

### VIEW

Domestic market failed to capitalize gain after reaching near all time high and faced resistance at top while mirroring negative global cues after escalating tension in the middle east. Increased tension has alarmed the global market and indian indices showed ripple effect from top. Any consolidation near the previous top in Nifty can provide upward thrust with momentum although prices are sustaining near previous life time high are giving the cues for the formation of Triple top but the confirmation of the same is yet to come. We expect volatility to increase in the coming week as india VIX showed biggest one day gain of four month which suggest sentiment will remain wobbly amid concern of retaliation by IRAN. We suggest to avoid aggressive position on either side and keep protective profit with directional moves that market will take in coming sessions.

### Technical Outlook-

- Formation of Bearish Harami on daily chart reveals minor correction underway but overall structure remains bullish as the sequence of higher lows on weekly chart remains intact
- Indicators are looking mixed suggest either of direction
- For the short term, the level of **12300** has become a **temporary top** for the market
- Until this break, upside momentum will remain capped and index can fell towards **12150 and 12070** levels on downside.
- Formation of strong base near **11970-12000** zone showing strong support. Until this break decisively, Bulls will continue their northward journey
- While a breakout above the level of 12300 can push index toward 12420 levels on higher side.

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	12400	Extension leg
Resistance 1	12300	Near life time high
Close	12226	
Support 1	12150	Previous resistance now become support
Support 2	12070	Line of polarity

VIEW

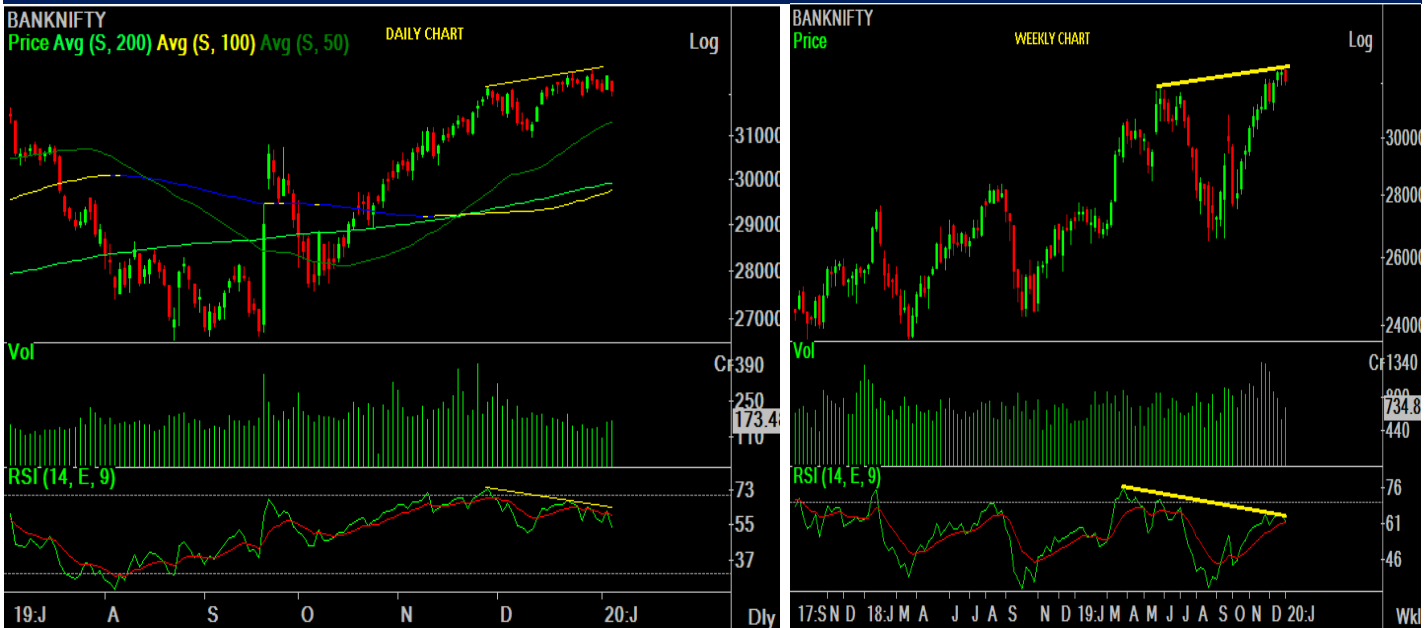
After opening with a subdued session, Banknifty fell to make a weekly low of 31960.40 on Friday and closed the week with a net loss of 1% over its previous week's close. ICI bank and Axis bank were the main catalysts to drag the index lower.

**OBSERVATIONS:**

- 1) Banknifty is getting a strong support near 31930 since last three successive weeks.
- 2) Negative divergence is formed in RSI both on daily and weekly chart of Banknifty.
- 3) Banknifty is trading above 50, 100 & 200 DMAs

According to the above observations it can be concluded that the the short trend of Bank nifty is definitely looking positive as the index is trading over all the major DMAs (50, 100 & 200). However it is observing that the RSI was unable to make higher high with the index both in daily and weekly charts (i.e, formation of negative divergence in both the charts). So some price / time wise correction is very likely in the extreme short term. On the lower side 31930 would act as strong support of the index and a breach of this level is likely to take the index further lower to 31500 and then 30900. Therefore we recommend holding existing long position in Banknifty by placing stop loss at 31930 (closing basis) and for initiating fresh long position, traders should adopt 'Wait and Watch' strategy until the RSI makes higher high on the chart.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	33250
Resistance 1	32550
Close	32069
Support 1	31930
Support 2	31505

### VIEW

Soaring oil prices on concern that middle east rising tension may hinder the oil supply which in turn effect the fiscal deficit of india and this can deteriorate the strength of Rupee in the coming days. Supply side risk remain elevated in the middle east and we could see tension continue to rise between USA & IRAN and this will create negative sentiment for indian currency.

#### TECHNICAL FACTORS-

- a) Against our expectation, pair may violate the formation of Head & Shoulder pattern and surge higher.
- b) A decisive close above 72 will violate this reversal pattern and Rupee can lose weakness till 72.60 mark
- c) However, pair is facing resistance from its downward falling line which can provide strength in Rupee
- d) On sustaining below 71.50, it can slip down till 71 .15 mark on downside.

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

#### USDINR LEVEL

Resistance 2	72.60
Resistance 1	72
Close	71.77
Support 1	70.5
Support 2	70.15

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