

### VIEW

Domestic market started this sep series on weak note but tried to recoup its losses in the last two days of this week. Poor GDP data and muted auto sales number weighed on market sentiment but easing trade tension between US - China helped market to end on a positive note. After few weeks decline, indices has entered in a sideways zone and created a topsy turvy situation for the traders. We are still sustaining below key moving averages and any further pullback is likely to fizzle out once the market will reach to its long term moving averages.

#### Technical Outlook-

- Nifty remained volatile in the truncated week but clawed back above 10900 levels
- Formation of **Inverted head and shoulder** is still running and as long as index sustain above 11780 level, this formation will remain intact
- Emergence of **Hammer on weekly** chart indicate bullish bias in this coming week
- Index can retest the neckline of 11150- **11200 (200 DMA's)** zone where it can face resistance
- Fresh buying is only expected above 11150- 11200 zone till then nifty will consolidate further
- Downside support lies at 10780 followed by 10635

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11200	Near 200 DMA
Resistance 1	11150	Neckline of H&S
Close	10946	
Support 1	10780	Low of Left Shoulder of H&S
Support 2	10635	Previous swing low

VIEW

Banknifty gave a rangebound and choppy movement throughout last week and closed the week with a net loss of 0.7% over its previous week's close. ICICI Bank was the major loser during the last week and it closed with a net loss of 4% while the other banking stocks remain subdued.

**OBSERVATIONS:**

- 1) Banknifty has found a strong support in (26500-26389) zone. It can be treated as multi-year support zone of the index.
- 2) Positive divergence in RSI still exists on the daily chart of Banknifty.
- 3) Double bottom was formed on daily chart.

Banknifty was unable to breach 26500-26389 zone and rebound strongly from that level. It is the short term trend deciding level for the index. A successive closing below 26389 may cause more damage in Banknifty in the near future. However currently its probability is very low as a positive divergence exists in RSI on the daily chart. So the near term bias of Banknifty is looking positive. Therefore we recommend holding long position in the index by placing stop loss at 26389 (closing basis). On the higher side some crucial resistances are 27740 and 28605. A successive move above 28605 would indicate the reversal of current downtrend and in that case Banknifty will go higher to 30500 and then 31400 in the short term.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	28605
Resistance 1	27740
Close	27248
Support 1	26500
Support 2	26389

VIEW

Rupee traded with a mixed bias tracking the uplift in global risk appetite. Globally equity market is trading higher as political crisis in Hong Kong has eased along with US-China agreeing on holding trade talks in Oct. Currently, market participants are reacting to trade deal optimism however unless US-China agrees on a deal, Rupee along with other emerging currencies will remain under pressure.

**TECHNICAL FACTORS-**

- a) Occurrence of shooting star with long shadow near 61.8% fibonacci retracement on weekly chart suggest pause in the upside momentum
- b) Although pair posted a 10-month high showing strong trend in the recent month but currently we are witnessing a distribution pattern indicating a loss of momentum
- c) On sustaining below 71.45, an immediate support, it can extend down till 70.90
- d) Failure to cross and sustain below 71.45, it can retest its previous swing high of 72.60 and 73 levels

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	73.00
Resistance 1	72.6
Close	71.64
Support 1	71.45
Support 2	70.90

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Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkagarwal@narnolia.com](mailto:mkagarwal@narnolia.com), Contact No.:033-40541700.

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