

MARKET STRATEGY

03rd February 2025



NIFTY



LTP	R1	R2	S1	S2
23482.1	23600	23800	23250	23000



LTP	R1	R2	S1	S2
49506.9	50000	50500	49000	48500

- The Nifty 50 index started the week on a weak note, opening at 22,940, reflecting initial pessimism. However, aggressive buying emerged at lower levels in the latter half of the week, leading to the formation of a bullish engulfing candlestick pattern, which signals a shift in market sentiment toward positivity. The index touched a weekly high of 23,632.45 before closing at 23,482.15
- From a trend analysis standpoint, the 20-day Exponential Moving Average (EMA), which was previously sloping downward, has now flattened, indicating a potential negation of the prior downtrend. Furthermore, the RSI on the daily chart is positioned comfortably above its 14-period SMA and is gradually rising, suggesting improving momentum and a positive bias in the market.
- Looking ahead, the market sentiment for the upcoming week appears optimistic. Key support is identified in the 23,250-23,270 zone, while resistance is expected in the 23,600-23,630 range. A decisive breakout above 23,630 could trigger further upside momentum, with potential targets at 23,800 and 24,000. On the downside, a breach below 23,250 would invalidate the positive outlook, potentially leading to a decline toward the 23,000 level. Traders should monitor these levels closely for actionable opportunities.

BANK NIFTY

- On the weekly chart, the Nifty Bank index formed a robust bullish engulfing candlestick pattern, signaling aggressive buying activity at lower levels and highlighting buyer dominance. This pattern suggests the potential for further upward momentum. The index closed the week at 49,506.95, registering a weekly gain of 2.36%
- The index is currently displaying a double bottom formation, which indicates a potential reversal of the prevailing downtrend. The upward slope of the 20-day and 50-day Exponential Moving Averages (EMAs) on the hourly chart further reinforces the bullish sentiment. Additionally, the RSI is positioned at 49, near its signal line, reflecting a gradual improvement in momentum.
- Traders may consider adopting a directional strategy if the index confirms a breakout above the 50,000 level, as this could trigger a move toward the immediate upside target of 50,500, aligned with the 20-day EMA. On the flip side, a breach below 49,000 could lead to a test of the next significant support level at 48,500. Market participants should closely monitor these key levels for potential trading opportunities.

Sectoral Analysis

NIFTY PHARMA



- The Nifty Pharma Index declined by 537.60 (-2.46%) on the weekly chart, forming a series of bearish candles, additionally, index found support near 50 period EMA on weekly scale.
- On the daily timeframe, the index is trading within a broader range and is currently positioned near the lower levels, signaling the likelihood of a technical bounce.
- Crucial levels to monitor include resistance at 21670 and 21850 on the upside, while immediate support is placed at 21000, followed by 20800 on the downside.

Outperformers

MAXHEALTH , ZYDUSLIFE

Underperformers

SYNGENE , IPCALABS

NIFTY AUTO



- The NIFTY AUTO Index opened on a negative note however it ended the week with a massive gain's of 1134 points (5.12%) on the weekly timeframe. It has formed a bullish candlestick pattern, named as bullish engulfing
- The index has shown a false breakout from a falling wedge pattern on the daily timeframe, suggesting potential bear trapping. Meanwhile, the RSI (14) is at 57, reflecting an improvement in momentum
- Levels to note on the upside is 23500 and 23750, while on downside immediate support is seen at 23000 followed by 22730

Outperformers

TVSMOTORS , M&M

Underperformers

BOSCH , SONCOMS

Sectoral Analysis

NIFTY IT



- The Nifty IT index registered a sharp decline of 1493 points, or 3.43%, forming a bearish candlestick on the weekly chart.
- On the daily timeframe, the index comfortably closed below its 20 & 50-period EMA. On the momentum front, RSI (14) is flattened to 51, signaling lack of upward momentum
- Going ahead as long as index is placed below 20 EMA view remains negative levels to watch for the week on upside are 42500 & 42850 meanwhile on downside support is placed at 41500

Outperformers

CYIENT , HFCL

Underperformers

COFORGE , OFSS

NIFTY FINANCIAL SERVICE



- The NIFTY FINANCIAL index ended the week on a positive note with 656 points up, 2.92 percent additionally negative of lower low lower high formation is indicating a positive bias
- On the hourly timeframe with EMA trending on the higher side reinforcing the positive outlook ahead, moreover the momentum indicator, RSI (14) is placed at 54 supporting the current upside rally
- Key levels to watch are 23400 & 23600 on the upside while 23000 & 22795 levels on the downside.

Outperformers

SBICARDS , MFSL

Underperformers

CAMS , CDSL

Sectoral Analysis

NIFTY FMCG



- The Nifty FMCG index ended on a positive note gaining 2326 points, nearly 4.1 percent up, forming a strong bullish candlestick near the support area indicating a potential reversal.
- On the daily timeframe, the index is trading above the 20 and 50 EMA, additionally a breakout of falling wedge is indicating a bullish outlook. This outlook will remain intact as long as the index stays above the key support level of 57000 levels
- Key levels to watch are 59000 & 60200 on the upside while support is placed at 57800 & 57000 respectively.

Outperformers

JUBLFOOD , KALYAN

Underperformers

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NIFTY REALTY



- The Nifty Realty Index ended the week with a sharp incline, forming a significant bullish candle on the weekly chart. The index surged by 98 points, recording a 11.59% rise, marking its best weekly performance since September 2021.
- The daily chart shows the index negated a lower low formation but remains below the 200 EMA, signaling a bearish trend. The current bounce should be viewed as a selling opportunity. RSI (14) surged and is now stands at 52.
- Going ahead, levels to watch on the upside are 980 and 1000 on the upside while on the downside are 930 followed by 910

Outperformers

LODHA , PRESTIGE

Underperformers

NBCC , PHOENIX

Sectoral Analysis

NIFTY METAL



- The Nifty Metal index closed in negative territory, declining by 1.66 percent or 140 points, forming a bearish. The presence of lower shadow suggests some buying interest at lower levels
- On the daily scale, the index is trading below its key EMA, with a consistent lower-low and lower-high pattern further confirming the bearish outlook. Any upward movement should be viewed as a selling opportunity till the time index remains below the 200 EMA
- Key levels to watch for the upcoming sessions are 8425 and 8685 on the upside while 8150 and 8000 on the downside.

Outperformers	Underperformers
TATASTEEL , COALINDIA	NALCO , JINDALSTEEL

NIFTY MEDIA



- The nifty media index closed on a negative note, 28 points and 1.72 percent down, forming a classic hammer candlestick with this index is trading near 2-year lows of 1615
- On the daily timeframe, the index is exhibiting a lower low and lower high formation, indicating a bearish structure. All major EMAs are also sloping downward, further confirming the prevailing negative trend. However, with the previous week's high being breached, there is potential for bounce in the index
- Key levels to watch for the week, 1690 & 1750 on the upside while 1600 & 1550 are on the downside.

Outperformers	Underperformers
PVRINOX	SUNTV

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