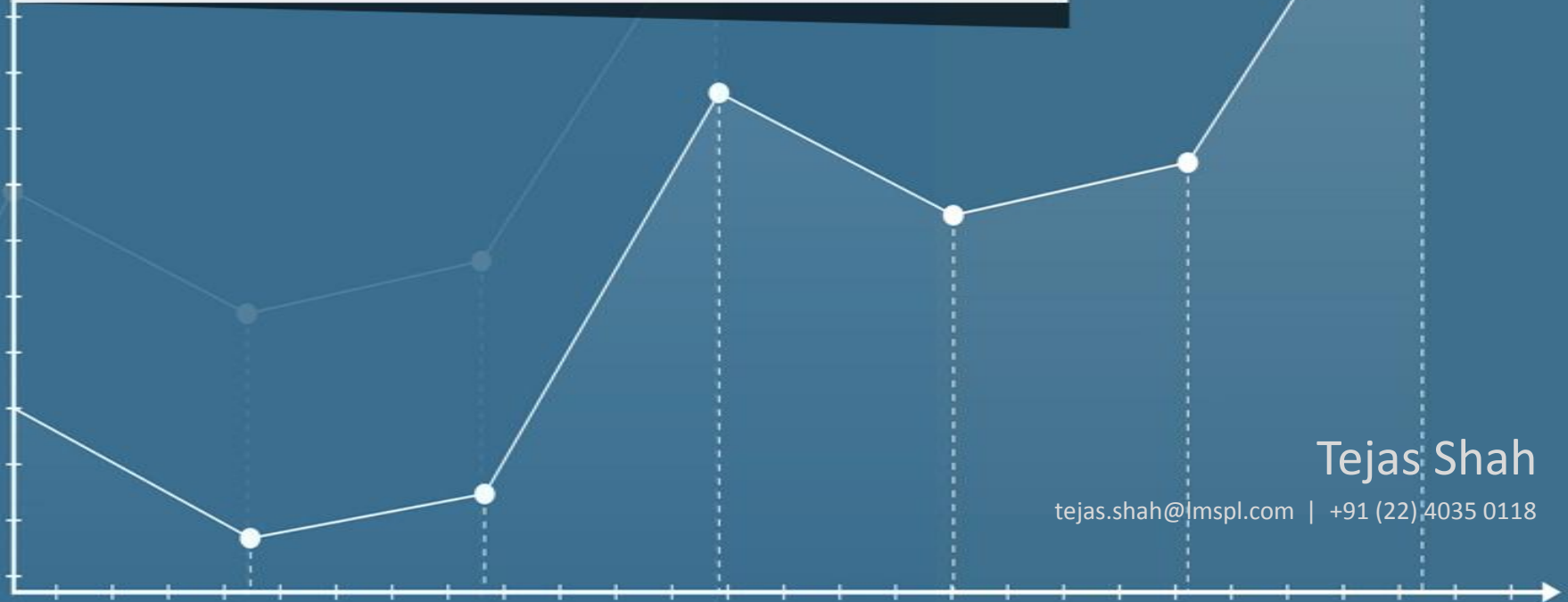


Weekly Technical Perspective

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NIFTY (daily)

* NIFTY 50 (11,023.50, 11,041.20, 10,925.45, 10,943.60, -125.801)



After weeks of choppy sideways price action, Nifty finally managed to break above the 11,000 barrier but briefly so. The RBI MPC outcome helped Nifty surpass the resistance cluster only to hit the 61.8% Fibon retracement at 11,085 and briefly trade higher, only to give up all the gains. An 'evening star' reversal candlestick pattern has formed on the daily charts that can negate the bullish breakout.

Nifty has re-tested the prior breakout area at 10,935-10,990 and is a test of the bulls to sustain the breakout. Momentum readings did confirm the bullish breakout and continue to remain in favor of bulls. **If prices manage to trade and sustain above 10,935, we would expect Nifty to a rally higher towards the 11,200 mark.** In case of a failure to do so, prices drop back within the 10650-10990 trading range.

BANK NIFTY (daily)



Despite a sharp decline and a recovery thereafter, Bank Nifty continues to be traded in a range for the past few weeks. However, in the previous week it managed to post some gains as the RBI MPC cut benchmark interest rates by 0.25% which boosted stock prices briefly. The index has made a top one month ago and has been unable to breach upwards but has been probing supports regularly since.

The index is trading within a rising trend channel and has managed to hold above the 50-DEMA more-or-less. Momentum oscillator and indicators have been slipping lower but manage to come back to neutral readings due to the larger sideways price action. Banks have also managed to underperform the Nifty which is never a good sign. **As long as prices trade and close above 27,00 expect a re-test of the highs at 27,500 and possibly even hit the 28,00 mark.**



USD-INR (daily)



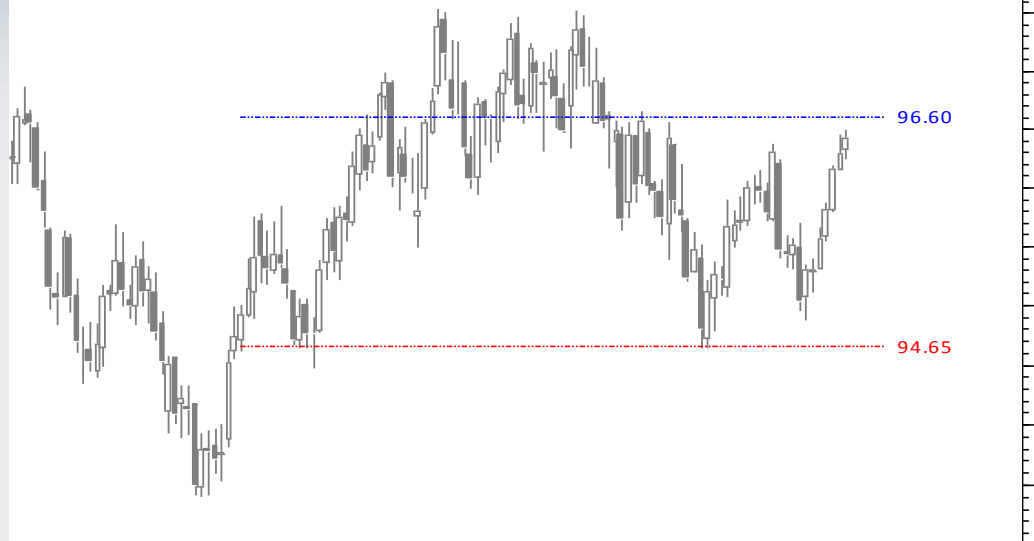
USDINR has managed to retrace 50% of its Oct-Jan decline at 71.83 and has started to slide down in the last week. The currency pair bucked the US Dollar strengthening trend despite US DXY notching gains in the past week on back of gains coming for the Rupee after RBI MPC cut benchmark interest rates by 0.25%. Also, the FPI inflow has been strong since the start of the month aiding the Rupee.

Momentum readings have turned lower from bullish territory and the price has close below its 12-day SMA. **With support pegged at 70.85 in the immediate near-term, a breach lower will put the trend back lower for a test of 70.30; whereas above 71.83 further upside remains capped at 72.15.**

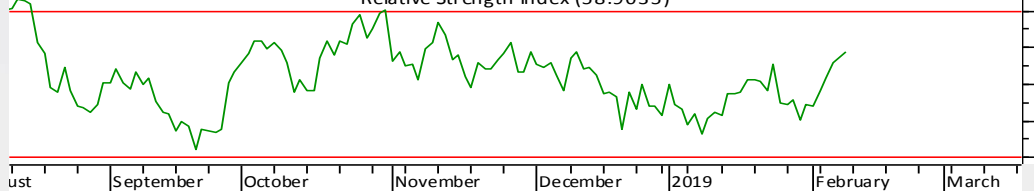


US DXY (daily)

US DOLLAR INDEX CONTINUOUS [FINEX] (96.3350, 96.4900, 96.2350, 96.4160, +0.12700)



Relative Strength Index (58.9035)



US DXY has show sharp recovery in the previous week after dipping lower in the two prior weeks and is now close to trading at the range highs. The US Dollar has gained after the US-China trade deal talks seem to be advancing well. Weekly charts exhibit a strong 'morning star' candlestick pattern that suggests further upside in the near-term.

Readings on momentum oscillators have turned bullish on the daily scale, whereas the weekly readings continue to trade in the bull territory. **US DXY is likely to face resistance at 96.60 and on close above the level, expect a strong rally towards the 97.50 mark. Failure to do so would contain prices within the established range of 94.65 – 96.60.**

GOLD - MCX (weekly)

GOLD 10GM - 1 KG - 1 MONTH (33,750.00, 33,750.00, 33,011.00, 33,242.00, -163.000)



Gold prices have been on strong upward trajectory since the past two months, steadily making higher highs and higher lows. Indian price has reached multi-year highs and is close to testing the 2013 peak. With a strong close in January, expect prices to continue to move upwards in the future.

Momentum oscillators and indicators are trading in sync with the price action but have reached an overbought state which can result in minor profit taking correction. **As long as 32,800 remains inviolate in the near-term expect prices to reach 34,000. In case of breach lower, prices can slide down to 32,300 level in a hurry.**



SILVER - MCX (weekly)



Strength in Silver has surpassed our expected target of 40200 and closed higher in the past two weeks. Prices have been on a steady uptrend since making a low late November, last year. Silver seems to have made a durable long-term bottom and is likely to move higher over coming weeks.

Along with the price strength, momentum has been confirming all through on the weekly scale, whereas the daily RSI hit overbought level resulting in a minor correction. **We expect Silver to test 41,500 in the coming few weeks as long as 39,300 remains inviolate. Below that prices could get into a sharp corrective move.**

CRUDE OIL - MCX (daily)



Crude Oil prices have completed the 38.2% retracement of the Oct-Dec decline at 4000 and now seem to be poised to take a breather. Last week saw prices top out at 4009 and decline 7.5% thereafter. The commodity has closed below its 12-DMA and 21-DEMA thus turning down in the short-term.

Momentum readings failed to hit the overbought mark and instead followed up with a negative price/momentum divergence. **Prices are likely to decline further in continuation and we expect a test of 3620 – 3520 in the coming sessions; whereas a move above 3900 will negate the bearish bias.**



NATURAL GAS - MCX (daily)



Natural Gas prices have decline by 49% from peak-to-trough in less than two months, but now seem to have hit a good support level from where a technical pullback is expected. After going parabolic in September and topping out in two months, prices have dropped back to the levels where the rally started.

Daily candlestick charts exhibit a 'harami' candlestick OR an 'inside bar' pattern that follows after a sharp decline and typically warns of a reversal. Momentum readings have entered the oversold readings across all indicators. **We expect prices to exhibit a pullback in the new week with support pegged at 181 and an upside target of 199 i.e. the 12-day EMA.**



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