

Technical Glance At **India's Top Indices**

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NIFTY50 (Daily Chart) : 16985.20



• According to the latest development on the EOD charts, the index has breached its shorter term rising support trendline that began from the November-2021 bottom at 16782.40 level and at the same time was seen crossing below its 100 period exponential average that together hints of further downside towards the major support seen at or around 16800 or 16782 precisely and any trade below these levels could make the NIFTY50 drift lower towards its longer term average present at 16284 level sooner or later. On a positive note, if the index acquires buying interest around the major support zones then it needs to surpass 17170-200 levels in order to extend northwards to 17360-17450 kinds of zones going forward.

• On the weekly scales, the index has once again settled below its 20-weeks EMA line now seen at 17152 level which shall now act as a major hurdle that needs to be taken out on a weekly basis for the sake of further upside as per medium term perspective. Moreover, the last week's action has formed a "Bearish Engulfing" candlestick pattern on the medium term charts that almost engulfed the past two weeks of consolidation and also indicates that the bulls are losing control at the current juncture.

• In the week ahead, we see the range between 17639 and 16966 which was the high and the low marked in the last week should possibly act as a resistance and support, above or below which the trend is likely to get established going further.

• All in all, the trend for sure favors the bears and any rise towards 17100-150 should be utilized for an exit trade, fresh buying on the index should be avoided and a break below 16782-750 should be treated as a fresh shorting opportunity going ahead.

NIFTYBANK (Daily Chart) : 35618.65



- The Bank index has seen a sharp correction and in the process has lost near about 6500 points or a 16% from the all time high at 41829.60 level.
- After a minor pullback from the recent bottom at 35328 (Nov-2021), towards the 37581 level, this particular index is seen resuming its downside in the week ended.
- The index is seen very near to its longer term 200 period average present at 35467 and in case if the index fails to respect the same along with the above mentioned support at 35325, then the fall is likely to accentuate towards the 61.8% retracement zone at 34800-34769 levels going further.
- In case of any short term base formation at the current juncture, the index then could see an elevation towards 36000-36117. Any further up tick thereafter could make the index travel northward to retest 37465-37581 kind of levels where the 38.20% retracement accompanied with 100EMA and the intermediate top exists that needs to be taken out decisively for a strong upside towards 39000-39113 thereafter.
- In the near future the levels at 34800-34750 is likely to act as a major support breach of which shall trigger next round of selloff towards 33000 going forward.
- Momentum still stays bullish but below zero line together indicates a weak momentum and hence supports the bear at least for now.

CNXAUTO (Daily Chart) : 10678.65



- In line with the broader markets, the entire auto basket has also witnessed a heavy selloff from the recent peak at 12139.75 level and in the process the auto index was seen testing its earlier resistance now turned into support zone present at or around 10600 levels.

- The auto stocks did managed to bounce back from the said value area but soon after retracing 38.20% retracement zones it again is seen resuming its downward move.

- The auto index is seen hovering around the 61.8% which is considered to be a very important support zone and has also triggered a sharp reversal at many instances earlier.

- In case if the auto stock slips further from these zones then the fall is likely to get extended towards 10450-10439 where major supports in the form of the recent swing low and the longer term 200 period EMA exist and any trade below these shall open the gates for a levels at 10300-10279 in future.

- On a flip side, the intermediate top present at 11210 needs to be taken out to make a fresh entry in any of the stock present under this category, as a decisive move above the same shall bring a confidence amongst the buyers willing to enter in this particular segment.

- Momentum for now is seen bearish and the trend is likely to remain under pressure in the absence of any positive development on the technical charts.

CNXFMCG (Daily Chart) : 36438



- The FMCG basket has been in a steady uptrend from the March-2020 bottom at 22699 and from the said low has rose by more than 85 per cent to attain fresh peak at 42021.45 (Oct-2021).

- The entire basket thereafter has underwent a decent corrective move so as to workout the overbought scenario and in the course of action has retraced by more than 23.6% of Fibonacci measurement seen at 37461 and is calculated of taking the above mentioned high and low.

- The said correction has to be considered as a one lesser degree trend of the larger degree uptrend.

- Looking at the daily price action, the FMCG index has breached its longer term 200 period EMA now present at 36980 and shall offer a stiff resistance going forward.

- Also the chart replicates a bearish price pattern of lower top and bottom formation and a break below the recent low hints of a further downside later.

- Although the primary trend remains intact, the short to medium term trend hints of a definitive reversal combining the above technical setup and hence a further correction of near about 7-8% towards the next possible support of 38.2% at 34640 levels cannot be ruled out going ahead.

- Hence we suggest to avert the stocks from the FMCG space at the current juncture and wait for a fresh entry till a clear reversal is identified

CNXIT (Daily Chart) : 36647.90



- The overall IT pack has seen a vertical run up and in the process has been outperforming against the broader markets.

- Post attaining fresh peak at 37823.15 the overall sector has also been consolidating in a larger degree bands ranging between 34400-37400 for a period of more than two-three months.

- Recent chart structure exhibits a bullish breakout from a one lesser degree triangular consolidation that hints of a resumption of the primary trend going forward.

- Lead indicators like RSI(14) is seen rising above the 60 levels accompanied with the bullish MACD setup on the short term charts together hints of strong surge in the weeks ahead.

- Hence a continued outperformance is expected from here as well from the stocks under this basket and trade should be on the long side at least for now.

CNXPHERMA (Daily Chart): 13230.70



- Post a sharp surge from the March-2020 levels at 11280.80 the NIFTY Pharma index has witnessed a topping out formation on the medium term charts. The index failed to surpass 14900-938 levels on multiple occasions that indicates a loss of momentum in the stocks under this universe.

- The index has seen a vertical fall from the said highs and in the course of action has decisively breached the important mid-point area present at 13578-550 levels which has validated the above mentioned pattern.

- Secondly, the recent price pattern exhibits a “Descending Triangle” structure which is a continuation pattern and the breakout from the same shall make the entire pharma space fall further going ahead.

- Also the index stays below all its near and far month averages and a break below the triangular structure could trigger the fresh round of selloff towards the possible support region at or around the 50% Fibonacci retracement zone at 13109-100 levels.

- On the basis of the above technical observation we are convince to avoid fresh entry in the stocks present under this category at the current juncture.

CNXMETAL (Daily Chart): 5476.80

CNXMETAL, 10, NSE 05576.70 H5590.30 L5466.35 C5476.80 -120.35 (-2.15%)



- The metals have shown a stellar run in the past and current trend exhibits a profit taking after attaining fresh peak at 6312.20 on the Metal index.
- The metal index is seen breaching the lower band of rising channel that lasted for about four months and now is seen making a bearish price structure on the short term charts.
- The index attempted a decent pullback and after reaching a crucial level of support now turned into resistance , it is again seen marching lower going ahead.
- However, the trend as per longer term remains bullish as the index still stays above its longer term 200-period exponential average now present at 5080 levels and shall actively provide a major support to overall basket.
- The index also stepped below the 23.6% retracement zone measured taking the previous swing low and high at 3062 & 6312 respectively.
- Looking at the overall trend, then it remains sideways as of now but a slide towards 5100-5070 or a 7-8% of further downside is inevitable and on a positive note the primary trend should resume if the index make a move above 5800-5850 going forward.

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