

Date: 23th January 2024

NIFTY



Key observation

On Saturday nifty opened gap up with gains of (+84 points) at 21706.15 & whole day it was trading in range of 100 points (21600-21700) as there was lack of strength on either side & due to which index formed an indecisive red candle on daily scale, however at the close of the week nifty again maintained its anticipated psychological support zone of 21500, going forward the current up move is expected to continue with 21500 appearing to be the immediate support zone while options data is indicating 22000 to remain a strong hurdle for the ongoing trend, nevertheless 21000 will act as a base (demand zone) for the current month. Significant correction towards 20500 can be witnessed if support is breached on the lower side. While checking its strength indicator RSI on a daily scale is now trending in a sideways zone (55). However, while we check the super trend it is still in a bullish mode, it's better to redeploy longs near its anticipated support area around 21500. Hence it is advised to reduce longs/stay light on position & keep stop trailing at 21500 (closing basis).

On the weekly scale nifty after a strong bullish candle had formed earlier this month, however this week we saw a bearish candle after forming an on-neck breakout candle pattern in this week which is now indicating a pattern failure as the low of the previous week is breached on the downside (21448). Options data too indicates the immediate range to remain intact at 21500-22000. Going ahead, expecting the index to hold steady until 21500 is not breached on the downside. Aggressive shorts could be considered as well at this junction but leverage short positions can be added once the index slips below 21500. Anticipated range for the coming week is 21500-22000 with a negative bias.

RSI is still above 70 which indicates that the index is still in a bullish zone on a weekly scale as well as the index is now trading near the 5 EMA & 20 EMA on a weekly scale.

Key levels to consider for coming week,

| | |
|-----------------|-----------------|
| R1 21700 | S1 21500 |
| R2 21850 | S2 21285 |

BANK NIFTY



Key observation

On Saturday Bank nifty opened gap up with minor gains of (+288 points) at 45989 & whole day it was trading in a range of 45750-46000 as there was lack of strength on either side however there was to bullish engulfing candle (+300 points) on 15 minutes scale wherein volatility was witnessed on positive side which took nifty bank again above its opening price and forming a small body green candle (46058) on daily scale, expect index to hold steady until 46000 is not breached on downside while further up move would witness once 46250 is taken out on higher side while we see strength indicator RSI (14) is now trading in neutral Zone is advisable to trail the long position with a stop of 45500(closing basis) & maintain long short equation once index slips below strong demand zone of 45500

On weekly scale price action suggest after forming a small bearish candle in previous week nifty bank has now formed a strong bearish candle(-3.46%)After breakdown of small rectangle range on weekly scale immediate levels to track on upper sides will be 46250 followed by 46500 while support looks firm at 45500, options data for the week indicates a price range of 46000 46500.However indicator front if we see strength indicator RSI (14) is trading at 63 which is suggesting the index is in bullish mode. For coming week until the anticipated range is intact expecting index to give a healthy time wise correction to form a fresh elevated base at current junction on weekly scale.

The strategy going ahead should be buy on dip as long as index is trading above 45500 in near term, leverage long should be added once Index moves above 46250 on daily time frame. one can be light on positions if 46500 is taken out on downside side & can maintain long short equation.

Key levels to consider for coming week

R1 46250 S1 45850
R2 46500 S2 45500

Sector Look: NIFTY FIN SERVICE INDEX



Key observation

Among nifty sectoral indices Nifty Financial service (-3.56%) is amongst the top loser, after some upside earlier in previous month nifty financial service index witnessed a rally on downside with this it is now trading near 5% down from 52 high zone of 21500-21600, so far in January series nifty financial service index is down by almost 4.40 % from its month's high (21602) underperforming the benchmark nifty 50 index which is flat (-0.73%) during the same period. The ongoing setup failure near breakout zone is suggesting a further can't be ruled out on downside.

Price action indicating a bearish formation that is breakdown of rectangle pattern on the downside, indicating a negative trend in the index as well as breakaway gap on daily scale has given a confirmation of breakdown from the pattern on the downside, expecting further drop down from current level nevertheless momentum indicator RSI has also breached decisively below 60 on weekly scale.

On indicator front RSI (14) is reading below 40 on daily scale. Apart from that it is now trading below 5.20,50 EMA & super trend is in bearish mode on daily time frame Going ahead the strategy should be **sell on rise**

Key level to consider for coming session

R1 20650 S1 20400

R2 20800 S2 20245



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