

Date: 15th April 2024

NIFTY



Key observation

On Friday, Nifty opened gap down with loss (-234 Points) at 22677, marking a loss of 199 points, whole day market was trending on lower wherein volatility was witnessed on the downside of almost 234 points. The weekly chart for Nifty50 shows an inverse hammer candlestick pattern, indicating stronger buying interest compared to selling pressure, we can also see the formation of an upward channel. This suggests a continuation of the sideways to bullish trend. The weekly timeframe also shows higher highs and higher lows, with all time high. Immediate support is seen around 22500 considered a demand zone on a daily scale, while options data indicates that 22700 could pose a strong hurdle for the current and upcoming weekly series. Therefore, it is recommended to reduce short positions or stay light on positions, and to trail stops at 22500 on a closing basis for long positions. The RSI (14) is at 69, signalling a sideways bullish market, and the EMA (200) is below the index, indicating upward strength.

Options data suggests the immediate range to watch is 22500-22900, indicating a buy-on-dip strategy until 22275 is breached on the downside. Aggressive short positions could be considered, factoring in risk-reward at this point, but leveraging short positions might be prudent if the index falls below 22275.

Key levels to consider for the coming week

R1 22700	S1 22500
R2 22800	S2 22275

NIFTY BANK



Key observation

On Friday, Bank Nifty started negative at 48671 and spent the entire day trading within a wide range of 350 points. This activity resulted in the formation of an inverse hammer candle on the daily chart. The index is likely to remain sideways to bullish as long as it does not drop below 47800 (based on closing prices). If it does break below 47800, there is a strong demand zone to watch for potential support at 47600. It is suggested to consider long positions with a stop loss at 47600 (based on closing prices). Looking at the weekly perspective, last week index showed a marubozu candlestick formation near support, and this week's candle closing above that resistance is indicating a sideways to bullish view for Bank Nifty.

Options data for the week suggests a price range of 48500 to 49000. Regarding indicators, the RSI (14) is currently in the positive zone (above 60), indicating a bullish outlook. The EMA (200) is positioned below the index, signalling upward strength.

For the upcoming week, as long as the expected range holds, Bank Nifty is anticipated to remain sideways to bullish. It's recommended to consider buying on dips, particularly as long as the weekly timeframe remains above 48500. Adding leverage could be considered if the index surpasses 48700 on the daily timeframe. If 47600 is breached on the downside, it might be prudent to reduce positions and maintain a long-short balance

Key levels to consider for coming week

R1 48600	S1 48400
R2 48775	S2 48100

Sector Look: NIFTY METAL INDEX



Key observation

Among nifty sectoral indices Nifty Metal (+2.90%) is amongst the top gainer, after some downside in first half of previous month, currently nifty metal index witnessed a rally on higher side with this it is now trading above 200 EMA as well as near 52 weeks high, so far in April series nifty metal index is up by almost +8.41% from its month's low (8335) outperforming the benchmark nifty 50 index which is flat (+0.88%) during the same period. The ongoing setup near breakout zone is suggesting a further move can't be ruled out on upside

Price action indicating a bullish formation that is strong bullish candle followed by channel pattern breakout is seen on the upside, indicating a positive trend in the index as well as closing above daily & weekly opening is given a confirmation of further sideways to bullish momentum could be witnessed at least for short term, nevertheless momentum indicator RSI is also above 70 on weekly scale, Also index is above 21 period EMA suggesting the upward movement is expected to continue in near term.

On indicator front RSI (14) is reading above 70 on daily scale. Apart from that it is now trading above 5 & 20 EMA & super trend is in bullish mode on daily time frame as well, going ahead the strategy should be **buy on dip**

Key level to consider for coming session

R1 9015 S1 8890

R2 9150 S2 8770

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