



CHARTS FOR THE WEEK 29-02-2016 TO 04-03-2016

Last week we wrote

- There is no NIFTY trade and whatever we had envisaged at January 2015 for NIFTY in the form of correction has already played out
- We also suggested that NIFTY can re test the lows of 6869 before moving up (even if these were the lows)
- We also suggested that despite no view in NIFTY there is a strong case for NIFTY MID CAP 100 index to fall further.



NIFTY – DAILY

Nifty fails to show momentum after initially bouncing from the lows.

On the contrary it continues to show and prove the lower top step formation. (as Nifty failed to move past the last low of 7250)

Mind it the last 3 lower tops were in the following range.

- 7950
- 7550
- 7250

Though we are not trying to sound bullish we would like to categorically state that current mood is that of extreme bearishness – very similar to the one that was around 8800-9000 of extreme bullishness.

Any good news can result in a vertical bounce. A bounce technically should be played into only if NIFTY manages to move past 7250 range.

We are of the opinion that

- Despite the bounce (if any) there is a remote or zero probability of a bull market starting any time soon.
- Markets can go lower depending on the global cues
- Since the markets are extremely over sold and the atmosphere is of extreme pessimism, we will not be surprised if there is a bounce.
- Trying to play for a bounce without strict stop loss can be extremely dangerous

We continue to believe that the NIFTY MID CAP 100 and NIFTY SMALL CAP indices have a lot of excesses and can correct much more from these levels too, irrespective of the NIFTY.

**From *NAYAN M. VALA SECURITIES PVT.LTD.RESEARCH*
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