

NIFTY



Technical Outlook

Despite being a truncated week, we have seen tremendous level of optimism in our market courtesy Tata group companies which gave a good impetus to bulls. As a result, Nifty convincingly crossed the psychological level of 18000 and extended its rally till 18350.75. In the process, Nifty ended another week at record high and added 2.48% gains into the bull's kitty.

- In our previous two updates, we mentioned the pattern called "Positive Reversal" formed on daily RSI (14) and the upside target of said pattern was met during Tuesday when Nifty managed to close tad below 18000. The achievement of such target clearly indicated that the steam is still left on the upside and we saw decent follow-up buying during the remaining part of the week.
- Looking at weekly chart, Nifty formed "Three Point Bearish Divergence".
- It's been an eleventh consecutive week where Nifty managed to hold its previous week low means series of "Higher Highs and Higher Lows" clearly visible.
- Going forward, 18460 which coincide with 161.8% price extension of its previous daily swing move from 17326.10 to 17947.65 added to the swing low of 17452.90 will act as an immediate resistance above which index likely to rally till 18600. On the flip side, immediate support seen near 18000 below which strong support placed at last week low of 17839.

BANK NIFTY



Technical Outlook

Last week, Nifty Bank index witnessed strong buying interest right from the beginning of the week and violated its resistance zone of 38150 - 38450. This led to an acceleration of bullish momentum and we saw follow-up buying during the subsequent trading sessions. On Thursday, Nifty Bank witnessed tremendous buying interest ahead of index heavy weight HDFCBANK result announcement. In that optimism, Nifty Bank managed to cross 39000 mark and eventually ended at record high with a weekly gain of 4.14%.

- Looking at daily chart, Nifty Bank violated the "Bearish Divergence Trend line" during last Monday which was also a sign of an acceleration of bullish momentum.
- During last week, Nifty Bank convincingly achieved its daily "Positive Reversal Target" Of 38450. Hence, in case of any pullback said level likely to provide an immediate support.
- Looking at weekly chart, Nifty Bank is approaching towards its "Upward Sloping Channel Resistance" peg near 40000.
- Going forward, Nifty Bank likely to extend its rally and test 40000 mark which coincide with upper band of channel formation above which next resistance seen near 40550 which is a 127% price extension of its entire move from 13407.25 to the top of 32613.10 added to the low of 16116.25. Lower side, 38450 - 37740 are near term support on Nifty Bank.

FEDERALBNK LTD (Cash)



Technical Outlook

- ❖ After forming a “Double Bottom” pattern on weekly chart near 35; FEDERALBNK has seen decent up move as a result stock rallied till 91.75.
- ❖ Subsequently, stock slipped into consolidation and formed “Ascending Triangle” pattern. During last week, stock confirmed its breakout from said triangle pattern and rallied till 95.50.
- ❖ Along with that stock violated the ‘Downward Sloping Trend line’ joined from its all-time high of around 123 formed during October, 2017.
- ❖ Last week candle resembles a formation of “Bull Elephant Bar”. The said pattern formed near weekly 20-MA has a further significance.
- ❖ The volume activity has also picked-up increased during last week which support our bullish hypothesis.
- ❖ Combining the above technical evidences, we expect this stock to rally till 108 first and in case of further optimism stock likely to extend its gain till 114. Hence, we advocate traders to accumulate this stock at current level of 93.

| Action | Entry | Target | Stop |
|--------|-----------|-----------|------|
| Buy | At cmp 93 | 108 / 114 | 84 |

IPCALAB LTD (Cash)



Technical Outlook

- ❖ Looking at daily chart, IPCALAB has formed a “Symmetrical Triangle” pattern and during August 09, 2021; stock confirmed its breakout from said pattern and rallied till 2766.20.
- ❖ Subsequently, we saw decent profit booking in past few weeks as a result stock descended till 2257.20 and from those levels we have decent up move.
- ❖ Looking at daily chart, the level of 2257.20 precisely coincided with 61.8% of its entire move from 1964.10 to the top of 2766.20 and stock formed a “Bullish Engulfing” candle precisely at said retracement.
- ❖ Also, the upper band of symmetrical triangle pattern which earlier acted as an immediate hurdle, post breakout said trend line reversed its role (change of polarity rule).
- ❖ The daily RSI (14) earlier formed “Bearish Divergence” and impact of such development seen during last past few weeks. Now, the daily RSI (14) came near its support level of 40 and signaled “Positive Reversal”.
- ❖ Considering the above technical patterns, we recommend traders to buy this stock.

| Action | Entry | Target | Stop |
|--------|--------------------|--------|------|
| Buy | Around 2422 / 2400 | 2828 | 2249 |

TEAM

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