



MONTHLY OUTLOOK

01-06-2024

Date : 03-06-25

Monthly Outlook



GLOBAL QUES

QUES	Close (April)	Previous Month's Close (May)	Return (%)
DOW Jones Industrial (DJIA)	40669.36	42270.07	3.94%
GOLD	94611	94790	0.19 %
SILVER	95900	96996	1.14 %
CRUDE OIL	4949	5199	5.05%
USD-INR	84.55	85.48	1.10%
US BOND YIELD 10YR	4.17%	4.39%	5.52%
IND BOND YIELD 10YR	6.36%	6.22%	-2.14%

DOMESTIC MARKET PERFORMANCE

Equity Indices	Exchange	Close (May)	Previous Month's Close (April)	Return (%)
NIFTY	NSE	24750.70	24334.30	1.71 %
NIFTY BANK	NSE	55749.70	55087.15	1.20 %
NIFTY MIDCAP	NSE	12712.20	12075.30	5.27%
NIFTY FIN	NSE	26499.25	26113.55	1.48%
SENSEX	NSE	81451.01	80242.24	1.51%
NIFTY IT	NSE	37321.75	35794.95	4.27%
NIFTY PHARMA	NSE	21442.05	21772.45	-1.52%
NIFTY AUTO	NSE	23325.60	22308.40	4.56%
NIFTY REALTY	NSE	949.35	885.85	7.17%

Monthly Outlook

NIFTY



Market Overview – May Performance

The Nifty 50 began May on a relatively steady footing at 24,311.90. After testing a low of 23,935.75, strong buying support emerged, propelling the index to an intra-month high of 25,116.25. It eventually closed the month at 24,750.70, with a net monthly gain of 416.50 points (+1.71%). This close near the high suggests continued optimism and buying momentum in the market.

June Outlook – Consolidation with Positive Bias

As we step into June, the broader trend remains bullish, supported by a breakout from the flag pole pattern on the monthly chart. While some consolidation around current levels is possible, a buy-on-dips strategy remains appropriate as long as the index sustains above 23,900.

The market is likely to oscillate within a sideways-to-upward range, with momentum picking up on decisive closes above 25,200.

Technical Analysis

Trend line Breakout & Moving Averages

The index continues to trade above the 20, 50, and 100-period EMAs, reinforcing the long-term bullish structure.

The breakout from the falling wedge pattern in April has been confirmed by a higher high and higher close in May, adding further conviction to the upside.

RSI (Momentum Indicator)

The 14-period RSI stands at 64.96, edging closer to the overbought territory but still leaving room for further gains.

The RSI is trending positively without divergence, suggesting strong underlying strength.

Key Support and Resistance Levels

Immediate Resistance: The first resistance is expected at 25,200, beyond which the index may test 25,600.

Immediate Support: Support lies at 23,900, followed by a more significant support zone near 23,400.

Sustained trading above 24,000–24,200 would continue to attract buying interest, while any dip toward 23,900 may be seen as a buying opportunity.

BANKNIFTY



Market Overview – May Performance and Technical Outlook

The Nifty Bank Index started May on a firm note, opening at 55,100.95. After a brief pullback to a low of 53,483.05, strong buying emerged, lifting the index to a high of 55,875.75. It closed the month near the high at 55,749.70, recording a strong monthly gain of +662.55 points (+1.20%). This closing confirms bullish strength, with the index continuing its trajectory within the rising channel on the monthly chart.

June Outlook – Continuation Bias with Caution Near Channel Top

The structure of the monthly chart indicates continued upward momentum, with prices trading near the upper boundary of the rising channel. A buy-on-dips strategy is still favored, but traders should remain cautious near the channel resistance zone (~56,000–56,200). As long as the index remains above 53,300, the bias remains positive, and dips could present good long opportunities.

Technical Indicators and Momentum

The index is trading well above the 20/50/100/200 EMA levels, which supports the ongoing bullish trend.

The 14-month RSI stands at 68.17, suggesting strength but also proximity to the overbought zone. A breakout above 70 on RSI could signal a further extension of the rally.

Key Levels to Watch

Support Levels: The immediate support lies at 53,300, followed by a stronger cushion around 52,000. A breach below these may temporarily weaken sentiment.

Resistance Levels: The index is approaching the upper resistance band of the rising channel around 56,200–56,500. Sustained trade above this can open the path to 57,800 in the medium term.

Monthly Outlook



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