

Date: 29th April 2024

NIFTY



Key observation

On Friday, Nifty opened gap up with gains (+50 Points) at 22620, marking a gain of 272 points, whole day market was trending on higher side until last one hour wherein volatility was witnessed on downside of almost 150 points however marking a gain of 272 points (22419). The weekly chart for Nifty50 shows an inverse hammer, a bullish candlestick pattern, indicating stronger buying interest compared to selling pressure. This suggests a continuation of the sideways to bullish trend. The weekly timeframe also shows higher highs and higher lows, with the potential for Nifty50 to surpass its all-time high levels in the upcoming week. Immediate support is seen around 22250 considered a demand zone on a daily scale, while options data indicates that 22650 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 22250 on a closing basis for long positions. The RSI (14) is above 60, 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 22400-23000, indicating a buy-on-dip strategy until 21950 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 21950.

Key levels to consider for coming week

R1 22450	S1 22250
R2 22650	S2 21950

Sector Look: NIFTYSMALLCAPINDEX



Key observation

Among all indices Nifty small cap (+4.37%) is amongst the top gainers, after some downside in first half of previous month, currently nifty small cap index witnessed a rally on upside with this it is now trading above 10 EMA as well as near all-time high so far in April series nifty small cap index is up by almost 11.20% from its month's low (15414.55) outperforming the benchmark nifty 50 index which is flat (-0.42%) during the same period. The ongoing setup after breakout is suggesting a further move can't be ruled out on upside.

Price action indicating a bullish formation that is breakout is seen on the upside above horizontal resistance, 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 hovering towards upward trajectory & is above 70 on weekly scale, Also index is above 10 period EMA suggesting the upward movement is expected to continue in near term.

On indicator front RSI (14) is reading at 71 on daily scale. Apart from that it is now trading above 5 & 20 EMA & super trend is also 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 17050 S1 16900

R2 17150 S2 16740

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