

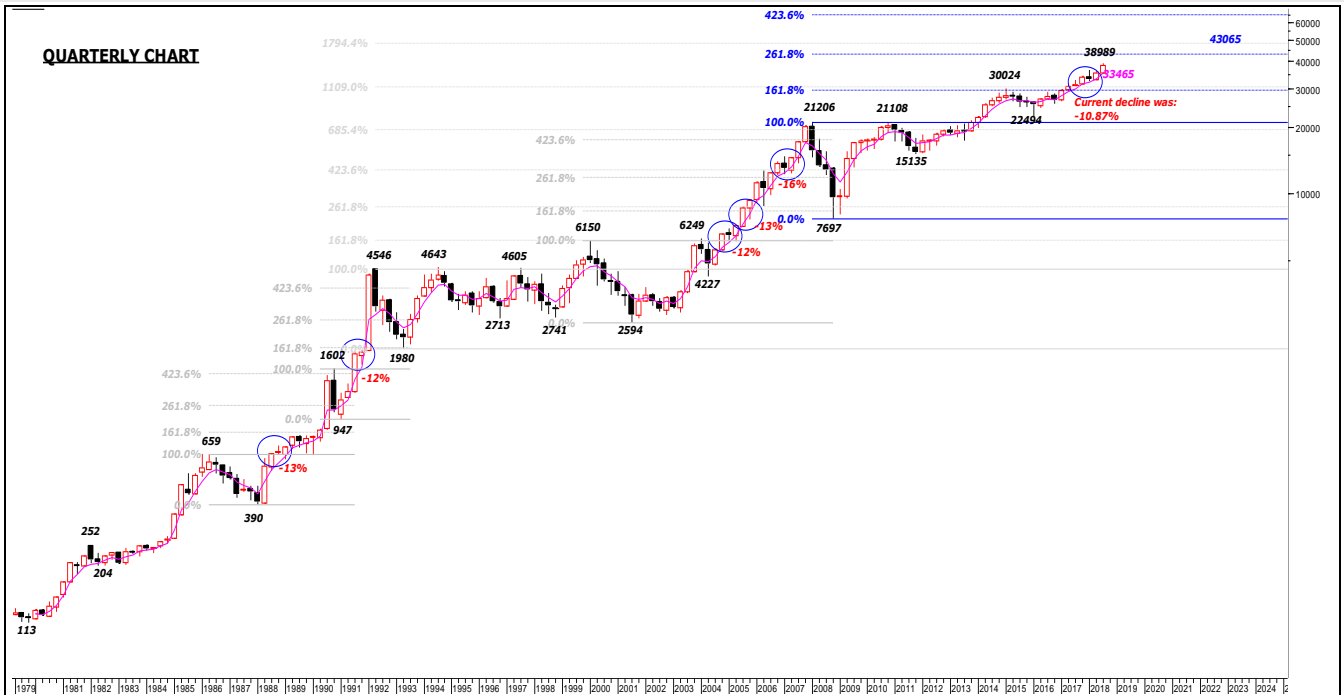
Sustaining above 37774 (Weekly Close) would allow for the upside momentum to remain intact.

WEEKLY OVERVIEW

7th September, 2018

Support: 37774, 36444 - 36050

Resistance: 38989, 43065



Last week, we had said that the long-term up-move is expected to continue.

In July 2018, the Sensex registered a Monthly Close above its January 2018 High of 36444. This indicated resumption of its long term up-move.

However, at the recent high of 38989, the Sensex has tested the 161.8% Fibonacci retracement level of its fall from 36444 to 32483 (38891) and the Supply Line of its potential up-sloping Trend Channel on the Weekly Arithmetic Scale Chart. The Sensex has formed a Bearish Engulfing pattern on the Weekly Chart which is a cause for concern in the near term.

At the low of 37774, the Sensex has bounced from the 23.6% FR level of its up-move from the low of 34302 (37883) and has registered a Daily Close above the Daily Middle Bollinger Band. Hence, it is likely to revisit the high of 38989. A Weekly Close above the same would trigger continuation of the ongoing up-move.

The Sensex would then test its 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).

Sustaining above the low of 37774 on a Weekly Close basis would allow for the upside momentum to remain intact. Key support is placed in the area between 36444 & 36050 (January 2018 High and Weekly Closing Peak) on a Weekly Closing basis.

To summarize, sustaining above the low of 37774 on a Weekly Close basis would allow for the upside momentum to remain intact. A Weekly Close above the recent high of 38989 would trigger continuation of the ongoing up-move wherein the Sensex would initially test the target placed at 43000. Nevertheless, our long term targets for the Sensex are placed atleast in the 65000 & 75000 zone. Key support is placed in the area between 36444 & 36050 on a Weekly Closing basis.

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