

NIFTY (9908.05)

Our benchmark index NIFTY opened on negative note with a loss of 18 points extending the loss of previous trading session at 9961 mark. After breaching the mentioned support i.e.9940 mark, NIFTY tried to fill opening gap area and then again we saw NIFTY testing sub 9900 mark. On back of severe sell-off NIFTY tested day low i.e.9893 mark during last hour of trade, nearly 75 points off day high. On sectoral front, it was across the board selling led by pharma index as it lost 3.94% for the day. To wrap up the day, NIFTY ended with loss of 71 points (or 0.71%) 9908 mark.

NIFTY Daily Chart



(Source : Spider IRIS Plus)

Observation

- 1) 8 & 20day EMA is placed at 9998 & 9950 levels while 89day EMA and 200day SMA is placed at 9585 and 8993 levels respectively.
- 2) 'ABCD' harmonic trading pattern, with PRZ 10037 considering monthly chart.
- 3) Directional as well as momentum indicators are negatively placed.
- 4) Upward slopping lower trend line support near 9850 – 9830.

Expectation

We continue to have negative stance on index and on lower side 9850 – 9830 to be tested in coming trading sessions. There are multiple support in above mentioned range i.e. trend line on daily chart and 8week EMA. Having studied so, we would meticulously be watching the range on a closing basis. A decisive close below the support mark, we may see NIFTY extending its losses and heading southward towards 9600 – 9550 mark. On flipside of the coin, 9990 – 10000 would act as immediate resistance.

Trading Calls for 10th August 2017 – Cash Segment

| Stock | Strategy | Target | SL | Time Frame |
|------------|--------------------------|--------|--------|--------------------------|
| ASHOKLEY | Sell below 108 | 101.20 | 110.30 | 3-4 trading sessions |
| ASIANPAINT | Buy above 1161 | 1216 | 1139 | 10-12 trading sessions |
| ULTRACEMCO | Sell between 3998 – 4010 | 3864 | 4051 | 10 – 12 trading sessions |
| BIOCON | Sell below 493 | 482 | 498 | Day Trade |

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