

### VIEW

Bulls got relief to a certain extent after witnessing the heavy cuts of three days as market recouped some of its losses on last two days trading sessions of the week. Despite the gains in the market, traders are worried about risks that are related to downgrading growth projection of GDP's to 4.8% for FY 2020, subdued Q3 results and global bio trade war from the outbreak of a new coronavirus of china which may further dampen the sentiment of market. However, hopes of the stimulus package in the upcoming budget to revive the economy will keep downside capped for limited period of time. Going forward, we maintain our cautious stance on the market as the near term movement is likely to be driven by the upcoming Union budget which is scheduled on 1st feb. Traders are strongly advised not to create excessive exposures unless breakout is achieved on either of side.

#### Technical Outlook-

- a) Index faced strong resistance from the upper band of resistance line and formed **Bearish engulfing** along with **bearish belt hold pattern** suggest an intermediate top has been placed for a while.
- b) However, appearance of **Tweezer bottom** candlestick price pattern near **50 DMA's** on daily chart has a bullish connotation for the near term
- c) If index fails to sustain above 12300 levels on weekly closing basis then this pullback may end with **Dead Cat Bounce** then after it will form Bearish Head and shoulder pattern while forming right shoulder
- d) Indicators and oscillators are also looking mixed suggest rangebound move on either of side
- e) Nifty is nudging with its support line and any close below 12085 level can resume the weakness towards 12000 and 11925 levels on downside
- e) However any trend reversal in favour of Bulls can be expected on a close above 12300 followed by 12430 levels

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	12400	Extension leg
Resistance 1	12300	Peak of Left Shoulder
Close	12248	
Support 1	12085	Low of Tweezer Bottom
Support 2	12000	Psychological level

VIEW

After opening on a negative note, Banknifty fell to make a weekly low of 30614 on Wednesday. However some pullback to 31375 was witnessed in next couple of trading days. At the end of the week Banknifty closed at 31242. It had a net loss of 1% over its previous week's close.

**OBSERVATIONS:**

- 1) Banknifty came to near its short term strong support areas. (near 100 & 200 DMAs)
- 2) Stochastic and RSI have reached at their oversold zone.

In reference to the above observations it can be said that Banknifty has reached near its strong support areas and it is very unlikely to breach 200 DMA (currently is at 30070) in the extreme short term. Current oversold position of leading indicators are also suggesting of some upward movement in the extreme short term. Therefore traders are advised to adopt 'buy on deep' strategy at this juncture.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	31990
Resistance 1	31650
Close	31242
Support 1	30585
Support 2	30040

### VIEW

From last two weeks, Rupee has been trading within a very tight range as market participants awaited further detail about coronavirus of china that killed 25 people and infected around 650 globally. WHO called an emergency in China but avoided in declaring as an epidemic for other nations. Decline in crude oil prices due to muted demand restricted the Rupee's fall. Going forward, investors will be keeping an eye on the FOMC meeting and upcoming union budget which can give momentum and will help Rupee to break this tight range.

#### TECHNICAL FACTORS-

- a) Two bullish candle on weekly chart showing downside capped for short interval of time for USDINR pair
- b) From last few weeks, pair has been trading in the range of 72.15 on upside and 70.50 on downside
- c) Flat negative crossover in MACD suggest loss of momentum
- d) Resistance stands at 71.55 followed by 72.15 mark
- e) Support lies at 70.50 followed by 70.35 mark

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

#### USDINR LEVEL

Resistance 2	72.00
Resistance 1	71.6
Close	71.40
Support 1	70.5
Support 2	70.35

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