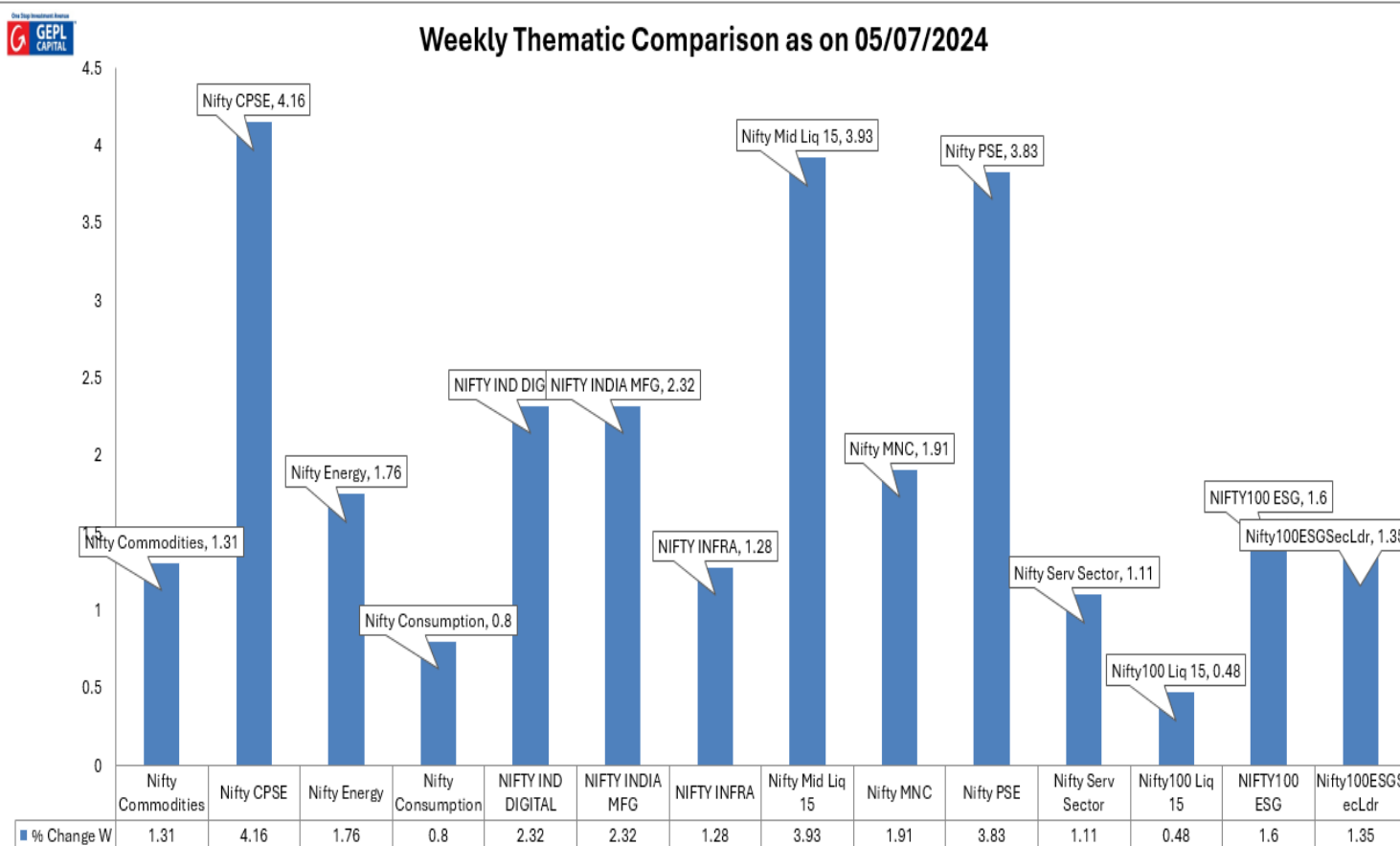
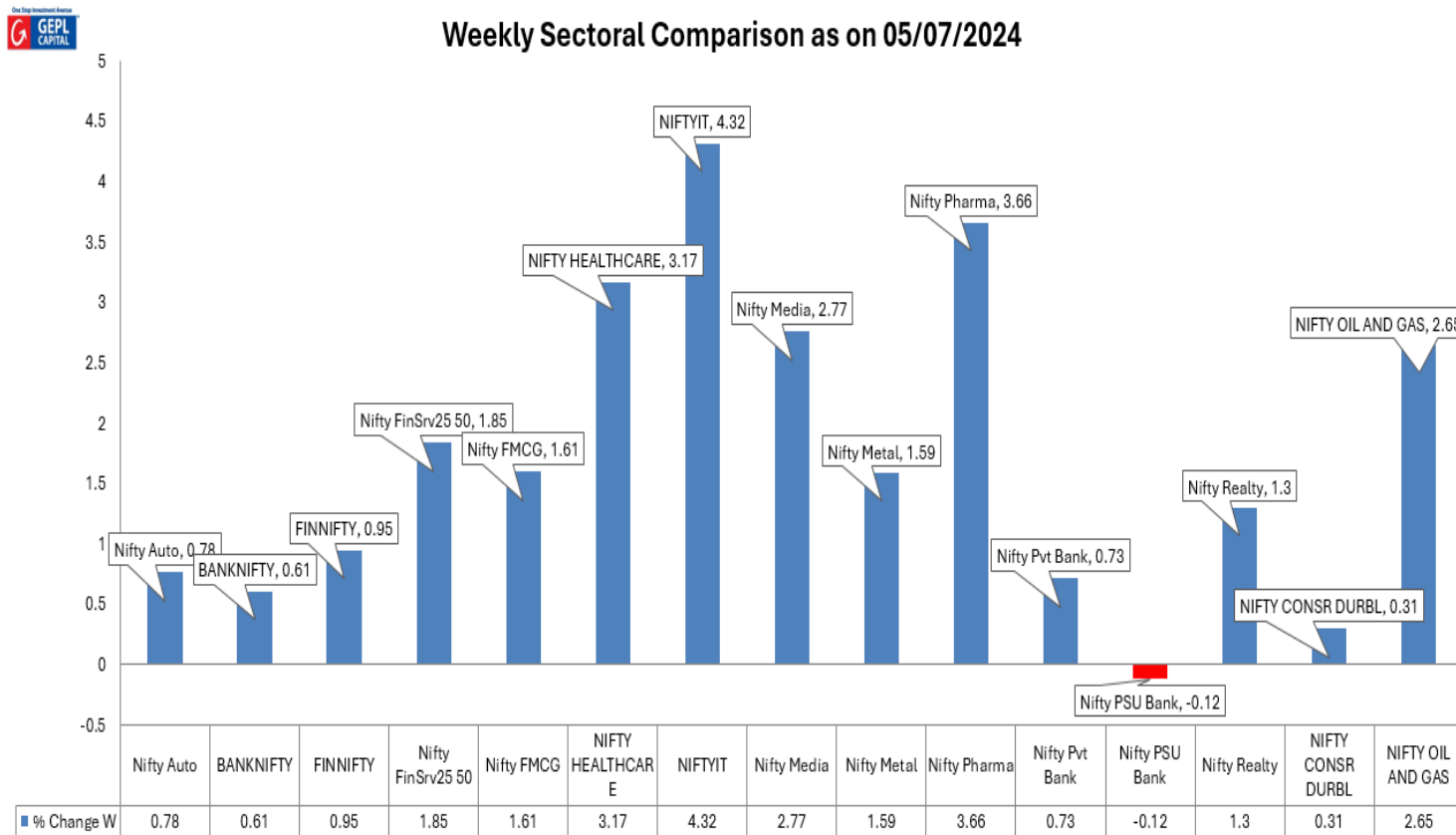


Sectoral Eagle's Eye

8th JULY, 2024



Short Term Sectoral View

8th JULY, 2024

NIFTY 50 : 24323 weekly change (+1.30%)

NIFTY [N59901]24323.85, 1.30%

Price

**INFERENCE & EXPECTATION**

- Over the past two weeks, the index has shown significant bullish momentum, with the market climbing higher after retesting the rising trend line established since January 2024. The week began on an optimistic note, driving the index to a new all-time high of 24,401. A seasonality check for July, based on 20 years of data, reveals that the index has closed positive 16 times and negative 4 times, with an average return of 3.16%. This suggests that July has historically been the best month for the index.
- For Traders: Given the current market conditions and signals from the NIFTY50 Index, our recommendation leans towards a bullish strategy. We suggest considering long positions at CMP targeting potential upside levels of 24850 followed by 25000. It's advisable to maintain a bullish stance as long as the 24000 level serves as a strong immediate support on the downside .
- For investors: The current market scenario provides an attractive entry point for long-term investors. We suggest considering the initiation of positions in the NIFTY50 Index at the current market price (CMP) for the upside target of 25400 level. Our bullish view will get negated below 22800 on downside.

Short Term Sectoral View

8th JULY, 2024

NIFTYIT : 37720 Weekly change (+4.32%)

NIFTYIT [N59913]37720.75, 4.32%
Price Avg2(E,50,E,100)

**Observation**

- The IT Index has emerged as a standout performer this week, demonstrating robust relative strength amid broader market volatility. The index retraced from the 50% level and closed above the 61.8% Fibonacci retracement level of the prior upmove from April 2023 to February 2024 at the start of June 2024. Since then, it has continued to rise, indicating a recovery from the price correction.
- The index has shown mean reversion from the 100-week EMA, and its current position above the 50-week EMA signals an improvement in trend. Additionally, the RSI study has reclaimed the 60 mark with a bullish cross-over, suggesting a pause in the downward momentum.
- A seasonality analysis of the IT Index reveals that, historically, the period from January to April tends to show weakness, while the months from May to December exhibit strength.
- Furthermore, the ratio chart of NIFTY IT against NIFTY indicates that the IT Index is turning around from its 2018 polarity level, signaling an end to its period of underperformance and the start of a new regime.
- Stock To Watch: BSOFT, PERSISTENT, INFY.

Inference & Expectations

- From the comprehensive evaluation of the price structure and insights gathered from indicators, it's evident that the NIFTY IT INDEX has OUT performed
- Our analysis indicates an upward trajectory for the index, with a potential target of 40160 followed by 42250.
- However, any movement below the 34600 level would negate our bullish stance.

Short Term Sectoral View

8th JULY, 2024

NIFTYPHARM: 20453 weekly change (+3.66%)

NIFTYPHARM [N59917]20453.85, 3.66%
Price Avg2(E,20,E,200)



Observation

- The PHARMA Index has emerged as a standout performer this week, showcasing robust relative strength compared to the broader market. Since November 2023, following a pivotal shift from resistance in 2021, the PHARMA Index has consistently formed a rising trend.
- After this polarity shift, the index rallied for four months, entered a congestion zone for three months, and then witnessed a breakout at the beginning of June 2024. Recently, the index retested this congestion zone and showcased a pull-back this month, propelling it to a new all-time high.
- The index has consistently adhered to key moving averages, notably the 20-week moving average, with each downturn towards these levels met with buying interest, indicating positive sentiment towards its upward trajectory.
- Additionally, the RSI study reveals three interesting repetitive observations: the (a) RSI has remained above 55 since June 2023, (b) RSI range has shifted from its 2021 polarity level, (c) Falling wedge bullish pattern breakout that propelled the index to new heights. These observations reinforce the index's upward trajectory.
- Stock To Watch: GLENMARK, GRANULES, LAURUSLABS, LUPIN, NATCOPHARM

Inference & Expectations

- From the comprehensive evaluation of the price structure and insights gathered from indicators, it's evident that the NIFTY PHARMA INDEX has OUT performed
- Our analysis indicates an upward trajectory for the index, with a potential target of 22600.
- However, any movement below the 19400 level would negate our bullish stance.

[Invest Now](#)

Disclosure

8th JULY, 2024

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