

Date: 12th JULY 2021

NIFTY



The Benchmark Index is trading in a very narrow range for the last couple of weeks and has formed a pennant-like formation in the daily chart. As it can be observed on the daily chart that since 18th June index has formed higher low formation and a horizontal trend line resistance around 15900 zones. Whenever the index approaches near its lifetime high levels one can witness a selling on the intraday charts.

This was the second week in a row where the Nifty faced fierce resistance in the 15850 – 15900 zone and retraced from that level. Although the decline on the week – on week basis has not impacted its bullish structure and prices continue to close above its 50- day exponential moving average.

The Nifty has been moving in a range in 15600 – 15915 for the last few weeks which indicates the momentum of the market has slowed down but still there is no sigh of trend reversal.

Looking at the current chart set up we are expecting a bullish breakout in the Benchmark Index in the coming trading sessions. Near-term support for the index is placed near 15550 levels and once the previous high of 15915 is sustainably breached, it could rise towards the 16000 mark and even higher.

BANK NIFTY



Bank Nifty on the daily chart is trading within the rising channel pattern and currently trading near the lower band of the pattern. On the weekly chart banking index is trading above its upward rising trend line. Higher top higher bottom formation is well intact on the weekly chart indicates bulls are still in action.

Bank Nifty is trading in a higher high higher low formation within the rising channel pattern on a daily scale. Prices are trading above their 21 & 50-day exponential moving averages and the gap between the two averages is widening on the daily basis indicates a strong upward trend is likely to unfold in the banking sector.

Some major banking stocks like HDFCBANK & SBIN have closed above their conjunction zone and will likely lead the Bank Nifty ahead.

The above chart analysis suggests Bank Nifty will most likely continue its bull run and near-term support for the Banking index comes near 34200 and resistance rests near 36500 levels.

Sector Look: NIFTY MEDIA INDEX



The Nifty MEDIA index has witnessed a horizontal trend line breakout on the weekly chart and prices are trading above its trend line support. MEDIA index has most likely completed its throwback near its trend line support and likely to resume its uptrend.

NIFTY MEDIA is trading in a higher high higher low formation within the rising channel pattern on a weekly scale. Prices are trading above their 21 & 50-day exponential moving averages and the gap between the two averages is widening on the weekly basis indicates a strong upward trend is likely to unfold in the media sector. The Parabolic SAR indicator is trading below the MEDIA Index and acting as support below the upward rising trend line. The MACD indicator is reading above its center and sloping higher on the weekly time frame, which is positive for the MEDIA index.

Based on the above chart analysis and technical outlook, the MEDIA index seems to be in the control of bulls. The MEDIA index is holding the key support zone, but the chart pattern suggests that there might be some action expected in the index if the price remains above the support zone or breaks the crucial resistance zone which rests at 1900 levels in the coming trading sessions.

Weekly Stock Idea: DRREADY



DRREADY on the weekly chart is trading above the rectangle pattern and it is clubbed with a higher high higher low formation. Prices are trading above its horizontal trend line on the weekly chart which is acting as a strong support for the counter.

Stock has given a decisive break out of a horizontal channel pattern and currently hovering above the upper band of the pattern on the daily interval.

Prices are trading above its 21 & 50 day exponential moving averages and the gap between the two averages is widening on the daily basis indicates a strong upward trend is likely to unfold in the counter. Momentum oscillator RSI (14) is reading above 55 levels with positive crossover on the daily scale, which indicates uptrend may resume soon.

Based on the above Technical studies we can come out with a view that the price may move towards lower levels over a short period.

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SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

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