

Date: 20th SEPT 2021

NIFTY



Nifty50 was trading in a band of almost 200 points from the 6th to 14th Sept without giving any meaningful indication. On the 15th of Sept, the Benchmark index finally witnessed a breakout on the higher side of a narrow range consolidation pattern and continued to trade higher for the next couple of trading session and registered its lifetime high of 17792 17th Sept.

In the start of the week, we have seen a consistency in the advance-decline ratio 2:1 where advancing stocks were having the upper hand even in the sideways trend; it clearly indicates the accumulation phase for the majority of the stocks. Even FII data in the start of the week have hinted a strong accumulation in the front line stocks as we have seen more than Rs.3000 cr buying.

Nifty continues to trade within the rising channel pattern on the daily time frame and on the Fridays trading session prices have taken a stiff resistance near the upper band of the rising channel pattern and witnessed a profit booking after hitting a new life time high in the early trading ticks.

Momentum oscillator RSI (14) is continuously sustaining above 70 levels and currently hovering between 75 – 80 levels on the daily interval. An indicator or oscillator can remain in the overbought zone for a longer duration in the bull market and any dip of an RSI near its previous low can be utilized for a buy-on dips strategy.

BANK NIFTY



It was a banking driven week where a BANK NIFTY has registered its new life time high of 38112 on the 17th Sept and has closed three higher on the weekly closing basis.

Bank nifty has witnessed a breakout of a triangle pattern on the weekly chart and the prices have able to closed above its trend line support. On the weekly chart, prices are trading above upward slanting trend line support and a higher high higher low formation is well intact on the broader time frame.

Both Private and PSU banks participated equally to this rally where both the index closed above four percent on the weekly chart.

On the indicator front RSI (14) has also witnessed a breakout of a conjunction zone which was formed between 65 – 60 levels on the weekly interval. Banking index continues to trade above its 21 & 50 - day exponential day moving average on the daily as well as the weekly chart.

Even if Bank Nifty corrects for some reason, it should be considered a buying opportunity. The support for the Bank Nifty is placed near 37200 – 37000 levels and the upside resistance is likely to be capped near 39000 levels which is an uncharted territory.

Sector Look: NIFTY MEDIA INDEX



Nifty media is currently trading at 1927.5 which is near to its previous swing high levels. The index is making a higher high higher low formation from its March 2020 lows and is on its way for a breakout above 2000 levels. During the week it surpassed the breakout level by making a high of 2100 but was unable to sustain the momentum. This was particularly seen because of one of its major constituent (ZEE ENTERTAINMENT) which is having the highest weightage in the index, making a fresh 52 week on positive news flows.

Going forward a further upside is visible in the index. Important supports are placed near 1635-1685 levels and the resistance is pegged at 2000-2100 levels. A key level to mark would be 1950 for the upcoming week. The index has broken its falling trend line on the upside which indicates that it has bottomed and will likely continue the upward trajectory.

On the indicator front, the ADX on weekly timeframe is currently not exhibiting strength and is showing a reading of 16. From here on, it is to be seen whether the index can gather strength in the momentum or not. The RSI too has reached 64 which is nearing overbought levels. MACD is about to give a positive crossover which is a bullish signal. Further, the index has taken support from the 21 weekly EMA which is placed at 1720, giving confidence that this is the place where money can be invested.

Weekly Stock Idea: PAGEIND



A swing trade setup is visible on daily and weekly timeframe for this stock and is poised to give up to 9% returns in the upcoming trading sessions. The stock has shown a healthy run up in last month and a proper higher high higher low price formation is spotted on the price action front.

The stock is on the verge of an inverse head and shoulder breakout and the price is currently near its neckline breakout level. If the stock is able to sustain above 33450-33480 levels, we may see a major upswing. The price has taken support from its 10 day EMA and in the previous trading session a bullish pin bar is formed which means there is rejection of lower prices and bulls managed to overcome the bears

On the indicator front, ADX is showing a reading of 19.70 and is rising which tells us that the strength of the trend is strong and will gain momentum. The MACD has already given a positive crossover and is sustaining above its zero line. . RSI hasn't yet entered overbought levels and is showing a reading of 65 which means there is upside potential left in the stock.

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