

Nifty



Technical Outlook

Last week, our benchmark indices opened on cheerful note owing to better than anticipated numbers from index bellwether Reliance which allowed nifty to open above 12400 mark for the first time in history. However, such move proven to be short-lived as nifty remained under tremendous pressure right from the opening tick and tumbled sharply. Subsequently, selling pressure accelerated and nifty slipped tad below 12100 mark however mild recovery during the second half pared some of its intra-week losses. In the process, nifty ended the week with a loss of 0.84%.

- In our previous update, we had mentioned the upward sloping trend line resistance which was joined from the peak of 11760.20 and 12103.05 proved its significance and nifty reversed after testing said trend line.
- Looking at the daily chart, nifty found support near gap area of 12132.55 - 1204495 formed on January 09, 2020 along with that 45-EMA placed near 12100.
- Going forward, we are entering into pre-budget week along with that we also have a monthly derivative expiry hence volatility likely to increase even from current levels. As far as the levels are concern, last week low of 12087.90 will be an immediate support below which strong support placed at 11935 - 11850 levels respectively. On the other side, 11420 will be a stiff resistance on close.

Bank Nifty



Technical Outlook

Last week, Nifty Bank opened higher with a decent gap and formed similar open-high which is a bearish pattern. The impact of such pattern seen during Monday as Nifty Bank erased all its intraday gains and ended well inside the negative territory. Subsequently, the profit booking extended further and index eventually broke the swing low support of 30899.55. This was followed by mild recovery during the second half which trimmed some of its intraday losses. However, index ended well inside the negative territory and lost 1.10% over its previous week close.

- During the week, Nifty Bank confirmed its breakdown from bearish 'Head & Shoulder' pattern as nifty bank closed below 31160 during Monday.
- Also, Nifty Bank failed to achieve its Bullish Reversal pattern targets of 32520 & 32662 which do not augur well for bulls.
- On a daily chart, 9-45 EMA on price signaled negative crossover whereas price as RSI (14) both form lower highs lower lows formation.
- Going forward, 31900 which coincide with the weekly pivot resistance likely to act as a strong resistance above which index likely to rally till 32340 - 32520 levels respectively. Lower side, 30585 will be an immediate support below which index will correct till 30000 mark.

GRASIM LTD (Cash)



Technical Outlook

- ❖ Looking at the daily chart, stock has been in a protracted down trend since November, 2017. In that pessimism, stock hit a 52-week low of ~633 during October 07, 2019.
- ❖ Subsequently, stock has seen decent pullback and rallied till 824. Once again, the selling pressure resumed and stock gradually descended however stock managed to hold its swing low of ~633 and formed higher bottom at 711.
- ❖ Of late, stock has seen sharp rally and precisely came near its previous swing high of 824.
- ❖ Looking at the daily chart, stock is oscillating near down ward sloping trend line joined from the top of ~1281 hence any break above 825 will confirm its breakout from said trend line along with that daily chart will confirm the formation of 'Higher Top Higher Bottom' formation.
- ❖ Hence, we advocate traders to buy Grasim above 825 with a price target of 940. Strict stop loss should be placed at 780.

| Action | Entry | Target | Stop |
|--------|-----------|--------|------|
| Buy | Above 825 | 940 | 780 |

MOTHERSUMI LTD (Cash)



Technical Outlook

- ❖ After confirming 'Double Bottom' formation on daily chart, stock has seen sharp rally till 151.
- ❖ However, stock formed a medium term 'Bearish Divergence' on daily chart and impact of such development seen in past few weeks as stock gradually corrected and hit a low of 134.
- ❖ Looking at the daily chart, last week low of 134 precisely coincided with its previous daily swing high (change of polarity rule).
- ❖ Also, 61.8% Fibonacci retracement of its entire move from the bottom of 121.40 to the top of 151 comes near 134 - 132 zone.
- ❖ The daily RSI (14) signaled 'Bullish Reversal' pattern which is a positive sign.
- ❖ The daily 9-45 EMA on price is still positive which indicates that the over trend is still up.
- ❖ Hence, we advocate traders to accumulate this stock in a range of 139 to 134 with a price target of 165.

| Action | Entry | Target | Stop |
|--------|------------------|--------|------|
| Buy | Around 139 / 135 | 165 | 129 |

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