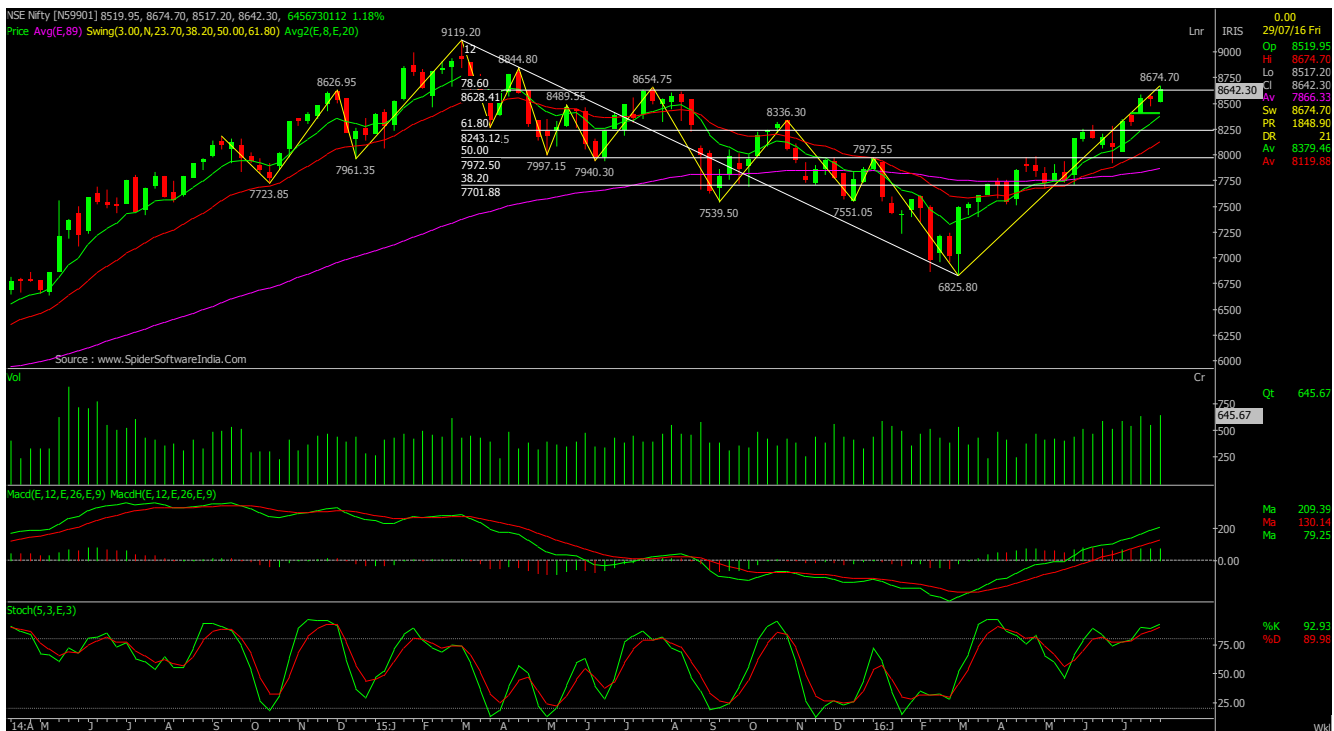


NIFTY (8638.50)

After a muted week, previous week started with mild negative bias as NIFTY opened with minor loss of 21 points at 8520 levels and posted the low 8517 for the week, which remained intact throughout the week. On second trading session bulls tried to break 8660 mark, but failed to have upper hand and early gain spooked off buy sell-off. NIFTY found support near 8day EMA and we observed NIFTY regaining momentum till Thursday which was expiry day of the July series. Breaking above previous swing higher on weekly chart i.e. 8654, NIFTY extended gain and posted high i.e. 8675 levels. On back of F&O activity NIFTY could hold gain but on last trading session some short of selling pressure and in absence of any directional cue it was lackluster trading session to end the week. Thus to NIFTY closed with a gain of 97 points (or 1.14%) at 8638 levels.

Nifty Weekly Chart



(Source : Spider IRIS Plus)

Observation

- 1) On weekly chart, 8 & 20week EMAs are placed at 8379 & 8120 respectively, while 89week EMA is placed at 7866 level.
- 2) MACD is positively placed while stochastic is in overbought on weekly chart.
- 3) Swing high on weekly chart at 8655 levels.

Expectation

NIFTY took out previous swing high but failed to give a close on a weekly basis. On daily chart on NIFTY, directional indicator is on a verge of giving negative crossover. So there are chances NIFTY losing its momentum going ahead. In this instance, 8600 mark would act as immediate support as on daily chart 8day EMA is placed at 8600 mark. A decisive break below 8600 mark may extend loss ahead till 8475 levels, where we have witnessed a good consolidation taken place. On higher side, 8675 level would continue to act as strong resistance. A weekly close above 8660 mark would extend positive momentum ahead, which is least likely to happen as of now. In case of decisive close above 8660 mark, we will see NIFTY inching higher level such as 8729 and 8768 levels.

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