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**TECHNICAL VIEWS**

# Ongoing Rally may Take Nifty Past 19,800

The record-breaking rally in Nifty may extend to 19,800 levels, said technical analysts. The index closed at an all-time high of 19,564.50 on Friday as foreign portfolio investors stayed bullish on the market. Stocks such as ICICI Bank, National Aluminium, Tech Mahindra, Hindalco, Bajaj Finance, Tata Steel, Infosys, Glenmark, Zee, and Hero Motocorp have formed bullish patterns on the chart, according to analysts.

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**Where is the Nifty heading this week?**

Nifty showed an upside breakout of 19,300-19,550 levels on Friday and registered a new all-time high at 19,595. A reasonable bull candle formed on daily chart with a minor lower shadow. Chart pattern signals that the market is preparing to move above the congestion zone. Nifty on the weekly chart formed a long bull candle, which negated the previous week's bearish pattern. This is a positive indication. This week's next upside target to be watched is 19,800. Further upside

above this hurdle could test the historical 20,000 mark in the near term. Immediate support is at 19,400 levels.

**What should investors do?**

Investors should continue with long positions towards index higher targets. Any consolidation or minor weakness could be a buy-on-dips opportunity. Stop Loss for long positions to be placed at 19,400. IT, pharma, banking, automobile, metal, media, oil & gas and realty sectors will likely do well. Stocks with positive bias include ICICI Bank, Axis Bank, TCS, Infosys, Glenmark, Granules, Ashok Leyland, Hero Motocorp, National Aluminium, Sail, Zee and ONGC.

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**Where is the Nifty headed this week?**

Foreign institutional investors have maintained their longs of around 90,000 contracts in index futures for the entire week. The time correction is over, and we should now aim for 19,800 to 20,000 on the Nifty. Risk reward is favourable for longs in Bank Nifty and Fin Nifty - look to buy the breakouts of 48,085 and 20,200, respectively.

**What should investors do?**

Investors can look to add longs in dips, if any

or look at banks and financials for rebound trade. Bajaj Finance is the ideal candidate for a reversal as it defended its 20-EMA and also nearly filled the gap on the daily charts. Expect ₹8,000 soon. ICICI Bank could now take the leadership amongst private banks. Expect ₹1,000-1,040 in this round of up-move. Metals can see high momentum moves, especially Tata Steel, which has given a breakout and is headed for ₹125 target. Power Grid Corp could spring some bounce back up to ₹250-260 as it is heavily oversold.

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**Where is the Nifty headed this week?**

Nifty index has formed a bullish candle on weekly scale and has been forming higher highs for the last sixteen weeks. It has rallied by more than 2,700 points in last four months. The major trend is positive, and supports are gradually shifting higher, indicating the ongoing strength of the market. Now till it holds above 19,333 zones, this rally can extend towards 19,750 and 20,000 zones, while on the downside, immediate

support exists at 19,420 and 19,333 zones. India VIX was down 7.37% from 11.53 to 10.68 last week, and lower volatility is supporting the bulls at record-high levels. Volatility sunk lower with a rising put-call ratio and higher market base, which support bullish sentiment even at record-high levels.

**What should investors do?**

Sector-wise bullish formation was seen in FMCG, auto, IT, defence, and realty stocks. Positive setup was seen in stocks such as Birla Soft, Tech Mahindra, Coforge, RBL Bank, Hindalco, National Aluminium, Oberoi Realty, Ashok Leyland and Tata Motors.

