

VIEW

Due to curtailed week, we did not see much movement in the indices but they were able to hold their key supports firmly which gives insight of positive biasness. Bulls got sigh of relief after 1000 points of downswing when Govt indicated to take some revival steps for the economy. This past week domestic market is haunted by fears of global recession due to US inverted yield curve which is seen in the 10 year and 2 year treasury bonds. Any negative news can hurt our market sentiment but the chances of that are very low currently as our domestic market are gradually becoming resilient as it has digested all negative news in its adversaries.

Technical Outlook-

- Formation of multiple doji near the key support at the base of Inverted Flag pattern suggest positive bias as decline has bought and Nifty has seen smart pullback on upside
- Nifty is gradually moving towards our first target of Cypher pattern which we mentioned in our previous report
- As of now, follow thru buying is needed **above 200 DMA** which comes in the zone of **11160-11170**, then after 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
- On the flip side, **bearish flag breakdown** is expected below 10900 levels from where it can slip down till 10800- 10780 levels on down side

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11285	38.2 % Retracement
Resistance 1	11165	200 DMA
Close	11047	
Support 1	10900	Base of bearish Flag Pattern
Support 2	10780	Previous swing low

VIEW

After opening with a red session, Banknifty fell to make a weekly low of 27683.50 on the first day of the last week. However it was unable to maintain at the lower level and some recovery was witnessed in next couple of trading days. At the end of the week Banknifty closed at 28217. It had a net loss of 0.85% over its previous week's close.

OBSERVATIONS:

- 1) Banknifty is trading below 200 DMA.
- 2) Banknifty is approaching near its trendline support areas (shown by the upward sloping line on the monthly chart).

According to the above observations it can be concluded that the immediate trend of the Banknifty is looking weak as the index is trading below 200 DMA. However it is currently consolidating near its multi year trend line support areas (26400-26800 zone). So the major downside is very unlikely in the index. On the higher side 28995 would act as short term strong resistance of the index and a successive move above 28995 would indicate the reversal of current downtrend and in that case Banknifty will go higher to 30500 and then 31400 in the short term. Therefore we recommend initiating fresh long position in Banknifty either in (26400-26800 zone) or only above 28995.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	28995
Resistance 1	28860
Close	28217
Support 1	28069
Support 2	27380

VIEW

In line with our analysis of previous week, USDINR pair is looking firm and Rupee was traded under pressure on stable dollar and lower risk appetite. Rapid escalating US CHINA trade tariff will continue to roil Rupee. Trade war between US & China has sent the riskier assets on a downward spiral, with investors taking shelter of the safe haven assets . Volatility in forex market will continue until the US-CHINA trade war will cool off.

TECHNICAL FACTORS-

- a) Formation of shooting star near 61.8 % fibonacci retracement on weekly chart suggest halt in the upside momentum of pair
- b) But indicators and oscillators are looking remain firm on upside which can give support in coming sessions
- c) To carry forward this upside momentum, pair has to cross and sustain above 71.80-72.10 zone from where it can inch forward toward 72.60 and 73
- d) However, A break below 70.84 can push lower towards 70.10 and 69.70 mark on downside

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.10
Resistance 1	71.8
Close	71.15
Support 1	70.84
Support 2	70.10

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