



MONTHLY OUTLOOK

01-06-2024

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Monthly Outlook



GLOBAL QUES

QUES	Close (March)	Previous Month's Close (February)	Return (%)
DOW Jones Industrial (DJIA)	42001.76	43840.91	-4.2%
GOLD	90162	84202	7.08%
SILVER	100001	94210	6.15%
CRUDE OIL	6115	6130	-0.24%
USD-INR	85.42	87.44	-2.32%
US BOND YIELD 10YR	4.21%	4.20%	0.19%
IND BOND YIELD 10YR	6.57%	6.7%	-2.14%

DOMESTIC MARKET PERFORMANCE

Equity Indices	Exchange	Close (March)	Previous Month's Close (February)	Return (%)
NIFTY	NSE	23519.35	22124.70	6.30%
NIFTY BANK	NSE	51564.85	48344.70	6.66%
NIFTY MIDCAP	NSE	11546	10770.75	7.20%
NIFTY FIN	NSE	25074.90	23028.95	8.8%
SENSEX	NSE	77414.92	73198.10	5.76%
NIFTY IT	NSE	36886.15	37318.30	-1.16%
NIFTY PHARMA	NSE	21137.45	19813.50	6.68%
NIFTY AUTO	NSE	24498.60	21295.50	3.89%
NIFTY REALTY	NSE	851.30	797.9	6.69%

Monthly Outlook

NIFTY



Market Overview – March Performance

The month of March started on a negative note at 22,119.30, leading to a fresh low of 22,964.60. However, from this level, buying interest emerged, driving the index upwards to an intra-month high of 23,869.60. Eventually, the market closed the month at 23,519.35, registering an overall movement of 1,396.65 points, which translates to a 6.30% fluctuation during the month.

April Outlook – Buy on Dip Strategy

Looking ahead to April, the market is expected to maintain a sideways to bullish trend. A buy-on-dip strategy is recommended as long as the index remains above 22,500, a level that previously acted as a supply zone. This indicates that buyers are likely to step in on any declines, providing support around these levels.

Technical Analysis

Trend line Breakout & Moving Averages & Momentum Indicator (RSI)

- A breakout of the falling trend line has been observed, signalling a potential shift in momentum. The price is currently trading above both the 21-period Exponential Moving Average (EMA) and the 50-period EMA, further supporting the bullish bias.
- The Relative Strength Index (RSI) – 14 period is currently at 47.75. Although this is below the neutral 50-level, it still supports the price action and suggests that the market is not in an overbought condition, leaving room for further upside.

Key Resistance and Support Levels

- **Immediate Resistance:** The first resistance is seen at **24,000**, where some selling pressure may emerge.
- **Next Resistance:** If 24,000 is breached, the next significant hurdle is at **24,300**, where profit booking could be expected.
- **Immediate Support:** On the downside, **22,800** acts as a key support level.
- **Next Support:** If the price falls below 22,800, the next crucial level to watch is **22,500**, where stronger buying interest may emerge.

Monthly Outlook

BANKNIFTY



Market Overview – March Performance and Technical Outlook

The month of March began on a negative note, with the index hitting a fresh low of 47,702.90. However, this weakness was short-lived as strong buying interest emerged, pushing the index upward. The bullish momentum led to a high of 52,063.95, and the index eventually closed at 51,564.85. This closing price is particularly significant because it engulfed the previous three months' closing prices, highlighting the dominance of buyers in the market.

April Outlook – Buy on Dips Strategy

Looking ahead to April, a buy-on-dip strategy is advised as long as the index sustains above the 49,500 level. This level will act as a critical support, and as long as the price remains above it, the trend is expected to stay positive. The immediate upside targets are set at 52,500 and 53,300, reflecting potential resistance levels where profit-booking or supply pressure may emerge.

Technical Indicators and Momentum

From a technical perspective, the index is trading above both the 21-day and 50-day Exponential Moving Averages (EMA), confirming a bullish bias. Additionally, on the weekly chart, a convergence between price action and the RSI (Relative Strength Index) indicates a sideways to upward momentum. This suggests that while minor pullbacks may occur, the broader trend remains intact, favouring buyers.

Key Levels to Watch

- **Support Levels:** The first key support level is at **49,500**, followed by a stronger support at **48,800**. A breakdown below these levels could shift sentiment towards the downside.
- **Resistance (Supply) Levels:** The index is expected to face resistance at **52,500**, followed by a stronger supply zone at **53,300**. If the price breaks above these levels, further upside potential may be unlocked.

Monthly Outlook



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