

VIEW

The most awaited policy for boosting market sentiment has come on Friday in which FM announced a slew of measures including a rollback of the surcharge on FPI's to perk up consumer demand and investments, no angel tax for startups and immediate infusion of 70kcr into PSB. Although these measures can stimulate market to some extent but feeble global cues due to US-China trade war can add some negativity in this celebration. Going ahead, global cues play a vital role in giving the direction to the Indian market.

NIFTY-

- a) Index gave symmetrical triangle breakdown on daily chart and breached all major support
- b) But some relief has seen on Friday as Nifty formed piercing line pattern on daily chart as it gave a decent pullback from its low
- c) Positive divergence in RSI and declining histogram in MACD suggest this pullback can further extend
- d) On crossing above 10910 level, it can extend up to 11015 (20 DMA) and 11200 (200 DMA)
- e) Although the sustainability of this pullback is questionable till it holds below 20 and 200 DMA's
- f) Failure to cross and sustain above 10910 can see a slip back till 10620 and 10580 levels on down side

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11015	20 DMA
Resistance 1	10910	Top of Bearish Belt hold
Close	10829	
Support 1	10620	Previous swing low
Support 2	10580	Line of parity

VIEW

Inline with our expectation, some sell-off was witnessed in Banknifty throughout last week. At the end of the week the index closed with a net loss of 4.4% over its previous week's close. The selling was witnessed across the board, however State Bank, ICICI Bank and Punjab National Bank lead to a decline.

OBSERVATIONS:

- 1) Positive divergence on RSI was formed on the daily chart of Banknifty.
- 2) Banknifty has entered into its strong support area of 26400-26800 zone.

As we discussed earlier that (26400-26800) zone is a multi-year support area of Banknifty and the index has entered into that zone. We believe, it would not be so easy for the index to close below 26400 in the short term. On Friday, we have seen first leg of pullback in Banknifty. The formation of positive divergence on RSI is also indicating of some more upward rally in the extreme short term. Therefore we recommend initiating fresh long position in Banknifty at the current level by placing a stop loss at 26400 (closing basis). The short term targets are 27700 and then 28250.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	28255
Resistance 1	27710
Close	26959
Support 1	26560
Support 2	26400

VIEW

Rupee had plunged to an over eight month low of 71.81 on thursday amid falling equities and incessant foreign fund outflows. Local unit faced selling pressure in the past week and depreciated against the dollar for the last seven consecutive weeks. We expect halt in the upside of USDINR pair due to easing crude oil prices and surge in the equity market.

TECHNICAL FACTORS-

- a) Formation of Bearish engulfing near 61.8 % fibonacci retracement on weekly chart suggest halt in the upside momentum of pair
- b) RSI started tilting from an overbought zone and negative crossover in MACD implying strength in the coming sessions
- c) To carry forward this upside momentum, pair has to cross and sustain above 72.10 mark from where it can inch forward toward 72.60 and 73
- d) On crossing below 71.30 mark, it can extend down till 70.84 and 70.40

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.60
Resistance 1	72.1
Close	71.51
Support 1	71.3
Support 2	70.84

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