

Ever since corporate tax rate cut announcement by Government on 20<sup>th</sup> September 2019, NIFTY has been in uptrend with higher tops and higher bottoms. NIFTY Consolidated in the broader range of 11,800- 12,300 from November 2019 till off late i.e. Mid Jan 2020 and broke out above 12,300. But it could not sustain at higher levels and declined from 12,430 to 12,087 during the current week and closed around 12,250 levels.

Next week, when majority of market participants are expecting pre-budget rally, are we going to see blip before huge expected budget rally? Let's try to analyze based on some technical parameters

- Gaps partially unfilled

- On 11<sup>th</sup> December 2019, NIFTY made high of approx.11, 923. On 12<sup>th</sup> December, 2019, NIFTY opened at 11,944 and its low on that day was 11,934 i.e. gap of 13 points between previous day's high and next day's low . Subsequently it went on to reach high of 12,289 on 2<sup>nd</sup> January 2020. But thereafter it declined and went again into unfilled gap between 11,923 and 11,934 to 11,930 on 8<sup>th</sup> January 2020. Thus there is partial unfilled gap between 11,923 to 11,930

- Again On 8<sup>th</sup> January 2020, NIFTY made high of approx.12, 045. On 9<sup>th</sup> January 2020, NIFTY opened at 12,153 and its low on that day was 12,132 i.e. gap of 87 points between previous day's high and next day's low. Subsequently it went on to reach high of 12,430 on 20<sup>th</sup> January 2020. But thereafter it declined and went again into unfilled gap between 12,045 and 12,132 to 12,087 on 22<sup>nd</sup> January 2020. Thus there is partial unfilled gap between 12,045 to 12,087

Thus if both the above mentioned gaps are to be filled, then NIFTY needs to retrace back to 11,923 i.e. approx.11,900 levels

## Technical Analysis

NIFTY Daily Chart dated 25<sup>th</sup> January 2020

Published on Investing.com, 25/Jan/2020 - 11:03:32 GMT, Powered by TradingView.

**Nifty 50, India, NSE:NSEI, D**

MA (20, close, 0)  
Volume (20)



Source : [www.investing.com](http://www.investing.com)

- Probable ABCD down pattern panning out

In Current Week (20<sup>th</sup> Jan 2020- 24<sup>th</sup> Jan 2020), NIFTY declined from 12,430 ( point A) to 12,087 ( point B) i.e. down move of 343 points . From 12,087, NIFTY retraced back to today's i.e. 24<sup>th</sup> January 2020 high of 12,272 (point c) i.e. 185 points and closed near 12,250. Thus there is approximate retracement of 50% ( $185/343 = 54\%$  to be precise) If NIFTY completes its AB=CD down move then probable D point would be 11,929 ( $12,272-343$ ) which is again in the gap of 11,923-11,930

## Technical Analysis

NIFTY Daily Chart dated 25<sup>th</sup> January 2020

Published on Investing.com, 25/Jan/2020 - 10:26:23 GMT, Powered by TradingView.

**Nifty 50, India, NSE:NSEI, D**

MA (20, close, 0)  
Volume (20)



Source: [www.investing.com](http://www.investing.com)

**Conclusion:**

Thus based on both the above technical parameters i.e. Gaps unfilled and ABCD down pattern, the projected NIFTY target in next week before the budget is approx. 11,900 levels

Happy Investing!!!

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Statutory Details: Multi-Act Equity Consultancy Private Limited  
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## Are We Going To See Blip Before Huge Budget Rally?(A Different Technical Perspective)

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