

Wealthstreet House View

12-10-2019



Wealthstreet

The Financial Engineers

THE WEEK THAT WAS

• **NIFTY FUTURE:** 11318.00(+0.57%)

BANK NIFTY FUTURE: 28135.00(+0.10%)

- The Nifty50 gained strength in last couple of hours of trade and closed with more than half a percent gains on October 11. The gains were driven by technology (except TCS), metals, select auto and FMCG stocks.
- The index closed above 11,300 levels after trading in a range of 180 points and registered a Spinning Top kind of indecisive formation on daily charts, but formed bullish candle on weekly scale. For the week, the index gained a percent.
- The Nifty50 after opening higher at 11,257.70 hit an intraday high of 11,362.90, but wiped out all gains in late morning deals to touch a day's low of 11,189.40. The index recovered in afternoon amid volatility and gained strength to close 70.50 points higher at 11,305.
- Nifty50 registered a Spinning Top kind of indecisive formation on daily charts and a decent bullish candle on weekly charts. Hence Friday's price behaviour, though indecisive, can be termed as a positive sign and hence once Nifty manages a close above 11,400 levels, then it can extend the rally towards 11,550.
- Critical support on downsides continues to remain around 11,090 levels, for short term traders, 11,189 shall remain important. Therefore, in next session sustaining above 11,189 can lead to the test of 11,400 whereas breach of the said level can increase selling pressure on intraday basis.
- Maximum Put open interest is at 11,000 followed by 11,200 strike while maximum Call open interest is at 11,500 followed by 12,000 strike. Marginal Put writing was seen at 11,000 then 11,300 strike while Call Unwinding was seen at all the immediate strike. Option data suggests the Nifty could be trade in wider range of 11,000 to 11,600 levels.
- Bank Nifty remained highly volatile and continued to trade in wider range between 27,500-28,600 levels. The index closed 0.08 percent higher at 28,036.35 and formed a bearish candle on daily scale while small bodied candle on weekly scale with long upper shadow which suggests that selling pressure is seen at higher zones.
- The index has got stuck in broader trading range between 27,600 to 28,800 levels from past six trading sessions and volatile swings are likely to continue in this wider range. Now it needs to hold and sustain above 28,250 to witness a bounce towards 28,550-28,800 levels while on the downside major support is seen at 27,500.
- India VIX fell by 0.52 percent to 17.14 levels.
- SGX NIFTY closed at 11287.00.