



TECHNICAL ANALYSIS REPORT

(As on 20th December, 2020)

NIFTY 50 INDEX LONG TERM CHART ANALYSIS



NIFTY 50 INDEX LONG TERM CHART ANALYSIS		
CURRENT MARKET PRICE	18 th December, 2020	13760.55
HIGH BEFORE FALL	20 th January, 2020	12430.50
FALL IN NIFTY 50 INDEX	20/01/2020 – 24/03/2020	4919.40 (39.57%)
BOTTOM LEVEL	24 th March, 2020	7511.10
RECOVERY TIME PERIOD & RECOVERY LEVEL	25/03/2020 – 08/11/2020	7511.10 – 12430.50
MOVEMENT IN THE INDEX TILL DATE	24/03/2020 – 18/12/2020	6249.45 (83.20%)
BREAKOUT LEVEL AFTER RECOVERY	09/11/2020	12430.50
EXPECTED TARGET RANGE AFTER BREAKOUT	-	15000 - 15500
EXPECTED RALLY AFTER BREAKOUT	09/11/2020 – Still in continuation	2569.50 – 3069.50
EXPECTED RALLY AFTER BREAKOUT (%)	-	20.67% - 24.69%
RESISTANCE LEVELS	R1 – 15000 & R2 - 15500	
SUPPORT LEVELS	S1 – 12450, S2 – 11500 & S3 - 10575	
EXPECTED CORRECTION/FALL RANGE	-	12400 – 11500
EXPECTED CORRECTION/FALL RANGE	-	17% - 25%

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ANALYSIS

CORRECTION TIME PERIOD

Nifty 50 Index made a high of **12430.50** as on **20th January, 2020** and had fallen up to the level of **7511.10** as on **24th March, 2020** i.e. a fall of **4919.40 points (39.57%)**.

RECOVERY TIME PERIOD

Nifty 50 Index after giving a fall of **4919.40** points had made a bottom at the level of **7511.10** which is almost 50% retracement as per **Dow Theory (Elliott Waves Theory)** since the last the last time fall of **64.56%** in **2008**.

Nifty 50 Index after taking support at the level of **7511.10** entered into the recovery time period which started from **7511.10** till it again reaches the level of **12430.50** (i.e. **25th March, 2020 to 11th November, 2020**). This recovery in Nifty 50 Index came in a '**V Shape**' form.

In this '**V Shape**' recovery period the prices of various stocks from different sectors had readjusted specially of those sectors which had not performed over the last 3 to 5 years (i.e. **Pharma sector, Auto sector, Cement sector, Metal sector, Realty sector etc**). However, the prices of various stocks in different sectors had returned to their pre-existing levels (i.e. the level from where they had started giving correction which includes **IT sector, Energy sector, Banking sector, FMCG sector**

BREAKOUT TIME PERIOD

Nifty 50 Index after completing its recovery gave a breakout on the long term chart at the level of **12430.50** which is still going on at the current moment. In this breakout various sectors had given breakout on their long term charts which includes

IT sector gave breakout at the level of **16882.45 (CMP – 23256.55)** in **July**.

FMCG sector gave breakout at the level of **33167.90 (CMP – 34102.70)** in **December**.

ENERGY sector gave breakout at the level of **16841.85 (CMP – 17231.95)** in **December**.

FINANCIAL sector gave breakout at the level of **14747.70 (CMP – 14879.15)** in **December**.

MNC sector gave breakout at the level of **15184.10 (CMP – 15549.50)** in **December**.



However, few sectors are on the verge of breakout in the coming future ahead on the long term chart which include **Pharma Sector, Banking Sector, Realty Sector.**

Hence, many sectors had already given breakout whereas few are on the verge of breakout in coming future ahead which is clearly indicated in the **Nifty 50 Index** since it is a composition of various sectors and had given breakout on the long term chart after completing it's recovery at the level of **12430.50** in the month of **November.**

TARGET LEVELS IN NIFTY 50 INDEX

Whenever, **Nifty 50 Index** has recovered from such a fall and had given breakout on the long term chart it had always given an upward rally in the coming future ahead and the same can be expected from the **Nifty 50** this time as well from the breakout at the level of **12430.50** specially this time when the Nifty 50 Index had given such a sharp fall and had given a '**V Shape**' recovery.

Since, **Nifty 50 Index** currently trading at **13760.55**, had already given a rally of **1330.05 points (10.70%)** from its breakout level of **12430.50.**

Therefore, the next expected possible target levels which can be seen on the **Nifty 50 Index** from the current level in the coming months/years ahead can be.

TARGET 1 – 15500 (This level can be seen in the coming year 2021).

TARGET 2 – 17600 (This level can be seen in the Nifty 50 Index if it crosses and sustains above the level of 15500).

TARGET 3 – 20500 (This level can be seen in the Nifty 50 Index if it crosses and sustains above the level of 17600).

The above mentioned levels in the **Nifty 50 Index** are bound to come. Our near term target in **Nifty 50 Index** for the coming months ahead is **15500** whereas **Target 2** and **Target 3** are long term targets which can be seen in the coming years ahead.



CORRECTION LEVELS IN NIFTY 50 INDEX

There had been hindrances in the **Nifty 50 Index** whenever it has attained any major high level. The journey had never been smooth it always had roadblocks in its way and these hindrances and roadblock will continue to appear in the future as well despite its upward trajectory in the longer time horizon.

We expect that **Nifty 50** can give a rally between the level of **15000 - 15500** in the near future ahead which means that the current rally after the breakout in the **Nifty 50 Index** can continue between the level of **15500** and after that we can expect a correction or fall in the **Nifty 50 Index** till then we don't expect any major fall in the **Nifty 50 Index**, but it doesn't mean that there won't be corrections in the index. There can be minor corrections in the **Nifty 50 Index** and whatever corrections comes it will be more sector specific and stock specific.

Therefore, as the index moves higher and closer towards the levels of **15000 – 15500** the index will be entering in the overbought territory which will indicate that the index is due for a correction or fall.

As per our analysis if the index gives correction from the above expected mentioned range then the **Nifty 50 Index** give correction between the levels of **12500 – 11800** but if the index crosses and sustains above the range of **15000 – 15500** then it can index can give further upward rally up to the above mentioned level.

The trajectory of the equity markets will now change in the coming months ahead as the markets going to be less volatile in comparison to what it has been till now as the **INDIA VIX** falls further. The fall in the **INDIA VIX (i.e. Volatility Index)** will indicated that movement in the equity market is going to be slow and less volatile and clients needs to be more patient and discipline while investing into the equity markets.

RECOMMENDATION

We recommend you to be invested into the equity markets despite of any corrections which might appear in the market and keep the focus towards attaining your financial goals. Since, such corrections are part and parcel of the equity markets.



The Indian Equity Market had entered into the BULL TREND after the breakout on long term chart in Nifty 50 Index and every individual should participate in this bull trend rally.

Yes, there is no doubt that the markets will give corrections in between this bull trend rally but the corrections in the bull run are always short lived and we should not forget that the wealth is only created in the equity markets if you stay invested into the markets. Only those individuals will be able to create wealth in this bull trend rally who are patient, discipline, who will stick to their portfolio as recommended by their analyst and remain invested in those stocks which are fundamentally and technically sound.

NOTE :-

The above analysis on the NIFTY 50 INDEX is based on the market data analysis available till date and the above mentioned analysis can vary with the change in the equity market data. Therefore, if any change in the market data arises then the same will be updated to you accordingly in our "TECHNICAL ANALYSIS REPORT".

Since, the equity markets are directly or indirectly affected by various market factors and any changes in any of those factors can also lead to changes in the Equity Market Analysis.

DISCLAIMER:

- The report is prepared on the basis of the market data and technical analysis data available currently. Since the market outlook varies on the basis of changes in the market data and charts.
- The Technical Analysis Report is prepared by the Technical Analyst on the basis of the detailed study of the market data which includes equity markets, commodity markets, debt markets, currency markets and analysing the various key parameters and future scenarios of the economy..
- Investors are advised to rely on the report till any further updation or changes have been made in **TECHNICAL ANALYSIS REPORT** in the longer time horizon. This report tells about the happening of the markets in the coming months ahead.
- This report is prepared on the TECHNICAL ANALYSIS basis which is prepared by our technical experts keeping in various aspects of the technical in mind.
- Not to use the analysis of the report for trading or short term investments as it contains the analysis of equity markets in longer time horizon not shorter time horizon and the equity markets are always volatile in the short term.

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