

MARKET STRATEGY



26th May 2025



NIFTY



LTP	R1	R2	S1	S2
24,853.15	25,000	25,100	24,500	24,200

- The NIFTY index opened the week on a cautious note at 25,005.35 and remained under pressure for four consecutive sessions, reflecting profit booking and a strong presence of sellers. However, it saw a modest recovery on the final trading day, aided by improved global sentiment as U.S. Treasury yields eased. The index ultimately settled at 24,853.15, marking a weekly decline of 0.67%.
- On the daily chart, a bullish candlestick pattern has formed, indicating a possible return of buying interest. This view is reinforced by the moving average indicator, with the index trading above its 20-day EMA and taking support at that level, suggesting a positive short-term outlook.
- The overall trend remains bullish as long as the index holds above 24,500. Traders should monitor key support levels at 24,500 and 24,200, while resistance is likely to be encountered around 25,000 and 25,100.

BANKNIFTY



LTP	R1	R2	S1	S2
55,398.25	55,800	56,000	55,000	54,600

- BANKNIFTY opened the week on a muted note at 55,326.05 and witnessed selling pressure for the first three trading sessions, largely due to profit booking and cautious sentiment among investors. However, it managed to recover some ground in the latter part of the week and closed marginally higher at 55,576.60, registering a modest gain of 0.08%.
- From a technical perspective, the index has formed an indecisive candlestick pattern on the weekly chart, reflecting uncertainty in market direction. This pattern, combined with a flat and range-bound RSI, suggests a neutral to mildly bullish outlook in the short term.
- The overall trend remains bullish as long as the index sustains above the key psychological level of 55,000. On the downside, immediate support lies at 55,000, followed by 54,600. On the upside, resistance levels are seen around 55,800 and 56,000, and a decisive breakout above these could trigger fresh buying momentum.

SECTOR ANALYSIS

NIFTY FINANCE



- The NIFTY FINANCE index gained 10.80 points (0.04%) over the past week, forming a Doji candlestick pattern on the weekly chart, signaling indecision among market participants.
- On the weekly timeframe, the RSI is gradually moving upward and is currently at 67.22, signaling a bullish momentum in the stock.
- Crucial monitoring levels include resistance 26600 and 26800, while immediate support is placed at 26100 and 25950.

Outperformers

ANGELONE, CDSL

Underperformers

LICHSGFIN, M&MFIN

NIFTY METAL



- The NIFTY METAL Index started the week on a flat note but gradually rebounded from its support zone, closing with a strong weekly gain of 47.75 points (0.52%).
- The RSI stands at 56.39 on the momentum front, signaling positive momentum and suggesting further upside potential.
- Levels to note on the upside are 9300 and 9400, while on the downside, immediate support can be seen at 9100, followed by 9000 mark.

Outperformers

HINDCOPPER, NATIONALUM

Underperformers

JINDALSTEL, JSL

SECTOR ANALYSIS

NIFTY PHARMA



- The NIFTY PHARMA index faced resistance near the 22,026.65 level and slipped by 198.95 points (-0.92%) over the week, forming a bearish candlestick pattern
- On the daily timeframe, the index is facing resistance around 22026.65. From a momentum perspective, the RSI stands at 50.61, indicating a lack of bullish strength and suggesting potential for further downside.
- Going ahead as long as the index is placed below 22100, the view remains negative; levels to watch for the week on the upside are 21700 & 22000, on the downside support is at 21200, followed by 21000

Outperformers	Underperformers
DIVISLAB, GRANULES	LUPIN, SUN PHARMA

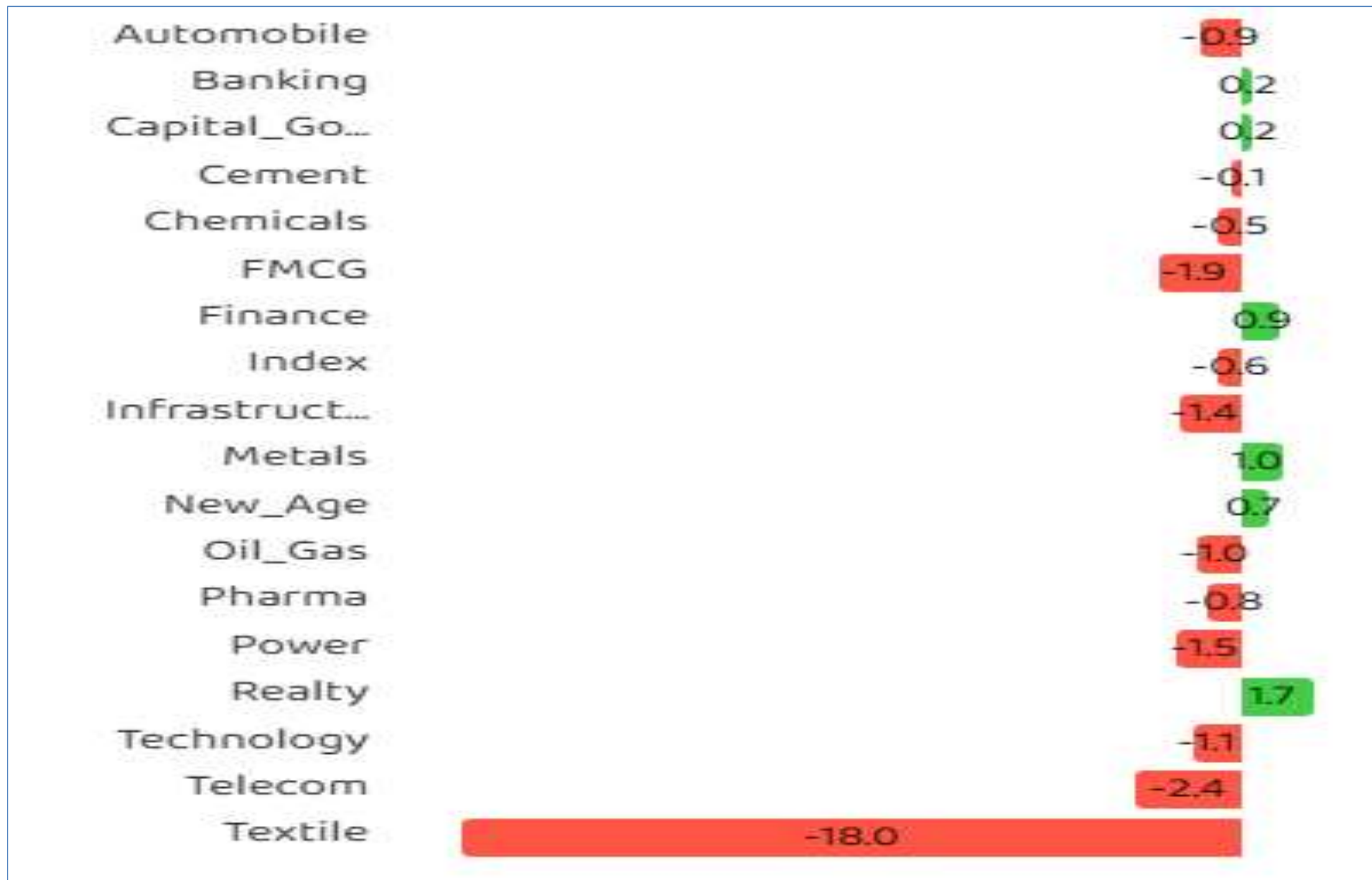
NIFTY HEALTHCARE



- The index declined by 91.55 points (-0.65%), forming a bearish candlestick after facing resistance near the 14274.55 level and subsequently slipping lower.
- On the weekly timeframe, the index faced strong resistance at the 14274.55 level, followed by a notable decline, the RSI stands at 53.05, indicating a lack of bullish strength and suggesting potential for further downside.
- Key levels to watch are 14250, followed by 14400 on the upside, while on the downside, support lies at 13800, followed by 13500

Outperformers	Underperformers
IPCALAB, FORTIS	MANKIND PHARMA, LUPIN

SECTOR PERFORMANCE



Pick of the week

Scrip	Trade	Entry above	Target	Stop loss
HINDCOPPER	BUY	239	254	232

*Closing basis



Rational

- HINDCOPPER is currently at a crucial point, break out of a falling trend line. This suggests that buyers have been quietly accumulating shares at lower levels for over a month, setting the stage for a potential upward move
- The 21-day EMA (short-term trend indicator) has crossed above the 50-day EMA (mid-term trend indicator), confirming short-term strength and acting as a support zone.
- The RSI has also broken out and is now at 62.23, indicating strong upward momentum. If the stock holds above its breakout level, the rally could continue

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