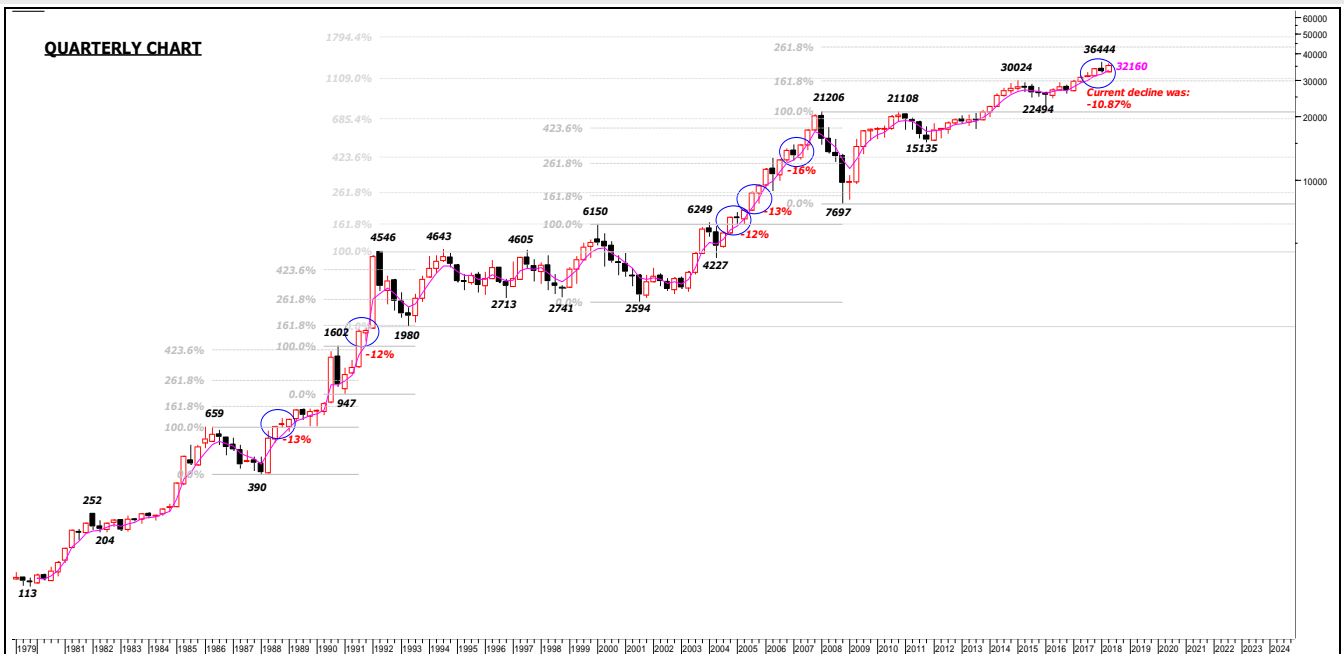


**WEEKLY OVERVIEW**

**Support: 34302**

**Resistances: 36050 - 36444**



**Last week, we had highlighted that sustaining above the low of 34302 on a Weekly Close basis is key for the up-move since the March 2018 low of 32483 to remain intact.**

The Sensex, after making a high of 35993 which was near the 89% Fibonacci retracement level of the fall from 36444 (36008) and 25th January 2018 Weekly Closing Peak of 36050, had witnessed selling pressure. In the process the Sensex had formed a "Bearish Engulfing" pattern on the Weekly Chart. This has been a cause for concern in the near term.

On 23rd May 2018, Sensex made a low of 34302. The Sensex had bounced from the Weekly Middle Bollinger Band. Hence, sustaining above the low of 34302 on a Weekly Close basis is key for the up-move since the March 2018 low of 32483 to remain intact. Only a failure to do so would open up the possibility of revisit of the low of 32438.

At the low of 32483, the Sensex had declined by 11% from its peak value and had bounced from near the 4-Quarter EMA placed at 32160. Since then it has been in a strong up-move. This behaviour of the Sensex has been in line with the past bull runs. Hence, long term outlook continues to remain positive with initial target placed at 43065 (261.8% Fibonacci retracement level of the January 2008 – October 2008 fall). Nevertheless, our long term targets for the Sensex are placed atleast in the 65000 & 75000 zone (423.6% Fibonacci retracement level of the January 2008 - October 2008 fall is placed at 64923 while the 500% retracement level of the said fall is placed at 75244).

The area between 36050 & 36444 (January 2018 Weekly Closing Peak and February 2018 High) assumes importance as the key resistance zone. A Weekly Close above 36444 would confirm resumption of the long term up-move.

**To summarize, Sustaining above the low of 34302 on a Weekly Close basis is key for the up-move since the March 2018 low of 32483 to remain intact. Only a failure to do so would open up the possibility of revisit of the March 2018 low of 32438. The area between 36050 & 36444 (January 2018 Weekly Closing Peak and February 2018 High) now assumes importance as the key resistance zone. A Weekly Close above 36444 would confirm resumption of the long term up-move.**

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