

## **Sector Technical Watch**

*Periodical technical report on Banking & IT sectors*

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Sectors	CMP	Trend	Supports	Resistances	Trading Strategy	Components expected to perform in line
NSE Banking (Bank Nifty)	15339	Up	15000/14740	15710/16150	Buy cmp/dips	SBIN, ICICI Bank, Axis Bank, BOI and BOB
CNX IT	10980	Up	10875/10800	11100/11290	Buy cmp/dips	Infosys, TCS, Mind Tree and Just Dial

### NSE BANKING (BANK NIFTY):



NSE Bank daily timeframe



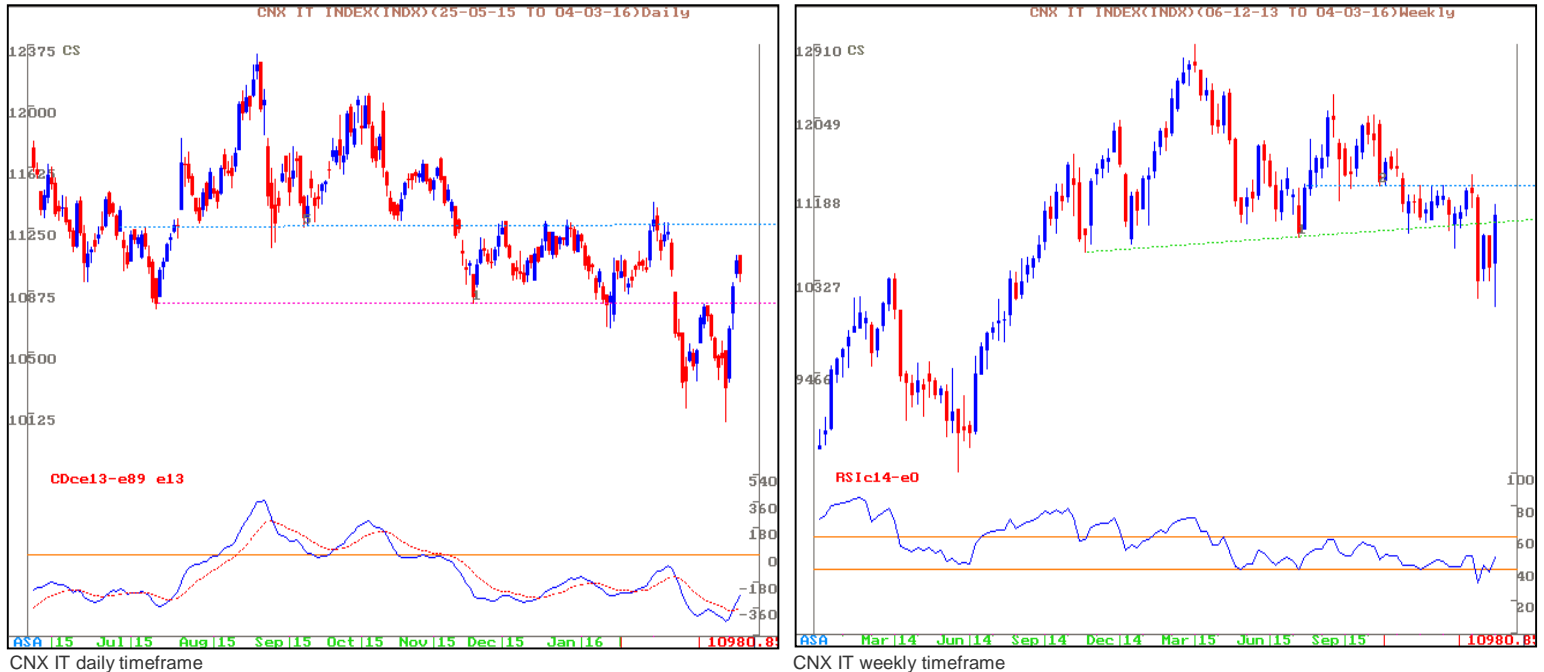
NSE Bank weekly timeframe

#### Observation:

- Daily Timeframe:** The banking sector has witnessed an excellent upmove in the last 5-6 sessions and showed consolidation at higher levels in the last two sessions.
- The sharp opening upside gap of 2<sup>nd</sup> March is still unfilled and unchallenged. This gap could be considered as a bullish breakaway gap, which are normally associated with the bottom reversal pattern. This is positive indication for the sector ahead.
- The key sector participants like SBIN, ICICI Bank, Axis Bank, Kotak Bank, Yes Bank, BOI, BOB, Fed Bank and Canara Bank are all showing sharp upmove from the key lower levels (indicating bottom reversal pattern).
- Weekly timeframe:** After showing a consolidation in the last couple of weeks, the banking sector has witnessed a sharp upside bounce back during this week and gained by around 1548 points.
- The banking sector showed upside bounce back from near the important support of 13535 levels (green ascending trend line, as per the concept of change in polarity). This trend line has been a significant resistance points in past and has led to a sharp reversals. Hence, one may expect follow through upmove in banking sector for the next few weeks.
- Weekly 14 period RSI has turned up and moved above 40 levels. Presently, the weekly RSI has been moving within a high low range of 60-30 levels. This is indicating positive bias for upside momentum of the sector.

#### Summing Up:

- The underlying trend of Banking sector is positive and one may expect it to reach up to the next upside levels of 16000 in the next couple of weeks. The large cap and PSU Banking sectors are expected to outperform.

**CNX IT:**

**Observation:**

- Daily timeframe: The IT sector has witnessed an excellent upside bounce back in the previous few sessions and showed consolidation on Friday's session.
- We observe a 'W' type bottom reversal pattern in the last 3-4 weeks and this pattern has a potential of upside target of around 11290 and next 11410 levels, which could be achieved in the next couple of weeks.
- The key sector participants like Infosys, TCS, Wipro, Mindtree, HCL Tech, OFSS, Justdial and Tech Mahindra are all in a trended upmove. This pattern could possibly turn out to be an uptrend continuation pattern for coming weeks.
- Weekly Timeframe: After showing consolidation in the last couple of weeks, the IT sector has bounced back sharply during this week and closed with the gains of around 517 points, as per w-o-w basis.
- The IT sector has moved above the hurdle of 10900 levels (green ascending trend line, as per the concept of change in polarity). This resistance has been significant valuation hurdle and the IT sector sustaining above it could have a sharp positive impact ahead.
- Weekly 14 period RSI has turned up after dipping down to key lower levels of 40. As per the bearish high low range theory (30-60 levels), the weekly RSI is expected to reach up to upper 60 levels, from the current reading of 47 levels. This expected pattern could mean more upmove for the sector ahead.

**Summing Up:**

- The IT sector continues to look positive. On sustaining above 10900 levels for next week, could have a sharp positive impact and the IT sector could reach upto the upper targets of around 11300-11400 levels in the next couple of weeks.
- One may look to accumulate IT participants and mid cap IT stocks at current levels and also buy on dips for a reasonable upside targets.

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