

VIEW

Domestic market tumble more than 2.5% in this week as Finance minister remained firm on tax for FPI's and dismissed the argument that the proposed hike in tax on super rich would spook foreign portfolio investors. Subdued first quarter result, slow consumption and overpriced valuation dampened the sentiment of buying among the bulls. Market seems to have entered a long and protracted corrective phase which will test the patience of the investors in coming days. Only the FED rate cut and excellent corporate numbers might ease the current rout but eventually there will be disappointment. However in coming week, market participants will take cues from US Federal reserve policy meeting, progress of monsoon and quarterly results of various companies.

**NIFTY-**

- a) Index has broken of its key support in term of technical levels and thus the internals of the market are also deteriorating day by day.
- b) Bearish Flag breakdown are not looking augur well for Index.
- c) Sustainability of RSI below 50 also not favouring the price pattern
- d) Currently, Nifty is trading below 20, 50 and 100 DMA's suggest downside move will continue
- e) If index sustains below 11390- 11360 zone , then selling pressure will increase and prevailing negative condition could add to the woes pushing Nifty to test 11295 (38.2% Fibonacci retracement) and 11125 (200 DMA) on lower side.
- f) Resistance stands at 11640 and 11710 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11710	Peak of Evening STAR
Resistance 1	11640	Current swing high
Close	11419	
Support 1	11295	38.2 % Retracement
Support 2	11130	200 DMA

VIEW

In line with our expectation Banknifty gave a sharp correction last week and closed with a net loss of 2.7% over its previous week's close. Selling pressure was witnessed almost across the board. However ICICI Bank, Axis Bank and Indusind bank lead to a decline.

**OBSERVATIONS:**

- 1) Banknifty has started filling process of its 'Most Awaited Gap (29559 - 30111)' last week.
- 2) A positive divergence is witnessing in Stochastic.
- 3) RSI reached at oversold zone.

According to the above observations it can be concluded that the Banknifty is very near to complete its bottoming out process. The position of RSI and Stochastic are clearly indicating that the recovery process will start very soon. So aggressive traders are advised not to initiate fresh short position in the index and the positional traders may accumulate Banknifty in 2-3 phases (in 29700-29100 zone) by placing stop loss at 28498 (closing basis).

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	30910
Resistance 1	30320
Close	29770
Support 1	29160
Support 2	28500

VIEW

Domestic currency snapped three day losing streak to get close 17 paise higher at 68.80 against the dollar on Friday as market participants expecting a more aggressive policy easing by the US FED. Rupee along with the most Asian currencies, strengthened following dovish comment from FED officials, offsetting the impact of higher crude oil prices amid global tension in the middle east.

**TECHNICAL FACTORS-**

- a) USDINR pair has bounced back from our mentioned support of 68.30 mark.
- b) This bounce back can find resistance near 69.10 mark where falling trendline is seen
- c) From there it can retest its previous support of 68.30 and 68 marks
- d) As long as pair will hold below 69.10 followed by 69.70 mark, selling pressure will continue to exist.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL	
Resistance 2	69.70
Resistance 1	69.1
Close	68.85
Support 1	68.3
Support 2	68.00

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