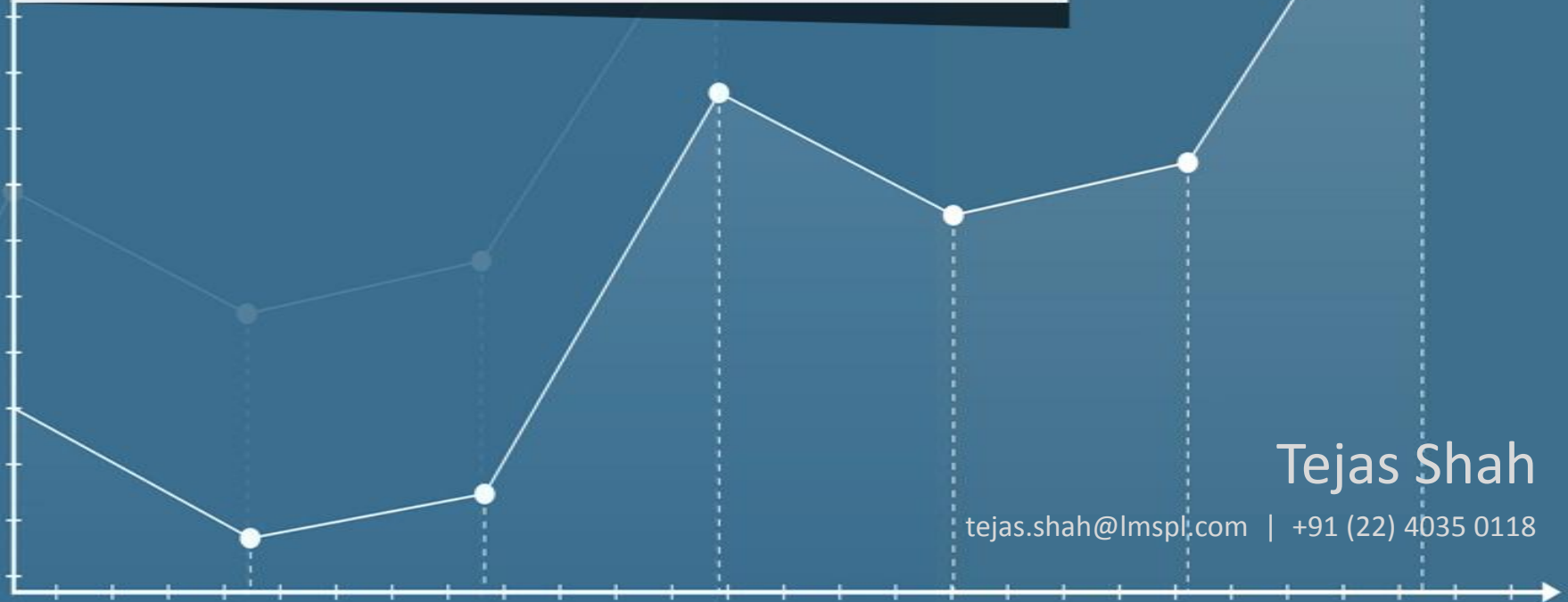


# Weekly Technical Perspective

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# NIFTY (daily)

\* NIFTY50 (10,644.00, 10,695.15, 10,631.15, 10,682.20, +65.5000)



Following a narrow range trade in the week prior, Nifty continued to exhibit choppy trading but moved higher to nearly test the 10,700 mark. The index ended the week with marginal gains and now trades at multiple resistance zone. Bulls are likely to be tested in a holiday shortened week; whereas bears have an opportunity to inject fresh weakness.

Momentum oscillators and indicators have slowed down in the past two weeks with largely narrow range sessions and the daily RSI has failed to surpass the 60 mark. **We expect stiff resistance at the 200-DMA of 10,754 followed by bearish gap area at 10,843. On the whole, the rally off the 10,000 lows is likely to fade in the coming week and Nifty is likely to turn lower.**



# BANK NIFTY (daily)

\* NIFTY BANK (26,205.35, 26,332.75, 26,122.55, 26,245.55, +90.8008)



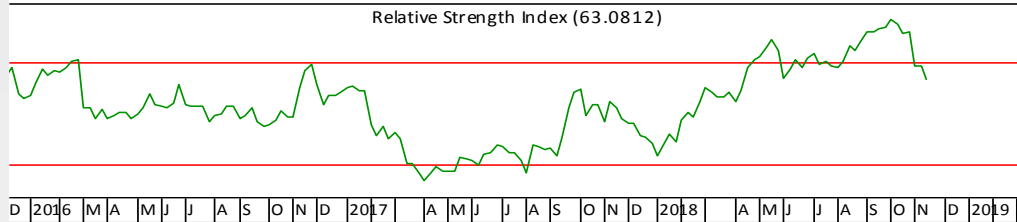
After having retraced 38.2% Fibo of the Sept-Oct decline, Bank Nifty has now completed 50% Fibo retracement in the previous week as it manages to outperform other sectors and takes lead in the recovery. The index has also surpassed the key 21, 50 & 200 day MAs with bulls in control in the short-term.

Bank Nifty has completed three-weeks of gains and with momentum in buy mode, it has higher probability of extending gains. **Expect Bank Nifty to test the 61.8% Fibo retracement mark at 26,810 before seeing selling interest. Meanwhile, on the downside, immediate support is pegged at the 21-DEMA of 25,600.**



# USD-INR (weekly)

USDINR - INDIAN RUPEE (72.7300, 73.0625, 71.7100, 71.9750, -0.50000)



USDINR has declined for third week in a row on back of strength in the Indian Rupee with improving macros led by an incessant drop in Crude Oil prices. The pair has hit crucial level of 71.70 in the pervious week which is the initial downside target since making a peak at 74.48. The trend in the near-term is down as it trades under the 21 & 50 day EMAs and hence is likely to remain under pressure.

Readings on daily RSI (momentum indicator) have rolled bearish and the same has dropped below the overbought threshold on the weekly chart. **With prices testing key short-term support, expect a pullback rally to form a lower-top near 73.0-73.20 zone followed by renewed weakness.** However, any breach below 71.70 would drag prices further down towards 70.20.



# US DXY (daily)



US DXY is exhibiting choppy trading in the past three weeks as it tests highs followed by sharp decline and renewed strength towards higher highs. The index has tested a new 52-week peak of 97.53 early in the week and has been in corrective mode since then. This rejection from higher peaks is a sign of distribution as bulls lack the momentum to carry prices further up.

Readings on daily momentum indicators like RSI and MACD are showing negative price/momentum divergence; and a breach of support at 96 would lead of a swift drop towards the 95 handle. Having said that, markets are devoid of any major event lined up in the next couple of weeks and await the US FOMC policy in December for the next major trigger.



# India 10-yr Gsec yield (daily)



The decline in India's 10-yr Gsec yield has nearly reached its target of 200-DEMA at 7.7%. The last two-months has seen Bond prices rising mainly on back of falling Crude Oil prices that improve India's macros and reduces stress on the current account deficit. Additionally, the outflow by FPIs has also slowed down and perhaps reversed in the near-term adding to Bond strength.

**Now having tested the 200-DEMA and with momentum too near the oversold zone, expect yields to stabilise between 7.70-7.90 range and likely trade in the range for coming few sessions.** We also believe an intermediate term top is in place for the benchmark yield at 8.10% and is unlikely to be revisited this year.

# GOLD - MCX (daily)



Gold prices ended lower for third consecutive week on rising Rupee and weakening international gold prices. The yellow metal has tested the crucial 200-DEMA at 30.600 and is likely to hold above. Earlier, Gold managed to react lower from its multi-week upward sloping trend channel, thus reverting to mean.

Momentum oscillator MACD has rolled bearish and moved into negative momentum territory, whereas the daily RSI nearly tested the oversold zone. Oscillators on the weekly scale continue to maintain a positive bias and hence this corrective decline is an opportunity to re-enter longs. **Recommend to Buy with stop-loss below 30300 for target of 32,000 – 32,500 over coming weeks.**



# SILVER - MCX (daily)



Silver prices have snapped the five week losing streak after testing September lows and recovering sharply higher to form a 'long-legged doji' candlestick. The white metal has hit the trend line emerging from Jul-17 to Sep-18 lows thereby lending strong support. The index now trades below 21 & 50 day EMAs thus keeping the short-term trend down.

Momentum oscillator readings have hit oversold levels and hence suggest a pullback move is in store. **In the immediate near-term we expect prices to hit the 21 & 50 – DEMA resistance cluster of 37,600-37,950; whereas downside is likely to be limited to 36,400.**

# CRUDE OIL - MCX (weekly)



Crude Oil prices have declined for a record sixth straight week this year and has declined 30% from peak to trough. The energy commodity has already retraced more than 50% Fibon of the 2017-18 up move and is likely to test the 61.8% Fibon. The commodity comfortably trades below its 21, 50 & 200 DMAs thus keeping the trend down.

Momentum readings although in sell mode has hit oversold levels; whereas the same in weekly chart is in sell zone. Due to the oversold readings, prices can exhibit a recovery in the near-term and could drop lower once again later. **Recommend and intra-week Long trade using stop-loss of 3970 for targets of 4300-4400.**

# COPPER - MCX (daily)

COPPER - 1 KG - 1 MONTH (437.400, 444.200, 434.150, 442.900, +6.25000)



After failing to build gains in the previous two-weeks, Copper prices fell below the 435 mark and dropped down to 425 before recovering sharply higher. The commodity is trading within a large triangle pattern on the daily chart and is likely to hit the upper boundary in coming sessions.

RSI momentum indicator has turned above from the 40 mark and is showing good positive divergence that will eventually lead to prices trending higher. **We recommend buying at current levels for target of 459 i.e. triangle's upper boundary with trading stop-loss pegged at 433.**



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