

INDIA WEEKLY TECHNIVIEW

CNX Nifty – Important support at 9950



A queue of black candle followed by bearish engulfing pattern on daily chart indicates weakness in the market. Moreover, On weekly front: it has formed bearish candle pattern followed by tweezer bottom indicates negative stance. By and large, we expect market to remain volatile on back of cues from global market and Earning season. Therefore, We recommend to sell with sl.

Last week, we had given buy recommendation with expectation of volatility for market but actually market has witnessed complete bearish movement through-out week and given close with negative sentiment. Market is trading with P/E ratio of 24.15 with 52 week high of 28.72 at 11750 but still trading above average of 22.00. Finally, market has given close with decline of 2.65% on weekly basis which was mainly lead by couple of sectors like Pharma, IT & PSU Bank. **Critical support and resistance levels are placed at 9740(9500) and 10420(10650) for the Nifty.** Nifty has, formed descending broadening wedge pattern, reversed from upper arm and moving toward lower arm. It has broken Fibonacci support of 76.40% (9950-11750) at 10375 and moving toward 9950. If it will break 9950 then we may see more panic upto 9525 (123.60% of 9950-11750). Index has broken support of all moving averages and trading below it since last couple of days. Momentum indicators RSI has seen with negative crossover while SO has seen into oversold zone on daily chart. On weekly chart, RSI has seen with negative sign but Stochastic has seen into oversold zone. So, overall indicators are signaling negative indication with cautious approach in market. By and large, we expect market to remain volatile on back of cues from global market and Earning season. Therefore, We recommend to sell with sl.