

VIEW

Negative outlook rating by Moody's dampened the investor sentiment and domestic indices tumbled around one percent after soaring high near peaks. Revival action in real estate from government and rollback in US China tariff war has given comfort to the market but flip flop on trade talks will creep volatility in coming week also. We remain cautious in the market, as it is hovering near its peak levels, consequently some consolidation can be expected in near term.

Technical Outlook-

- Sensex slipped 330 point after scaling record high of 40323 and Nifty started flirting with life time high
- Appearance of doji candle on weekly chart suggest halt in the upside momentum for short period of time
- RSI also facing hindrance from its falling line also suggest pause in momentum
- Sustainable breakout above 12100 can push nifty to commence its new leg towards 12300 levels on upside
- Crucial support to watch for resumption of weakness are at 11840-11780 zone followed by 11620 levels

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	12300	Extension leg
Resistance 1	12100	Near life time high
Close	11908	
Support 1	11780	Line of Polarity
Support 2	11620	Previous swing low

VIEW

After opening with a subdued session, Banknifty rose to make a weekly high of 31108 on Friday. However it was unable to maintain at the higher level and some profit booking was witnessed towards the closing session. At the end of the week Banknifty closed at 30749. It had a net gain of 1.4% over its previous week's close.

OBSERVATIONS:

- 1) Negative divergences are formed on RSI & Stochastic.
- 2) Banknifty is trading above 50, 100 and 200 DMAs.
- 3) Banknifty has found a stiff resistance near 30905.

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 divergences on the Stochastic and RSI are giving indication of some profit booking in the extreme short term**. On the lower side 29970-30200 zone would act as key support areas of the index. On the higher side 30905 is the short term crucial resistance of Banknifty and a successful closing beyond this level would open the gate for 31785. Therefore we recommend initiating fresh long position in Banknifty either in (29970-30200)zone or only above 30905 (closing basis).

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	31785
Resistance 1	30905
Close	30749
Support 1	30200
Support 2	29970

VIEW

Starting off weaker, indian currency went on to hit a low against the US dollar during the week. Continuing dilemma over US China trade war affected currency market sentiment worldwide but softening crude oil prices and hefty amount of inflows from foreign fund controlled the fall of Rupee. Rise in foreign exchange reserves by \$ 3.515 billion to touch a fresh lifetime high of \$ 446.098 billion in the week till 1st november can become supportive factor for curtailing further losses.

TECHNICAL FACTORS-

- Depreciation of Rupee is looking capped as pair is facing resistance from its downward falling trendline
- From last few weeks, pair failed to cross above 61.8% fibonacci retracement
- RSI and MACD are looking flat showing neither side of direction
- However, pair is going to face stiff resistance near 71.40 level followed by 71.75 levels while sustainability above the same can weaken the rupee till 72 and 72.40 levels
- Failure to cross and sustain above 71.40 mark, it can see slip back till 71.05 and 70.55 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.00
Resistance 1	71.4
Close	71.36
Support 1	71.05
Support 2	70.55

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