

WEEKLY OVERVIEW

28^h September, 2018

Support: 10866, 10515 - 10377

Resistance: 11170, 11340 - 11412



Last week, we had said that the Nifty was testing supports. However, the Nifty has now registered a Monthly Close below its January 2018 High of 11171 with a Bearish Engulfing formation on the Monthly Chart. This is a sign of further weakness in the Nifty.

The Nifty sustaining above the 21st September 2018 Low of 10866 on a Daily Close basis is important. A failure to do so would initially lead to the test of the supports placed between 10515 & 10377. Subsequently, the Nifty could test the supports placed around the March 2018 Low of 9952.

On the other hand, sustaining above 10866 on a Daily Close basis would allow for a recovery in the Nifty. Immediate resistance is placed 11170 on a Daily Close basis. A Daily Close above the same would lead to a test of the resistances placed between 11340 (Midpoint of September 2018 Candlebody) & 11412 (61.8% Fibonacci retracement level of the recent fall from 11760). A decisive Monthly Close above 11412 is required to negate the potential weakness.

To summarize, Monthly Close below the January 2018 High of 11171 is a sign of further weakness in the Nifty. Sustaining above the 21st September 2018 Low of 10866 on a Daily Close basis is important. A failure to do so would initially lead to the test of the supports placed between 10515 & 10377. Subsequently, the Nifty could test the supports placed around the March 2018 Low of 9952. On the other hand, sustaining above 10866 on a Daily Close basis would allow for a recovery in the Nifty. Immediate resistance is placed 11170 on a Daily Close basis. A Daily Close above the same would lead to a test of the resistances placed between 11340 & 11412 (Monthly Close basis)

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