

# MARKET STRATEGY



04<sup>th</sup> August 2025



## NIFTY



LTP	R1	R2	S1	S2
24,565.35	24,800	25,000	24,400	24,000

- The Nifty 50 index extended its decline for the fifth straight week, closing below both its 20-day and 50-day EMAs — a clear sign of market weakness. This breakdown suggests short-term bearishness, and as long as the index stays below 25,250, the minor trend is likely to remain negative.
- On the weekly chart, a bearish candlestick pattern confirms the prevailing downward bias. The daily chart also shows a bearish candle with a long upper wick, indicating strong selling pressure.
- Momentum indicators echo this weakness, with the RSI slipping to 51.79, pointing to a loss of bullish strength. A break below 24,400 could open the door for further downside toward the 24,000 level. Until the index decisively breaks above the 24,800–25,000 zone, traders are advised to avoid aggressive leveraged positions.

## BANKNIFTY



LTP	R1	R2	S1	S2
55,617.60	55,300	55,000	56,000	56,200

- Bank Nifty began the week on a weak note at 56,215.10 and continued to face selling pressure, ultimately closing the week in the red. The broader structure on the weekly chart has turned bearish, with the index breaking its immediate support level — reflecting prevailing negative sentiment.
- Momentum indicators support this view, with the RSI around 56.85, indicating growing bearish momentum following the breakdown. On the daily chart, the index is trading below its 20- and 50-day EMAs, reinforcing a bearish outlook in the near term.
- The short-term trend remains negative, and if the weakness persists, the index may test support levels at 55,300 and 55,000. On the upside, resistance is seen around 56,000–56,200; a sustained move above this zone could help revive bullish sentiment.



# SECTOR ANALYSIS

## NIFTY AUTO



- The Nifty Auto Index has breached its crucial ascending trend line support on the daily chart, indicating a breakdown from a rising wedge pattern, typically considered bearish. The index had been consolidating in a tight range for the past several weeks near its lifetime highs, but the recent close below both 9 & 21 EMAs suggests the start of a short-term downtrend.
- The RSI has slipped to 40, indicating increasing bearish momentum, while ADX remains weak at 14, hinting at a potential pickup in directional trend soon. The breakdown level of ~₹23,500 now acts as immediate resistance.
- Weakness likely to persist as long as index trades below ₹23,700. Any pullback should be used to lighten positions or initiate fresh shorts with strict stops.

### Outperformers

BOSCHLTD, TVS MOTOR

### Underperformers

SONACOMS, TATAMOTORS

## NIFTY ENERGY



- The Nifty Energy Index has decisively broken down from a broad range bound structure of ~₹37,000 on the upside and ~₹35,000 on the downside. A close below the key support level confirms a bearish breakout, indicating further downside in the near term.
- Technically, the index is trading below its short-term moving averages (EMA 9 & 21), suggesting sustained selling pressure. RSI is near 33, approaching oversold territory but not yet showing signs of reversal. ADX at 21 supports a developing trend, and the recent price action confirms weakening strength in the energy pack.
- expect continued weakness unless the index reclaims ₹35,750. Any bounce may face selling pressure.

### Outperformers

### Underperformers

GAIL, PETRONET

# SECTOR ANALYSIS

## NIFTY FMCG



- The NIFTY FMCG Index started the week on a strong note, rebounding from key support levels and maintaining its upward momentum throughout the week, ultimately closing with a sharp gain of 1,617.10 points (+2.96%) on the weekly timeframe
- On the momentum front, the RSI stands at 52.23, indicating flat but slightly positive momentum, with scope for further upside potential.
- Key levels to watch are 56,500 followed by 57,000 on the upside while on the downside, support lies at 54,550 followed by 54,000

### Outperformers

VBL, HINDUNILVR

### Underperformers

NATIONALUM, VEDL

## NIFTY REALTY



- The index opened the week with a gap-down, weighed down by negative global cues, and declined by 54.45 points (-1.78%) over the week, breaking below a crucial support zone
- From a technical perspective, the price is trading below both the 20 and 50 EMAs, signaling weakness in the ongoing uptrend. Additionally, the RSI stands at 29.72, below its moving average, indicating prevailing bearish momentum in the index.
- Key levels to watch are 930 followed by 950 on the upside while on the downside, support lies at 860 followed by 800.

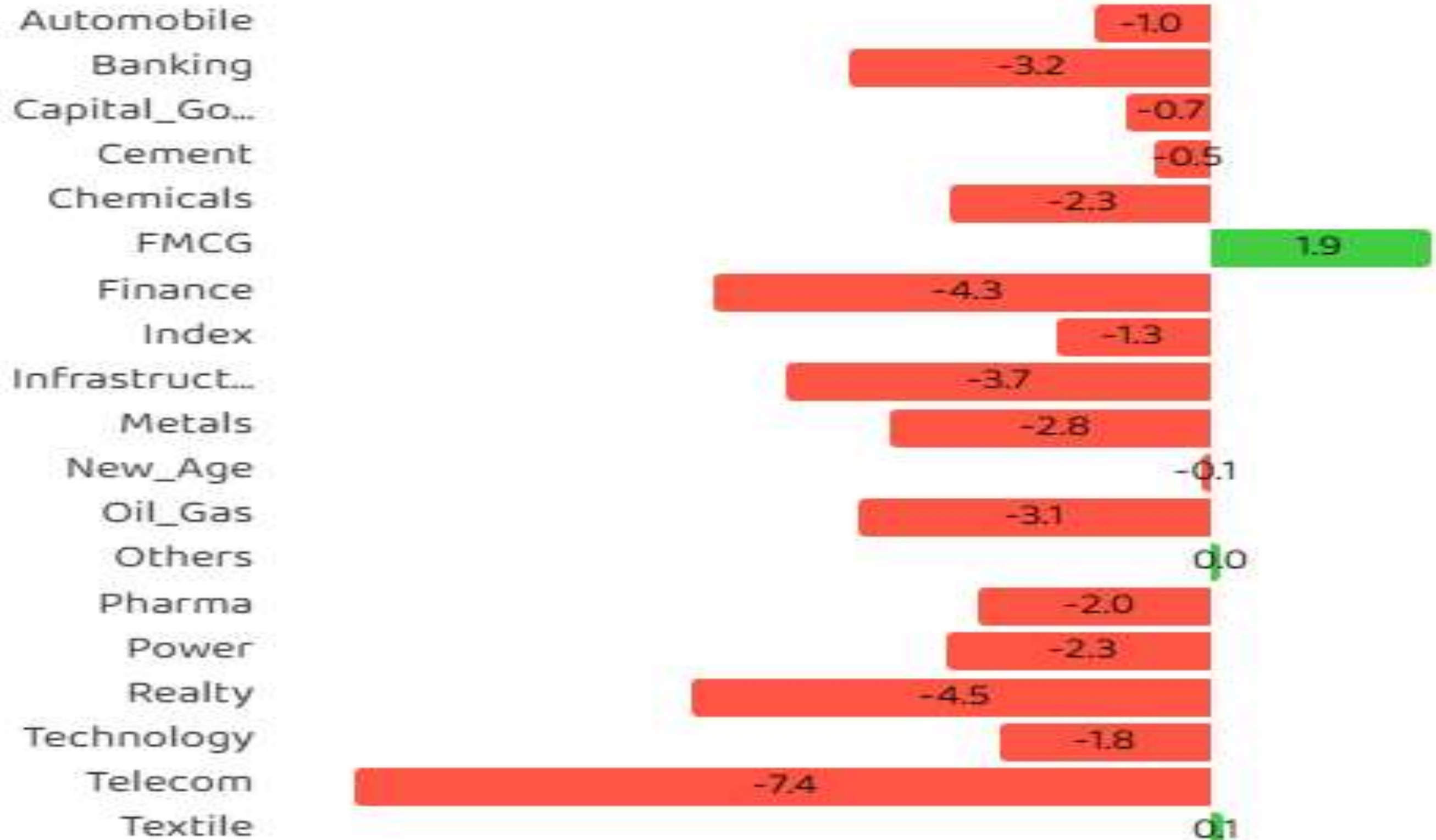
### Outperformers

### Underperformers

GODREJPROP, OBEROIRLTY



# SECTOR PERFORMANCE



# Pick of the week

Scrip	Trade	Entry above	Target	Stop loss
CUPID	BUY	158	166-170	148

\*Closing basis



## Rational

- CUPID is currently at a crucial juncture, having recently broken out from a range or consolidation zone on the daily chart. This price behavior suggests that buyers have been steadily accumulating at lower levels over the past month, paving the way for potential bullish continuation
- The stock is trading above the 20-day EMA (short-term trend indicator) & 50-day EMA (mid-term trend indicator), confirming short-term strength and acting as a support zone.
- The RSI (Relative Strength Index) is currently at 87.53, indicating strong upward momentum. If the stock holds above its breakout level, the rally could continue

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