

December 31, 2018

▶ NIFTY: 10859

Range : 10840-10900

Resistance : 10900-10920-10940-10965-10985-11020

Support : 10855-10840-10810-10785-10770-10740

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

10780

10600

10775

▶ BANK NIFTY: 27125

Range : 27040-27240

Resistance : 27140-27240-27310-27370-27450

Support : 27040-26940-26850-26800-26720

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

26780

26100

26160

▶ Nifty Short Term Trend

Up (Down below 10300 on a closing basis)

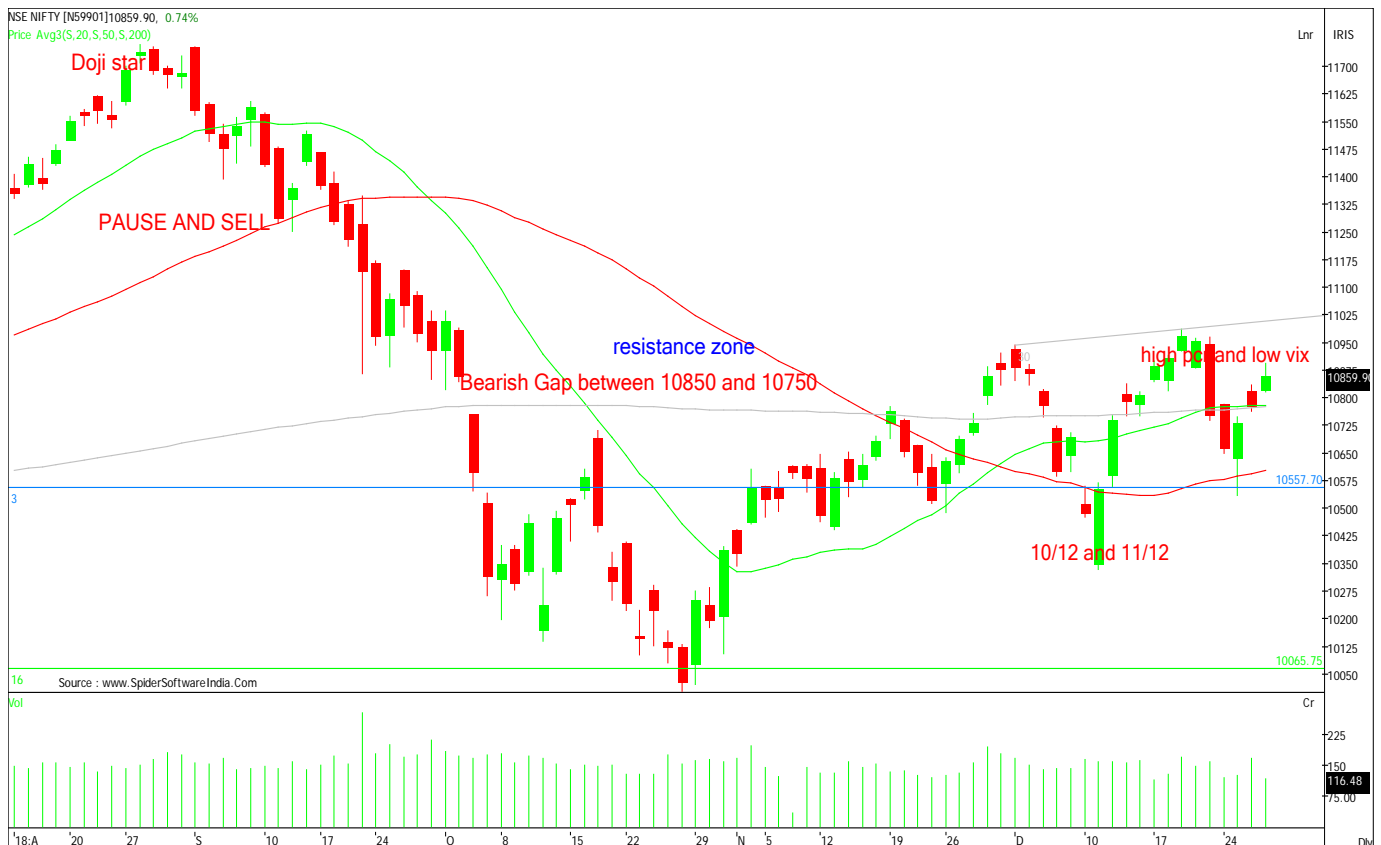
▶ Nifty Medium Term Trend

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 likely to consolidate, before a trending move".

Nifty performed exactly as per expectations, reversed from 10980/11020 and later recovered sharply from lower levels. However, retracement while correcting was larger than expectations, which has again kept the market uncertain about whether it will cross the previous immediate highest level (10985) or not?

While comparing the trend of large cap stocks with the trend of Nifty, we concluded that individual stocks are lagging heavily while moving to their immediate highs which could result in a tough task for Nifty to establish a new high above the level of 10985.

This opens room for two scenarios. First one is, market would cross 10985 in next couple of trading sessions, which is less probable but given the recent rise in volatility, nothing is impossible and that is why we are keeping open, the possibility of hitting 10985. Second one is Nifty would correct from 10900/10950 levels to form a higher low as compared to 10333 and make a final move towards 11200/11300. **In both the cases chances of moving towards the levels of 11200 remains intact.**

However, holding the level of 10333 is very crucial for Nifty to keep the possibility of a last push towards 11200/11300 intact. In case, Nifty breaks 10333 then it would be grossly negative for the market as it would even send the Nifty below the mark of 10,000. Now we will consider, in the coming week probabilities that would compel Nifty to fall below the level of 10333. Trend of world markets, quarterly results, trend of currency, trend of Crude and monthly auto numbers. World markets, Crude and Currency have already corrected to their extreme and we are of the view, they should consolidate before falling below the level of their previous lows. Third quarter results kick in from 10th January, hence no impact in the current week. We are of the view that auto numbers are going to disappoint the street and markets have already discounted it, which means likely events are either discounted or not going to affect heavily. **Events that would turn positive are missing and there is no remedy for unforeseen events.**

For the day, based on above observations, we can draw conclusions that markets are going to consolidate before heading towards the last push above 11000. Take a contra bet of trading short between 10900/10950 with a final stop loss at 10985. And for the week one can take a bullish bet if markets fall nearer to 10530 or 10330

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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