

WEEKLY OVERVIEW

5th October, 2018

Support: 9952

Resistance: 10847, 11187 - 11340



Last week, we had said that the Nifty sustaining above 10866 on a Daily Close basis was key and that a failure to do so would lead to an initial test of supports placed between 10515 & 10377 and subsequently lead to a test of the supports placed around the March 2018 Low of 9952.

Nifty registered a Daily Close below its Low of 10866 on 3rd October 2018, which triggered continuation of the corrective process that has been in force since the high of 11760. The Nifty has registered a Weekly Close marginally below its support placed at 10338 (78.6% Fibonacci retracement level of the up-move from 9952). Additional support is placed around the March 2018 Low of 9952 (Weekly Close basis). Sustaining above the same on a Weekly Close basis is key.

Immediate resistance is placed around the 4-Week EMA (Touch Point: 10847). A decisive Weekly Close is required to indicate potential near term strength in the Sensex. This would lead to a test of the resistances placed between 11187 (61.8% Fibonacci retracement level of the recent fall from 11760) & 11340 (Midpoint of September 2018 Candlebody). A decisive Monthly Close above 11340 is required to negate the weakness in the Nifty.

To summarize, Nifty has registered a Weekly Close marginally below the support placed between at 10338. Additional support is placed at the March 2018 Low of 9952 (Weekly Close basis). Sustaining above the same on a Weekly Close basis is key. Immediate resistance is placed around the 4-Week EMA (Touch Point: 10847). A decisive Weekly Close is required to indicate potential near term strength in the Nifty. This would lead to a test of the resistances placed between 11187 & 11340.

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