

### VIEW

Finance Ministry's economy boosting announcements, lifted sentiment in another week and Nifty managed to close above strong psychological levels of 11500 after trading lower for almost 2 months. Recent sharp bounce towards 11700 levels also achieved the target of doublebottom pattern which had given a breakout around 11150 marks. As long as indices hold their previous swing low, bias will remain positive. Benchmark Index is inching forward slowly and steadily and it has managed to sustain above short term moving average 20 DMA last Friday showing good strength in current up move and one can opt for buy on dip strategy. Finally Nifty gave a breakout after trading in a zone of 400 points for last 40 days; however Bollinger band has also given a volatility break out recently which has added additional strength in the current up move further.

### Technical Outlook-

- Nifty recouped its early losses and closed above 11500
- Breakout of **Inverse head and shoulder** has achieved a target of 11500 marks.
- Emergence of **doji candle** on weekly chart suggest neutral bullish bias in coming week
- Index tested 61.8 % retracement (11550) of entire fall from 12103-10637 where it can face resistance.
- While support is shifted higher towards 11150-11200 levels.
- Nifty is sustaining above 100 week SMA (10450) indicating mid-term positive trend intact.

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11700	Previous high
Resistance 1	11666	Near 100 DMA
Close	11517	
Support 1	11150	Line of parity
Support 2	11000	strong psychological levels

VIEW

After opening with a green session, Banknifty rose to make a weekly high of 30801 on the first day of the last week. However it was unable to maintain at the higher level and some correction was witnessed in next couple of trading days. At the end of the week Banknifty closed at 29876. It had a net gain of 3.10% over its previous week's close.

**OBSERVATIONS:**

- 1) Banknifty filled the gap of '29419-29776' which was made of 23rd September 2019.
- 2) Banknifty getting a strong support at 100 DMA.
- 3) A negative divergence was formed on the Stochastic of the daily chart.
- 4) Banknifty is trading above 50, 100 & 200 DMAs.

According to the above observations it can be concluded that the short term trend of the Banknifty is definitely looking positive as it is trading above all the major DMAs (50, 100 & 200). However formation of negative divergence on the Stochastic is giving indication of some profit booking in extreme short term. On the lower side 100 DMA (currently is at 29473) would act as a key support of the index. If Banknifty is able to maintain below this level, some profit is likely to take the index further lower to 28830. Therefore we recommend holding existing long positions in Banknifty by placing a stop loss at 100 DMA (closing basis)

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	30870
Resistance 1	30165
Close	29876
Support 1	29470
Support 2	28830

VIEW

The week saw USDINR weaken with new coming in of US lifting sanctions on Iran, which is a current account positive for India. The strength though would be tested with Bond Yield showing signs strength on fears of increased fiscal deficit. Technically this week would see long term structures coming into play which we think would prove to be bullish for USDINR provided the support of 70 is held. The weekly moving averages are stacked in order indicating that long term uptrend is intact and support should kick in at lower levels.

We have a bullish outlook for USDINR this week, and dips in the range of 70.30-70 should be used to on long positions for a rally towards recent swing high.

**TECHNICAL FACTORS-**

- a) Overall in a bullish structure in the longer time frame; this is a corrective swing in the uptrend that started from 68.50 levels to 72.45 levels.
- b) Weekly momentum RSI is at 57.8, above the bullish 50 zone.
- c) Significant long term Support between 70.30- 70.05 zones
- d) Short term resistance at 71.35-71.45, breaking which the next resistance comes around 72.25-72.40.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.40
Resistance 1	71.4
Close	70.50
Support 1	70.3
Support 2	70.05

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