

Nifty



Technical Outlook

Trading for the December series kick started with a gap up opening above the 10900 mark. However, bouts of profit booking on Monday pulled index lower. Subsequently, the sell-off in the US market weighs on our market and nifty nosedived below the 10600 mark. On Friday, markets saw counter attack by bulls which pared some of its intra-week losses but finally ended with a loss of 1.68%.

- Looking at the daily chart, the daily RSI (14) retested the upward sloping trend line drawn from its momentum low and signaled a Positive Reversal on a daily chart.
- During the week, nifty precisely to support near the 78.6% of its swing move drawn from the bottom of 10489.75 to the top of 10941.20.
- The Friday's candle can be termed as an 'Inside the Day' pattern as entire day's trading activity was within the range of Thursday.
- At this juncture, all eyes will be on 'Assembly State Election' and its outcome which will trigger significant volatility in our market. As far as the levels are concern, 10775 will act as an immediate resistance above which nifty likely to rally till 10870 - 11050 levels respectively. On the flip side, 10517 - 10440 zones will be a strong support zone below which we may see sharp correction in nifty.

Bank Nifty



Technical Outlook

Last week, Nifty Bank index opened tad above the 27000 psychological mark. Right from the beginning, index remained under pressure and saw back to back gap down openings. Subsequently, sharp recovery in Friday's session pared most of its intra-week losses. In the process, Nifty Bank index concluded the week with a loss of a 1% over its previous week close.

- During the week, index retraced 78.6% of its entire swing move from the bottom of 25947.85 to the top of 27037.10 which was also coincided with the daily 89-EMA.
- Due to Thursday's fall, the daily RSI (14) signaled a Positive Reversal pattern. The said pattern precisely occurred near the upward sloping trend line drawn from the bottom of momentum low.
- Despite the recent fall, the daily 9-45 EMA on price is positive.
- Going forward, the recent swing high of 27037.10 will act as an immediate resistance above which we may see Nifty Bank to rally towards 27480 - 27800 levels respectively. On the flip side, 26150 which coincide with the recent daily swing low will act as an immediate support. Any break below this level will eventually break the upward sloping trend line drawn on daily RSI (14) chart in that case we may sharp slide towards 25700.

RELIANCE LTD (Cash)



Technical Outlook

- ❖ Looking at the daily chart, stock formed a 'Bullish Divergence' pattern precisely at 200-DMA during the October 2018 and the impact of said development seen as stock rallied towards 1186.
- ❖ Subsequently, the bullish momentum exhausted and stock took U-turn and corrected during last week.
- ❖ On a daily chart, last week swing high of 1186 coincided with the 50% retracement of its entire swing move from the top of 1329 to the bottom of 1016.40.
- ❖ The daily RSI (14) resist near the 60 level and corrected during last week. In that correction, the RSI (14) broke the upward sloping trend line drawn from the bottom of said indicator.
- ❖ During last Thursday, price also broke the upward sloping trend line which is bearish indications.
- ❖ Hence, we maintain our bearish view on stock.

Action	Entry	Target	Stop
Sell	At cmp 1134	1050 / 1016	1187

VOLTAS LTD (Cash)



Technical Outlook

- ❖ After posting a low of 472.25 during early October 2018; stock has seen decent run up and rallied towards 570.
- ❖ The level of 570 precisely coincided with the 200-DMA along with the 61.8% retracement of its entire move from the top of 636.90 to the bottom of 472.25.
- ❖ The said zone acted as a strong hurdle and stock started descending during last few days.
- ❖ During last week, stock broke the upward sloping trend line drawn from the bottom of 472.25.
- ❖ The daily RSI (14) resisted near the 60 level and signaled Negative Reversal pattern.
- ❖ On a weekly chart, the 'Lower Top Lower Bottom' formation is intact which indicates that the overall trend is still down.
- ❖ Considering the above evidences, we advocate traders to short this counter.

Action	Entry	Target	Stop
Sell	Around 540 / 545	480	570

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