

May 20, 2019

▶ NIFTY: 11407

 Range : 11390-11550
 Resistance : 11470-11500-11550-11600-11690
 Support : 11390-11350-11300-11280-11250

▶ Simple Moving Average (SMA)

20 Days	50 Days	200 Days
11515	11470	11040

▶ BANK NIFTY: 29450

 Range : 29450-29850
 Resistance : 29550-29700-29800-29850-30050
 Support : 29450-29400-29370-29300-29250

▶ Simple Moving Average (SMA)

20 Days	50 Days	200 Days
29450	29390	27380

▶ Nifty Short Term Trend

Up (Down below 11000 on a closing basis)

▶ Nifty Medium Term Trend

Up (Down below 10500 on a closing basis)

▶ Nifty Long Term Trend

Up (Down below 9950 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 Weekly View: In the previous week, there was a big tussle between bulls and bears in the broader range of 11300 and 11130, which continued till Thursday, however on the last day of the week, Nifty managed to break the trading range on the upward side and closed above the level of 11400, which is grossly positive for the market. By closing above the level of 11400, it suggests us that the market has stabilized and is ready to move further higher to retrace recent losses. Above 11400, it would move to minimum 11500/11550, which is major hurdle for the market. A close above 11570 on Monday or Tuesday would lift indices to 11700.

Technically, crossing the level of 11860 would matter a lot for the stock market as it would shift the base for the market to 11100 from 10600. Whenever Nifty has shifted its bottom, it has added approximately 2000 points to the base level, which is at 11100. This has been proven 6 times since December 2011. Readers should go through with following statistics of Nifty.

Year	Previous Bottom	Shift in Bottom	Upside retraced	Net gains
30-12-2011	2253	4531	6629	2098
30-08-2013	4531	5119	9119	4000
29-02-2016	5119	6826	8969	2143
30-12-2016	6826	7894	11172	3278
28-03-2018	7894	9952	11760	1808
31-10-2018	9952	10005	11856	1850

If we go through with above data points, then Nifty could climb to a minimum of 12900 and maximum of 13700 in the next one to two years with ups and down but without breaching the previous bottom, which would be at 11100, but for that Nifty should break the **level of 11860 on a monthly closing basis.**

In case Nifty fails to break 11860 and breaks 11100, then in worst case scenario we could see levels of 10300 or 10100 on the lower side.

In brief, we can expect minimum 11550 and 11700 in best case scenario. Strategy should be to reduce weak long positions between 11550 and 11700, as we witnessed maximum distribution between the range of 11550 and 11750. Fresh buying is advisable if Nifty crosses 11860. Above 11860, Nifty could even hit the level of 12100 or 12300 without any major difficulties. A close below 11100 would be negative for the market. Focus should be on large cap companies, which are part of the index.

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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