

11<sup>th</sup> Jan 2016

## Nifty



The first week of the calendar year 2016 started on a pessimistic note tracking the extreme negative cues from the Asian bourses. As a result, we witnessed tremendous sell pressure getting build on Nifty and our benchmark indices lost about two percent in a single trading session. Subsequently, the bears had completely wrested the charge of market and drive Nifty sharply lower. On Thursday, Nifty opened gap down on the back of lower circuit hit in the Chinese Shanghai indices which triggered extreme panic across the world market. In the process, Nifty has completely retraced its previous three weeks gain in four trading session. However, on Friday's trading session, Nifty acted as a sheet anchor role as Nifty rebounded nearly half percent and eventually Nifty formed large bearish candle on weekly chart with a big cut of 4.54 percent. Looking at the overall chart structure, 7539.50 will be a crucial support and we are meticulously tracking this level as any break below this level will confirm the breakdown on higher degree chart. Also, eventually Nifty will break the 38.2% Fibonacci retracement of its entire impulse move from the bottom of 5118.85 to the top of 9119.20. In that case, we may sharp correction in Nifty till 7420 / 7300 levels respectively. On the up side, the previous Friday gap area formed at 7675 / 7721 will act as an immediate resistance for coming days a sustain above this zone will lead to further bounce in Nifty till 7800.

## Bank Nifty



Last week, Bank Nifty index too opened with a negative bias and nosedived sharply during the Monday's trading session. The pace of sell-off was so intense that Bank Nifty engulfed its previous nine day's trading move in a single day. Subsequently, the bears had a clear upper hand as Bank Nifty sink lower sharply. On Thursday, Bank Nifty opened lower with a large gap and broke its previous swing low of 16188.05 with an ease. During that period, we witnessed the front line banking counters (SBIN, AXISBANK, PNB) registered fresh 52-weeks low which constantly put pressure on Bank Nifty. In the process, Bank Nifty lost nearly 1000 points in four trading session. On Friday, we witnessed minor bounce which was very much possible post the carnage and Bank Nifty eventually concluded the week with large cut of 5.26 percent. Looking at the weekly chart, Bank Nifty which has confirmed its breakdown from rising trend line on December 11, 2015 and we observed a three pull back followed by sharp correct in last week. Going forward, 15762.20 will be a crucial support any break below this level will result into an immediate correction till 15480 / 15130 levels respectively. On the up side, gap area formed near 16257 / 16378 will act as a stiff resistance above which Bank Nifty may test 16670.

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