

VIEW

There is one proverb in the financial market, "Buy on Rumor, Sell on News", suggest market takes ride on hopes and expectation but when same incident occurs, market reaction are totally different. Previous week, same situation has occurred in Nifty which has crossed 12 k on several news but failed above the same. Despite the events of past week, we expect Bulls can take the charge again and Nifty will reclaim again 12 k as long as it will sustain previous swing low.

NIFTY-

- a) Nifty corrected last week on account of negative global & domestic cues
- b) Formation of spinning top suggest indecisiveness
- c) Moreover, Negative divergence in RSI suggest cautious approach as this lead to intermediate bouts of selling pressure at higher levels
- d) But line of parity where previous resistance become support indicate the possibility of pullback on till 12050-12100 zone. Above this, it can extend up to 12200 and 12350 levels
- e) Though negative divergence prevails in RSI but it took support from the level of 50 and if it started trading above 70 then this will create positive sentiment in the market
- f) As long as index nifty sustains above 11750-11800 zone, above views will remain intact
- g) While if this mentioned support zone will taken decisively then we will see fresh selling of pressure set of selling kicking in that will result into chaotic sell off towards 11660 level on down side

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	12200	138.2% External Retracement
Resistance 1	12050	Near Peak
Close	11870	
Support 1	11750	Key Base
Support 2	11660	Previous swing low

Banknifty Weekly

10-Jun-19

VIEW

In line with our expectation Banknifty has shown some weakness last week. The index has lost nearly 1% over its previous week's close. PSU banking stocks were the main catalysts to drag the index lower. Bank of Baroda, State Bank and Punjab National Bank were the major losers during the week.

OBSERVATIONS:

- 1) Banknifty is trading above 50, 100 & 200 DMAs
- 2) Negative divergences were witnessing both in RSI and Stochastic.
- 3) A gap was made in between 29560 and 30111 in Banknifty.

According to the above observations it can be concluded that the short term and medium term trend of Banknifty is definitely looking positive as the index is maintaining above all the major DMAs (50, 100, 200). However formation of negative divergences both in RSI & Stochastic are indicating for some profit booking in the near future. In the profit booking process the index may fill the gap of (29560 - 30111) which was left on 20th May 2019.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	31950
Resistance 1	31785
Close	31067
Support 1	30100
Support 2	29550

VIEW

Falling crude oil prices augurs well for our current account deficit, easing pressure from its fiscal books and helping rupee to move higher but trade war jitter & global economic slow down are fanning worries of an approaching recession are trouble for domestic currency. RBI cut the interest rate and changed the stance from, "Neutral to Accommodate", which means rate hike probability is zero until stance has not change and going forward we can expect either pause or rate cut in RBI policy which also can become booster for our rupee.

TECHNICAL FACTORS-

- a) Currently, pair has been trading below 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) A close below 69 will push the pair lower till 68.40 mark where next support is seen
- d) Resistance remains the same at 70.10 followed by 70.70 marks

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	70.70
Resistance 1	70.1
Close	69.35
Support 1	69
Support 2	68.40

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