



December 17, 2018

▶ **NIFTY: 10805**

Range : 10720-10840
 Resistance : 0820-10840-10855-10890-10905-10940
 Support : 10770-10750-10720-10690-10660-10640

▶ **Simple Moving Average (SMA)**

20 Days	50 Days	200 Days
10700	10540	10755

▶ **BANK NIFTY: 26826**

Range : 26640-26970
 Resistance : 26870-26970-27050-27140-27250
 Support : 26720-26670-26640-26550-26450

▶ **Simple Moving Average (SMA)**

20 Days	50 Days	200 Days
26435	25695	26060

▶ **Nifty Short Term Trend**

Down (Up above 10940 on a closing basis)

▶ **Nifty Medium Term Trend**

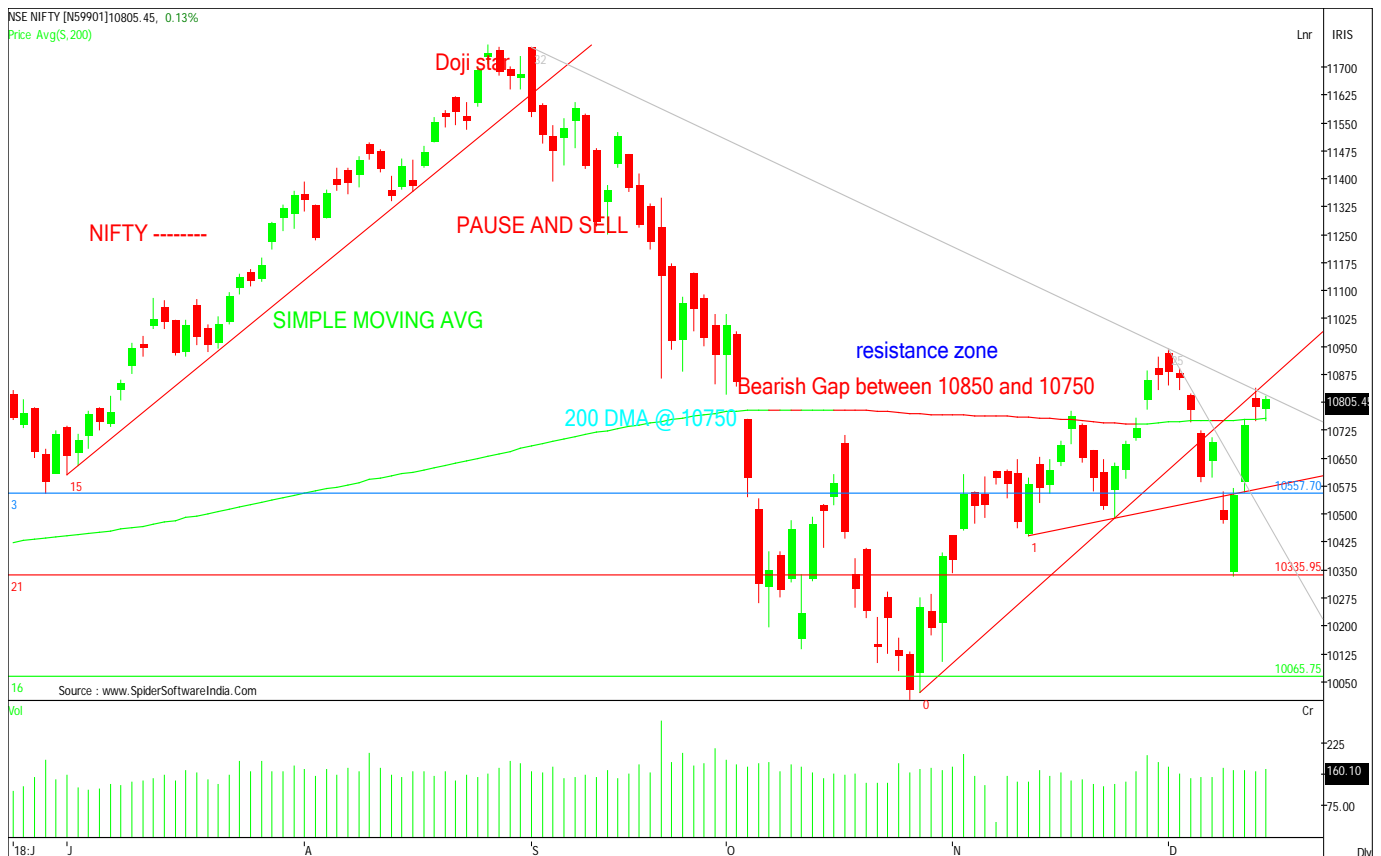
Up (Down below 9850 on a closing basis)

▶ **Nifty Long Term Trend**

Up (Down below 7900 on a weekly closing basis)

Blue color: means heading upward as compare to previous close. Red color: means sloping downward as compare to previous close.

Nifty: Daily



► Market Analysis

Nifty is at crucial juncture @ 10950

Surprisingly, the market has taken pause for two days at major resistance level. Normally, the market reverses sharply after hitting major hurdles especially when it is in pull back mode. It has strong hurdle of falling (supply) trend line at 10840 and also it has completed nearly 80% of the recent fall started from 10940 to 10330. Such type of combination results in quick drop. However, the market is not responding to it rather it is holding well above the same since last two trading sessions. Such type of markets becomes difficult for contra traders to take a contra call of trading short sell when markets are trading at resistance levels.

Specifically, as per EW theory next 3 days are crucial for Indian markets. If they manages to cross 10950 then it would send the market to next biggest hurdle, which is at 11200/11300. Of course, we cannot expect vertical up move but it would help bulls to take buy calls at each major supports.

To support above statement we need to see, "how index heavyweight stocks are placed in". When we went through with index heavyweights we found that except ITC most of them are forming higher bottom and higher top series, which is an indication of rising trend is intact for the short term. However, in the past several times we saw that if ITC moves then it help indices to surpass major barrier. In brief, the stock ITC should be in watch list.

On the other side, failing to surpass 10950 in next maximum 3 days would be negative for the market. It would keep the market range bound with negative bias between 10900 and 10400.

Our view is markets have enough supporting parameters based on price charts, oscillators, PCR and VIX are suggesting at bulls are confident that would help the market to reach 10900 levels in next one or two days. However, it does not mean that Nifty would cross 10950 levels without any major efforts and till the market is not crossing the same we should avoid taking positional calls at current levels. On the dismissal of 10950 certainly we should be confident to follow buy on dips strategy.

For the day buy Nifty if it crosses 10840 with a final stop loss at 10780. On the higher side we can expect 10900/10920.

RATING SCALE

- BUY** – A condition that indicates a good time to buy a stock. The exact circumstances of the signal will be determined by the indicator that an analyst is using.
- SELL** – A condition that indicates a good time to sell a stock. The exact circumstances of the signal will be determined by the indicator that an analyst is using.
- Stop Loss Order** – An instruction to the broker to buy or sell stock when it trades beyond a specified price. They serve to either protect your profits or limit your losses.

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