

TECHNICAL VIEW ON MARKETS

Weekly Analysis: NIFTY

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NIFTY LIKELY TO OSCILLATE BETWEEN 11000 AND 11300

NSE NIFTY [N59901]10895.80,11181.45,10782.60,11109.65, 8067936256 1.02%
Price Avg(E,100)



Nifty Weekly Charts

Source : www.SpiderSoftwareIndia.Com

Macd(E,12,E,26,E,9)

ADX(14,14)

Technical Evidences

- Nifty broke the 4 week's losing streak by giving a pullback of 400 odd points from the bottom of 10782 levels. Week on Week Nifty rose 1%, while Nifty Midcap and Smallcap bounced 1.52% and 1.17% respectively.
- As Anticipated, Nifty bounced sharply from our recommended support level. We clearly mentioned in our last week's technical report that Nifty could see sharp bounce from 10800 odd levels and we saw that happening during last week. Our advice of cutting shorts around 10800 has proved right.
- A 100 Week simple moving average has acted as a support level last week. Currently 100 DMA is placed at 10768 in Nifty. Nifty tested its 200 DMA (11181) on last Friday and witnessed profit booking from that level. After Budget day (5th July 2019), Nifty has never closed above its 20 days EMA (11196). Last Week, Nifty faced hurdle around 20 days EMA, which also coincides with the resistance of 200 DMA. So, there is a strong resistance at 11200 odd levels. Far Resistance comes at 11287, which happens to be 38.2% Fibonacci retracement of the entire swing seen from the all time high (12103) to recent bottom of 10782.
- Primary trend of the Index is still on the bearish side. The recent bounce could end up being a dead cat bounce, as stocks and indices were extremely oversold in the recent past. Pullbacks are part of the bear markets, and present market trend falls in to that scenario. Oscillators and Indicators on the Weekly charts are still showing weakness. Considering the evidences, we advise lightening the long positions at mentioned resistance levels. Short term support is placed around 11000 levels.
- So, this week, we expect Nifty to oscillate in the range of 11000-11300 with neutral bias.

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