

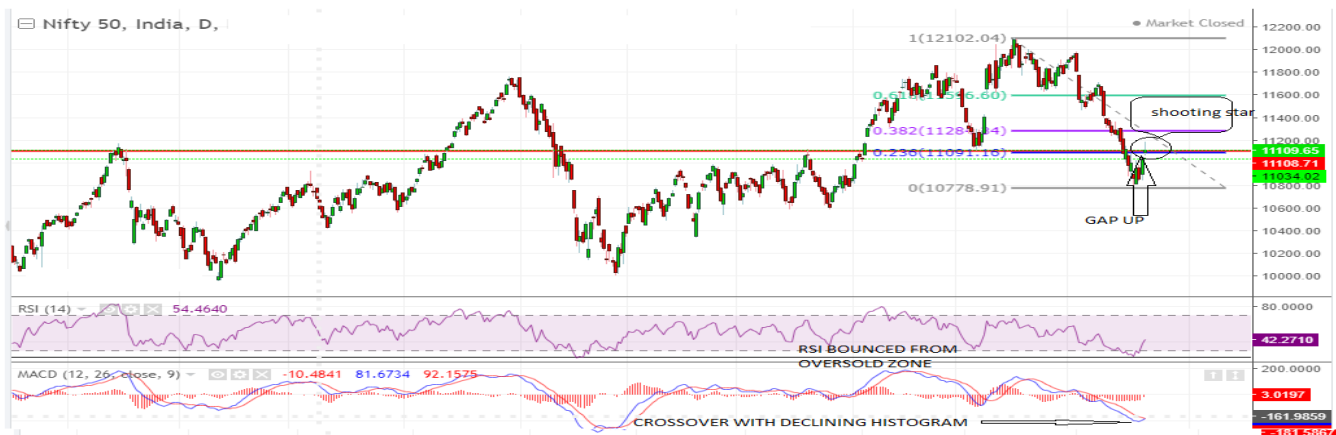
VIEW

In line with our previous weekly projection, where we observed bullish **Cypher pattern** on daily chart and claimed that market was trading near **crucial support zone**. Domestic market followed the same and **bounced back from the bottom**. Rollback proposal in tax for FPI's and 35 bps rate cut from RBI boosted the positive sentiment in the market after five weeks of continuous decline. As of now, market is hanging near key resistance levels and a positive decision on FPI's taxes from finance department can give follow thru buying which help market to surpass their key resistances. Due to truncated week, we do not expect any significant directional move and we suggest that it would be prudent to wait for confirmation before taking direction on either of side.

Technical Outlook-

- a) Index was able to give pullback from **100 week SMA** and **61.8% fibonacci retracement** of the mentioned leg
- b) It **violated the formation** of lower tops and lower bottoms on daily chart
- c) Bouncing RSI from oversold region and **positive crossover in MACD** with declining histogram showing positive implication
- d) On the flip side, formation of **shooting star near 200 DMA's** with **line of parity** will act as stiff resistance and follow thru buying is needed to surpass the same
- e) In coming sessions, Bears will try their level best to fill the Gap and Bulls will try to **defend the base of Gap up opening** of Friday's session.
- f) If index manage to stay **above 200 DMA** which comes in the zone of **11160-11170**, we may witness a further rally towards 11285 (38.2% Retracement) and 11595 (61.8% Retracement) which is our first and second target of our Bullish Cypher pattern
- g) While a hold below **11050 level** could drift the index towards its strong support zone of **10860-10800**

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11285	38.2 % Retracement
Resistance 1	11165	200 DMA
Close	11109	
Support 1	11050	near the bottom of Shooting star
Support 2	10860	100 WMA

VIEW

After opening with a red session, Banknifty fell to make a weekly low of 27389.50 on the first day of last week. However it was unable to maintain at the lower level and started to give pullback from the next day. At the end of the week Banknifty closed at 28431.90. It had a net gain of 0.9% over its previous week's close.

OBSERVATIONS:

- 1) Banknifty closed just over 200 DMA.
- 2) Banknifty is facing a stiff resistance near the downward sloping trend line.
- 3) A positive divergence was witnessed in Stochastic.

According to the above observations it can be concluded that the Banknifty has witnessed some pullback rally last week due to the formation of positive divergence in Stochastic. However currently the index is facing a stiff resistance near the downward sloping trend line. A successive move above the trend line (28995) would indicate the reversal of current downtrend and in that case Banknifty will go higher to 29580 and then 30500 in the short term.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	28995
Resistance 1	28860
Close	28432
Support 1	28069
Support 2	27380

VIEW

China altered its currency by pegging the yuan below 7 to a dollar and the impact of which is felt by financial assets across all over the world. Currency depreciation is in retaliation to trade tariffs, seeking to maintain export competitiveness which added volatility to emerging market currencies, making global investors even more wary of emerging market equities. Dollar denominated indices of indonesia, malaysia , south koria and India already slipped into negative territory for 2019 after china's historic currency decision. Further weakness in yuan could impact dollar denominated currencies in the coming days.

TECHNICAL FACTORS-

- a) Trendline breakout along with bullish belt hold candle on weekly chart showing no respite for Rupee in coming days
- b) Positive crossover in MACD in negative zone implying further weakness for indian currency
- c) As of now, support is shifted higher at 70.10 followed by 69
- d) On crossing and sustaining above 71.20 mark, it can extend up to 71.85 and 72 mark

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	71.85
Resistance 1	71.2
Close	70.92
Support 1	70.1
Support 2	69.00

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