nifty rose just 3.84% during last week)

The above observations suggest that the short term trend of Banknifty is definitely looking positive. So every decline can be use as buying opportunity in the index. The index has left a gap in between 29560 and 30111, so it would be prudent decision to initiate fresh long position in the said range.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	31950
Resistance 1	31706
Close	31212.55
Support 1	30100
Support 2	29550

VIEW

With the election over, market participants will soon set its eyes on the cabinet formation, the forthcoming budget, RBI policy meet and the progress of the monsoon. These events will set the trend for the currency. Pair will remain volatile due to the impending expiry this week. Meanwhile, pair will also take cues from the US - CHINA trade war, global market and crude oil prices.

**TECHNICAL FACTORS-**

- a) Currently, pair has been trading near channel support line which indicate strength in Rupee
- b) Sustainability of RSI below 50 and negative crossover in MACD on daily chart also looking conducive for our domestic currency
- c) On sustaining below 69.35, pair can extend down till 69 and 68.40 mark.
- d) Resistance stands at 70.10 followed by 70.70 marks

**CHART ANALYSIS**



**SUPPORT & RESISTANCE LEVELS**

**USDINR LEVEL**

Resistance 2	70.70
Resistance 1	70.1
Close	69.38
Support 1	69.35
Support 2	68.40

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