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NIFTY



Nifty50 registered its lifetime high of 15962.25 on 16th July 2021 and slipped almost 380 points which are 2.46 percent in the next two trading sessions. Benchmark Index witnessed a smaller degree V shape reversal on the daily chart after forming a low of 15578.55 on 20th July and post that recovered more than two percent in two consecutive trading sessions.

Benchmark Index on the daily chart continues to trade in a narrow range horizontal channel pattern from the past seven weeks. The width of the channel pattern is off almost three-fifty points where a lower band of the pattern holds support near 15600 levels and the upper band of the pattern is near 15950 levels.

The Nifty on the daily chart is trading above its 21 & 50-day exponential moving average and on the weekly chart Momentum oscillator RSI (14) on the weekly time frame is reading in the range between 60 – 70 levels.

If Nifty is able to break the upper band of the pattern which is placed near 15950 levels then prices may witness a major breakout which will help prices to cross above 16150 levels. Support for the Nifty is placed near 15768 - 15600 levels.

BANK NIFTY



Bank Nifty registered its lifetime high of 37708.75 on 16th February 2021 and post that the Banking index entered a correction phase. Despite the downside correction, Bank Nifty continues to trade in a higher low formation. Bank Nifty made its intermediate low at 30405.65 on the 19th of April and since then prices have recovered more than 18 percent in just a period of three months.

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. The 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. The banking index is trading above its 100-day exponential moving average on the daily time frame. If Bank Nifty is able to break the horizontal trend line resistance which is placed near 36000 levels then prices may witness a major breakout which will help prices to cross above 37500 levels. Support for the Bank Nifty is placed near 33900 levels.

Sector Look: NIFTY IT INDEX



Nifty IT index rallied 7.35 percent in the past few weeks, from the low of 28083 made on 21 June 2021 to a new 52-week high of 30059.70 tested on 23rd July 2021. Nifty IT Index has outperformed the Benchmark Index and generated 1.68 percent returns for the week and it is the leading gainer among all indices.

IT index has also witnessed a breakout of a smaller degree horizontal trend line on the weekly as well as the daily time frame. Which indicates bullish momentum is likely to continue ahead. Near-term support for the IT index is placed near its 21-day exponential moving average at 29000 levels and the IT index has closed at its all-time high levels so a sustained move from current levels will add 4 to 5 percent in the coming trading sessions.

Based on the above chart analysis and technical outlook, the IT index seems to be in the control of bulls. The IT 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 30300 levels in the coming trading sessions.

Weekly Stock Idea: TATASTEEL



The prices were trading in a range of 1100 to 1200 for the almost two months and have formed rectangle pattern formation on the daily chart.

TATA STEEL has broken out of a rectangle pattern at 1244 levels on 09th July and the prices have registered a decisive breakout that suggests a change in the trend from sideways to upside.

In these recent correction prices have completed its throwback near its trend line support which is placed near 1230 levels.

Stock is trading above its 21, 50 & 100- day exponential moving averages on daily time frame, which is positive for the prices in the near term.

MACD indicator is reading above its centreline with positive crossover above its signal line. Momentum oscillator RSI (14) is reading near 60 levels which indicates positive momentum will like to continue ahead.

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