

VIEW

Domestic market plummeted on macro gloom and faced selling pressure as RBI disappointed the market participants on the area of rate cut and projection of slower growth rate. Major worry about the expanding fiscal deficit on the rise of crude oil prices as OPEC agreed to cut additional 500 k BPD from January. However, the progress in US CHINA tariff deal will boost the market. In coming week, market will largely mirroring the global market in absence of any major trigger. While long term trend is positive in the near term we could see some consolidation in coming sessions.

Technical Outlook-

- a) Appearance of Bearish Engulfing on weekly chart suggest index continue to move lower unless we see close above priors bar high
- b) Nifty witnessed selling pressure from the upward channel resistance line and failed to sustain at higher levels
- c) However, it can find support near the line of parity from where bounce back is expected
- d) We mentioned in our earlier report, "Recoiling of prices on upside can be expected till it holds above the levels of 11970 followed by 11910-11880 zone", we maintain the same.
- e) Immediate resistance stands at 12160 followed by 12300 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	12300	Extension retracement
Resistance 1	12160	Immediate Resistance
Close	11921	
Support 1	11970	Previous resistance now become support
Support 2	11880	Line of Polarity

VIEW

After opening with a red session Banknifty fell to make a weekly low of 31250.65 on Friday and closed the week with a net loss of 2% over its previous week's close. PSU banking stocks were the main catalysts to drag the index lower (SBI lose 6.86%, PNB lose 8.3%, BOB lose 7.9% during the week) .

OBSERVATIONS:

- 1) Banknifty is trading above 50, 100 and 200 DMAs.
- 3) RSI and Stochastic are giving some more profit booking signal.

According to the above observations it can be concluded that the short term trend of Banknifty is looking positive as the index is trading above all the major DMAs. Therefore 'Buy on Decline' strategy is advised in the Banknifty. The leading indicators like RSI and Stochastic have not yet reached at their oversold zone, so some more profit booking is likely on the current week. On the downward path Banknifty may find strong support at 30715.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	32180
Resistance 1	31900
Close	31342
Support 1	31040
Support 2	30715

VIEW

Indian currency started this week on strong note but accommodative stance from RBI where they unchanged the repo rate at 5.15% had given a flip on downside but soon the news of progress in the trade talk helped rupee to retain its strength. Dollar index managed to break above 98.54 and failed to sustain above the same can also give support to rupee. We expect prices to trade range bound as the uncertain trade outcome and as investors are awaiting the next interest rate decision from the US FED. One can maintain sell in rise strategy for USDINR pair in this coming week.

TECHNICAL FACTORS-

- a) Prices gave breakdown from its symmetrical triangle pattern showing strength
- b) Bearish crossover in MACD also looking conducive for the strength in rupee
- c) As long as it sustains below 72.40-72.60 zone, bullish view on rupee will remain intact.
- d) On sustaining below 71.15 mark, it can sustain below 70.55 and 70.35 mark.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.40
Resistance 1	71.8
Close	71.28
Support 1	71.15
Support 2	70.55

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