

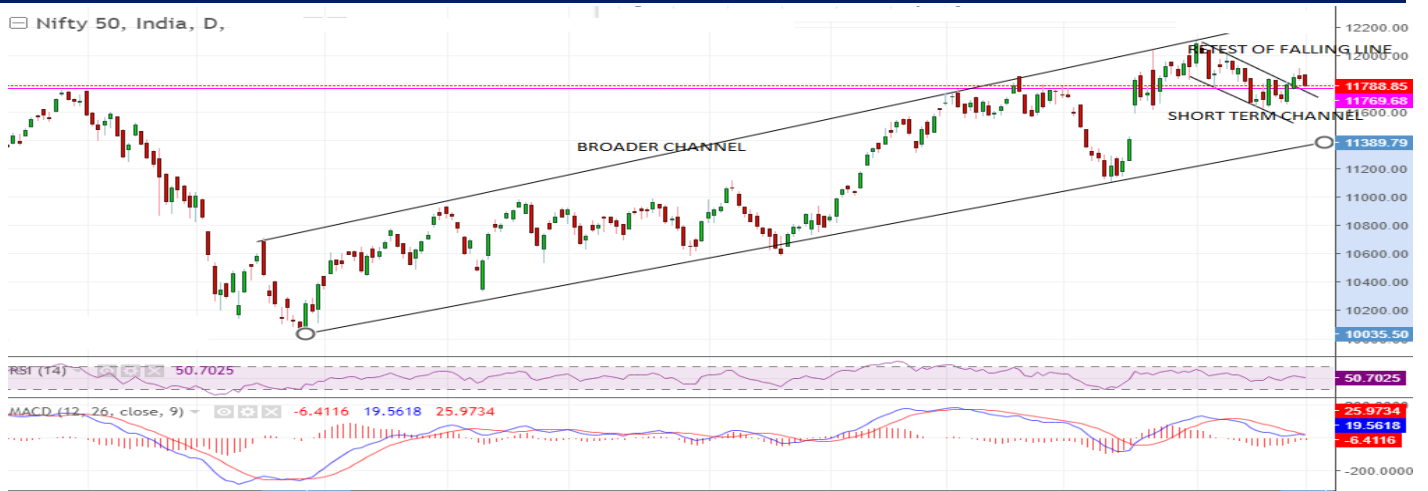
VIEW

Domestic market seems to be in hibernation mode after trading at record levels in the month of June series. Indices has consolidated a bit after the euphoria of elections got over. Over the last few weeks, market has digested positive as well as negative news. Due to this, Indices is headed nowhere and closed with mild gains on a weekly note. Trader rollover their bullish bet to the July series but the optimism was relatively muted because of geopolitical tensions and delayed monsoon. In coming week market participants are focused on the outcome of G-20 summit and announcement of sops in the upcoming budget.

NIFTY-

- a) Before bouncing back towards 11900 levels, index retested its key 50 DMA's many times
- b) Nifty failed to keep momentum after giving breakout from falling channel line and formed evening star on daily chart suggest caution in coming week
- c) Negative divergence in RSI imply lack of strength and we also have seen some contraction in MACD Histogram indicates sideways consolidation.
- d) However, prices can find support while retesting of falling trendline near 11755 from where possibility of bounce back arises
- e) With the above mentioned support of 11755, Nifty can see a bounce back towards 11910 and 12000-12050 levels
- f) 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	12000	Psychological levels
Resistance 1	11910	Peak of Evening star
Close	11788	
Support 1	11750	Key Base
Support 2	11660	Previous swing low

VIEW

In line with our expectation Banknifty gave a good pullback rally throughout last week and closed the week with a net gain of 1.6% over its previous week's close. The rally was come mainly because of the oversold position of Stochastic. The buying was witnessed across the board. However Axis bank, State Bank and PNB were the main catalysts to close the index at higher level.

OBSERVATIONS:

- 1) Banknifty is moving in (30110-31784) channel since last 20th May 2019
- 2) Banknifty is currently trading above 50, 100 & 200 DMAs.
- 3) The gap in Banknifty is still left in between 29559 & 30111.

According to the above observations it can be concluded that the short term and medium term trend of Banknifty is looking positive as the index is trading above all the major DMAs (50, 100, 200). However in the extreme short term the index is likely to give some range bound movement in (30110-31784) channel. In the last week we did not find any indication of breakout/ breakdown of the said channel. So at this juncture trading would be the prudent strategy. Therefore we recommend initiating fresh long position in Banknifty near the lower band of the channel and short near the upper band of the channel.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	31784
Resistance 1	31420
Close	31105
Support 1	30590
Support 2	30110

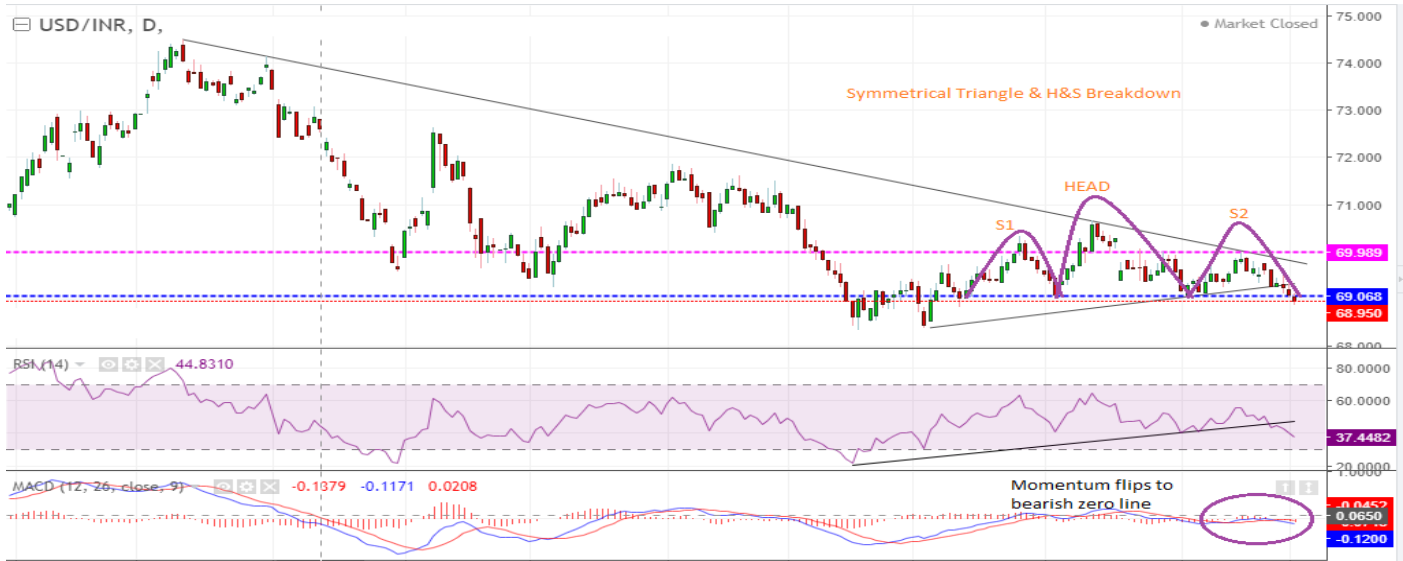
VIEW

The sharp inflows from FPIs in the last couple of weeks have given a leg up to the INR. The rupee decisively strengthened beyond the 69 mark as FPI pumped billion of dollars in last 14 days of trading. Exporters have also been aggressively bringing back dollars into india and FPI buying is expected to continue on the back of the positive outcome of G-20 and expected union budget of 2019.

TECHNICAL FACTORS-

- a) Currently, pair has given breakdown from symmetrical triangle and Head & Shoulder pattern imply further strength in the domestic currency
- b) Rising trendline breakdown in RSI along with the momentum in MACD which flipped below bearish zero line are also looking conducive for indian rupee.
- c) A close below 69 will push the pair lower till 68.40 mark where next support is seen
- d) Resistance stands at 70 followed by 70.65 marks

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	70.65
Resistance 1	70
Close	68.95
Support 1	68.8
Support 2	68.40

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
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