

April 22, 2019

▶ NIFTY: 11752

Range : 11760-11810

Resistance : 11790-11810-11820-11845-11880

Support : 11735-11705-11690-11665-11630

▶ Simple Moving Average (SMA)
20 Days
50 Days
200 Days

11605

11215

10985

▶ BANK NIFTY: 30223

Range : 30140-30400

Resistance : 30330-30400-30500-30570-30650

Support : 30140-30100-30050-29930-29850

▶ Simple Moving Average (SMA)
20 Days
50 Days
200 Days

30030

28510

27120

▶ 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: Weekly


▶ Market Analysis

Nifty Weekly View: It was shortest weak for the market in last several months. However, it was one of the most interesting for investors as well as for traders. During the week, as per expectations Nifty broke the life time highest level at 11760 and registered a record high at 11856. Since 2013, except in the year 2016, the market has made record highs every year. It's the longest streak in past several decades, which implies domestic developments are taking place on consistent basis. Policy makers and big corporates are putting their entire efforts to keep the economy on track.

Technically, Nifty has made climatic top at 11856 and quickly reversed back to 11750/11760 levels. **Although on daily basis, Nifty failed close above the life time highest level, which was at 11760, it has managed to close higher on weekly charts,** which is equally positive for the market.

Based on "time analysis" the market has completed an important price action during the period of 54 and 89 days, which has resulted into quick round of profit taking at new highs.

However, we cannot call it as a profit taking round, rather it would be loss taking round from fund managers and market experts at the euphoric stage of the market. AT 11856 (Nifty), we saw heavy liquidation in fundamentally weak companies or especially in those companies which are debt ridden. It reminds me of sayings of top authorities of the market which is, "always Sell what shows you a Loss and Keep what shows you a Profit." Such steps would help to minimize down side of the market.

For the week, Nifty would face hurdle at 11856 as it is a climatic top for the market. In case, Nifty manages to cross 11856 on Monday then it would change the sentiment heavily on the upward side and could pull the market to 11950/12000 in a very short span of time (few days). On the other side, if Nifty fails to do so, **which is more likely** then we could see a lower top between 11800 and 11850. It would drag the sentiment in the short term and could push indices to 11700/11690 levels, where market had left an exhaustion gap.

For positional traders and medium term (1 to 3 months) investors strategy should be to buy at each major support like 11700 and 11650 with a final stop loss at 11600 on a closing basis. For short term traders (5 to 20 days) keep a close watch on 11820 and 11680. Based on reversal formation around given levels traders should look for selling or buying opportunity with a final stop loss at 11860 and 11630 respectively.

Sector specific: In the current week we are expecting stock specific activity rather than sector specific in the market. However, the moves in Nifty energy stocks were encouraging and we should also keep a close watch on them.

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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