

VIEW

After going to & fro between gains and losses, domestic market tried to find out direction in northward side amid hopes of another rate cut by RBI along with the de escalation of trade war between US - China which lent further support. Softening crude oil prices was another factor which propped positive sentiment among market sentiment. Indian market also joined the global market which is trading near their six week high on the back of positive global cues. As long as indices hold their previous swing low, bias will remain positive.

Technical Outlook-

- a) Nifty recouped its early losses and closed above 11k
- b) Formation of **Inverted head and shoulder** is still running and as long as index sustain above 10780 level, this formation will remain intact
- c) Emergence of **long bull candle** on weekly chart suggest bullish bias in coming week
- d) Index can retest the neckline of 11150- **11200 (200 DMA's)** zone where it can face resistance
- e) Fresh buying is only expected above 11150- 11200 zone (200 DMA's) till then nifty will consolidate further. While crossing above the same, it can extend gain up to 11310 level.
- f) While support is shifted higher towards 10885 followed by 10780 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11200	Near 200 DMA
Resistance 1	11150	Neckline of H&S
Close	11080	
Support 1	10885	Low of long Bull candle
Support 2	10780	Low of Left Shoulder of H&S

VIEW

In line with our expectation Banknifty continued its upward rally throughout last week and closed the week with a net gain of 3% over its previous week's close. The buying was witnessed across the board. However State Bank of India, ICICI Bank and Indusind Bank were on the buyers' radar.

OBSERVATIONS:

- 1) Banknifty gave a bullish breakout of 'Symmetrical Triangle' pattern on daily chart.
- 2) Banknifty has rebound from its multi-year support zone of (26500-26389).

According to the above observations it can be concluded that the near term trend of Banknifty is looking positive. The index has given a bullish breakout of 'Symmetrical Triangle' pattern last week and the pattern target of the index is 29600. On the upward path Banknifty may find some resistances at 28605 and then 28980. Therefore we recommend holding / initiating long positions by placing stop loss at 27380 (closing basis)

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	28605
Resistance 1	28315
Close	28099
Support 1	27551
Support 2	27380

VIEW

Easing trade tension between US & China and stimulus package announced by ECB had given some relief to Rupee due to this pair faced stiff resistance from its previous swing high which helped Rupee to gain 80 paise during the week. Further gain in Rupee going ahead are expected to be limited as the news came on Saturday that Houthi rebels in Yemen deployed 10 armed drones which hit two large Saudi Aramco oil facilities causing massive fires which resulted in production suspension of 5.7 million barrels of crude oil per day. This escalated tensions could continue to induce high volatility among the currencies of emerging nation from which even Rupee can not escape.

TECHNICAL FACTORS-

- a) Emergence of bearish candles near 61.8% of Fibonacci retracement from the low of 63.25 to the high of 74.49 mark suggest negative sentiment for pairs
- b) But Gap up opening is expected on the back of global news.
- c) However, pair is going to face stiff resistance near 72.45-72.60 zone while sustainability above the same can weaken the rupee till 73 mark
- d) A decisive break below 70.84 can push down towards 70.10 and 69.70 mark on downside

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.60
Resistance 1	72.1
Close	70.98
Support 1	70.84
Support 2	70.10

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