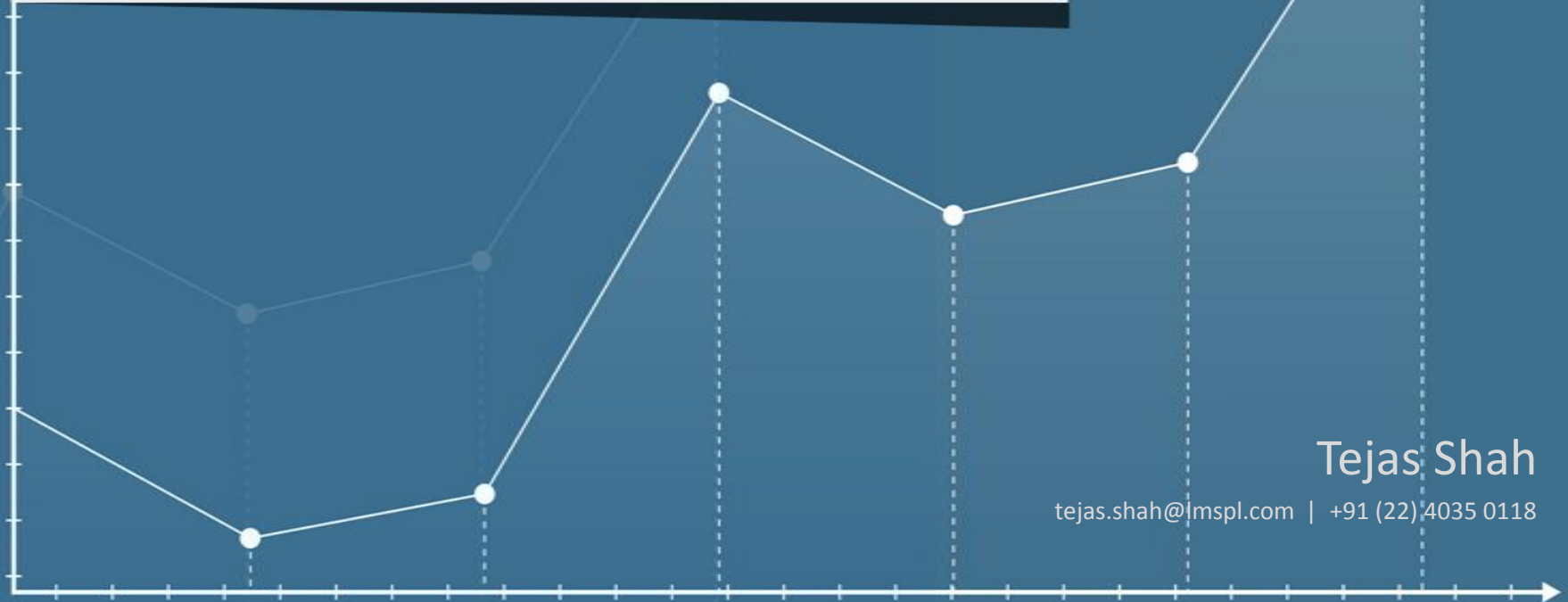


Weekly Technical Perspective

Trading Research Desk



Tejas Shah

tejas.shah@lmspl.com | +91 (22) 4035 0118



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NIFTY (daily)

* NIFTY 50 (10,644.80, 10,704.55, 10,599.35, 10,693.70, +92.5498)



Nifty failed to extend the November winning streak in the previous week after a after peaking out on Monday and dropped 350 points thereafter only to recover some losses on Friday owing to positive global cues. The index is forming an expanding triangle (gramophone) pattern on the daily chart. However, the weekly candlestick exhibit a 'bearish dark cloud cover' which is a bearish reversal pattern. Having completed 50% Fibo retracement of the Aug-Oct decline, the market remains on balance going into the crucial State elections results.

Momentum indicators are in neutral mode on short-term scale and hence unable to guide direction. **We expect an eventful week with volatile swings in either direction, but remain bullish biased on declines to 10,500 for a target of 11,030.**

BANK NIFTY (daily)

* NIFTY BANK (26,307.40, 26,659.70, 26,252.10, 26,594.30, +396.000)



Bank Nifty has retraced 2/3rd of the Aug-Oct decline after having scaled to the 27,000 handle in the previous week. The index dropped considerably for most part of the week in spite of a benign stance by the RBI governor in the MPC meeting. However, a sharp recovery largely led by global events cut some losses of the week to close above 26,500. The index trades above all its key moving averages indicating a short-term uptrend.

Readings on momentum oscillators and indicators are in bullish territory. **With the all important state assembly election results scheduled for Tuesday we expect the index to swing in a large range. Near-term support is pegged at 26,100 (50DEMA) whereas the uptrend is pivoted at 25,800. Recommend to buy on any declines for a target of 27,160 in the coming sessions.**



USD-INR (weekly)

USDINR - INDIAN RUPEE (69.8700, 71.1400, 69.8700, 70.8500, +1.21000)

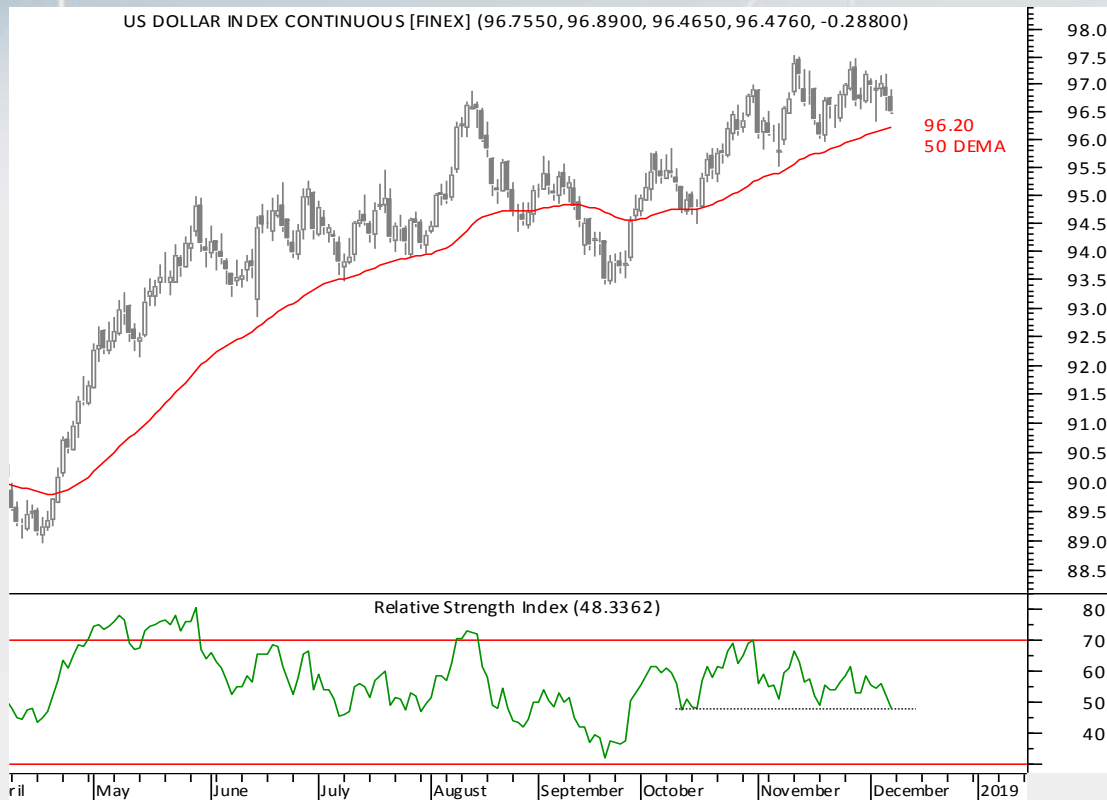


USDINR has managed to snap the five week decline with a 1.7% gain in the previous week. The currency pair has been on a downward draft as India's macroeconomic situation improves with a collapse in Crude Oil. Technically, the 75/\$ handle remains illusive and now the pullback down to previous major breakout area of 69 is back in play. USDINR is trading under its 21 & 50 day EMAs thus suggesting a short-term downtrend is in motion.

Readings on daily RSI (momentum indicator) dropped below the oversold threshold and have since recovered with a recovery in price but remain in bearish territory. The same on weekly scale is in neutral zone now. **Expect upside to be capped at 71.65 and a re-test of lower levels of 69.40-69.20 gap area in the coming few weeks.**



US DXY (daily)



US DXY ended the week on a losing note as it failed to build up on gains in the week prior. The DXY has been in sideways consolidation mode for three weeks and as it approached the year-end and the final US FOMC meeting, it is unlikely to move strongly in any direction. Largely the index has been trading above its 50-day EMA thus keeping the overall trend higher.

Momentum readings on the other hand are neutral and on the verge of rolling over into sell. **With price support coming in at 96.20 (50-DEMA) a breach lower can pull the index down to 95.50 while the immediate upside remains capped at 97.55.**



India 10-yr Gsec yield (daily)



Yield on India's benchmark 10-year Bond has dropped significantly in the past three months in line with the collapse in Crude Oil prices which positively impacts India's macro-economic position. The stress on CAD, the depreciating Rupee and rising inflation concerns have evaded, thus resulting in a sharp rally in the Bonds led by foreign inflows. The G-Sec yield has dropped below its 200-DEMA of 7.70% and is now trading close to 7.5%.

Near-term momentum tracking the yield has reached an oversold threshold and hence the drop in yield now becomes unsustainable as a recovery is due. Having said that, **upside is likely to be capped at 7.70% with lower levels of 7.25% - 7.15% in sight over the next few weeks.**

GOLD - MCX (daily)

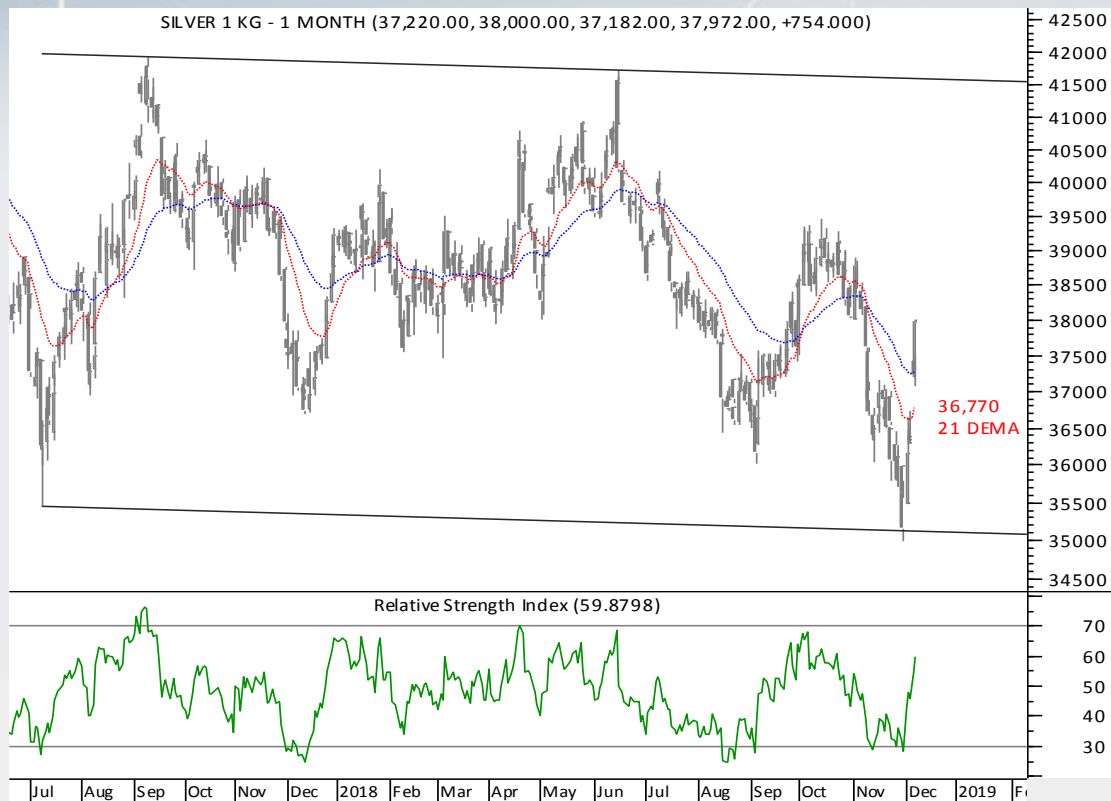


Gold prices have snapped the five week losing streak with a strong rally of 4.5% in the previous week on back a breakout in international Gold price and a weak Rupee versus the US Dollar. The week began on a strong note and the price continue to move higher with the best gain coming in on Friday with a test of the 32,000 handle intraday. The yellow metal has been trading within a long-term upward sloping trend channel from the lows of 2016 and is expected to test the upper boundary.

Momentum oscillator MACD has rolled bullish on short-term charts whereas the weekly readings continue to remain in favor of bulls. **With strong support pegged at the 21-DEMA of 30,910 expect prices to test 32,500 in the coming few sessions and hence recommend taking buy trades.**



SILVER - MCX (daily)



After having reeled under pressure for right weeks, Silver prices exhibited a stellar recovery in the previous week with 8% gain. The white metal dropped to new multi-week lows in the week prior despite downward momentum slowing down and positive divergence in place. However with the recovery, the short-term trend has reversed upwards and price now trades above the 21 & 50 day EMAs.

Short-term readings on momentum oscillator have rolled bullish whereas the same on weekly scale remain in bearish mode. Prices need to exhibit further strength for intermediate momentum to turn higher. Nevertheless, in the **short-term Silver prices are poised to move towards 39,000 and hence look for entry on any declines. 21-day EMA at 36,770 will act as a strong support and incase of a breach lower, the trend is expected to reverse.**

CRUDE OIL - MCX (weekly)



After a record eight straight weeks of decline, Crude Oil price managed to snap the losing streak and ended previous week with a gain of 7.6%. The weekly chart exhibits a three candlesticks '*morning star*' reversal pattern that is a high probability of working out especially after a steep decline. A strong weekly close suggests the strength is expected to continue at the start of the new week as prices climb higher.

After momentum readings remained in an oversold state for 22 sessions, finally the momentum is picking up on the upside. Even the weekly RSI reading has recovered from oversold level. **We expect prices to rest the 23.6% Fibon retracement mark at 3985 and possibly extend towards 4150 before seeing renewed resistance. Immediate downside is likely to be limited to 3730.**

COTTON - MCX (weekly)



Since making a peak of 24280 in August, Cotton prices have been in a corrective decline. However, price action in previous couple of weeks suggest the end of correction and resumption of uptrend. The commodity rallied sharply higher in the past week on above average volumes and a *'bullish opening marubozu'* candlestick on weekly scale. Importantly, it managed to find support at two multiple swing points between 21200-21700

Momentum oscillator readings that have been in sell mode have managed to roll bullish on daily scale and reached a neutral zone on the weekly scale. **Based on the short-term chart setup, we recommend buying Cotton for targets of 23000-24000 using a risk management stop-loss of 21200.**



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