

Nifty



Technical Outlook

Last week, Nifty snap six week gaining streaks and eventually ended with a loss of 1.08%. During the week, Nifty confirmed its breakout from its consolidation of 11250 - 11050 zone and started rallying higher however sharp profit booking during second half of week pared all its intra-week gains as a result Nifty concluded the week tad below 11100 mark.

- Last week price action was in line with our expectations as nifty precisely tested its resistance zone of 11340 - 11380 mentioned in our previous update.
- Last week profit booking was largely on the back of weekly RSI (14) which came near 60 mark and now said indicator started to head southward.
- On a monthly chart, Nifty registered a gain of 7.49% and precisely closed below its 20-MA.
- Going forward, 10900- 10870 zone likely to act as an immediate support as these levels coincide with vicinity of support first, weekly pivot support, 200 DMA and previous daily swing high. Any decisive move below 10870 will lead to further correction towards 10750. On the other side, 11230 which coincide with its weekly pivot resistance likely to act as an immediate hurdle above which strong resistance seen near 10380 which coincide with 78.6% retracement of its entire bear market fall from 12430.50 to 7511.10.

Bank Nifty



Technical Outlook

Last week, Nifty Bank opened on subdued note and witnessed sustained selling pressure right from the beginning of the week. As a result, index broke its weekly pivot support of 22150 during Monday. Subsequently, Nifty Bank made valiant attempt to rebound however index struggling to closed above 22150 which reversed its role post breakdown (change of polarity rule). Once again, selling pressure resumed during the second half which led to a close near the lowest point of the week. In the process, Nifty Bank registered a loss of 4.51% over its previous week loss.

- Due to sharp fall during last week, Nifty Bank broke daily 'Positive Reversal' trend lines which do not augur well.
- During last month, Nifty Bank registered its underperformance with benchmark indices and closed with a gain of 1.26%. Also, July month candle resembles a formation of 'Shooting Star'. The said candle will be activated if Nifty Bank closes below 21027.85 on a monthly closing basis.
- At this juncture, 21027.85 - 20926.45 zone which coincide with its daily swing lows will act as a strong support. Any sustain move below 20926 will trigger fresh sell-off in that case we may see index to slide towards 20550 - 19900 levels respectively. On the other side, recent daily swing high of 22346.40 will act as an immediate hurdle above which index likely to rally till 22730 - 23211 level respectively.

ESCORTS LTD (Cash)



Technical Outlook

- ❖ Looking at daily chart, ESCORTS has been in a strong up trend since March 20, 2020 and in that optimism, stock rallied from 526 to 1210.
- ❖ Of late, we saw profit booking as a result stock descended towards 1150. Broadly speaking, we are seeing formation of 'Head & Shoulder' formation on daily chart and neckline of said pattern peg near 1120.
- ❖ On a weekly chart, we are seeing a formation of 'Shooting Star' followed by 'Spinning Top' formation which is a short term reversal candles.
- ❖ Weekly RSI (14) signaled medium term 'Bearish Divergence' which indicates overextension. Hence, momentum likely to cool-off in the near term.
- ❖ During last week, stock signaled 'Range Shift' which enhance the possibility of breaching the neckline of 'Head & Shoulder' pattern.
- ❖ Hence, we advocate traders to build short position in a range of 1150 to 1170 with a downside price target of 1010. Stop loss should be placed above 1215 above which our view will be negated.

Action	Entry	Target	Stop
Sell	Around 1150 / 1170	1010	1215

SUN PHARMA LTD (Cash)



Technical Outlook

- ❖ Looking at weekly chart, SUNPHARMA has been in a protracted down trend since April; 2015. In that pessimism, stock corrected from its all-time high of around 1167 to 312.
- ❖ Subsequently, stock witnessed V-shape recovery during April, 2020 as a result stock eventually broke its previous swing high of 464 and extended its rally towards 505.
- ❖ Of late, stock slipped into consolidation and during last week stock confirmed its breakout and formed a 'Bull Elephant' candle on weekly chart.
- ❖ On a weekly chart, RSI (14) entered well above 60 mark which support our bullish hypothesis.
- ❖ On a weekly chart, stock closed above its 200-MA for the first time since October 30, 2016.
- ❖ Combining the above technical evidences, we advocate traders to accumulate this stock in a range of 525 to 515 with an upside price target of 595 and 640 levels respectively. Stop loss should be placed below 465 below which our bullish view will be negated.

Action	Entry	Target	Stop
Buy	Around 525 / 515	590 / 640	465

TEAM

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