

# MARKET STRATEGY

13<sup>th</sup> January 2025



## NIFTY



| LTP     | R1    | R2    | S1    | S2    |
|---------|-------|-------|-------|-------|
| 23431.5 | 23700 | 24000 | 23250 | 23000 |

- The Nifty 50 index opened the week flat at 24,045.80, but consistent selling pressure persisted throughout the week. Negative news flows added to the bearish sentiment, causing the index to decline by approximately 2.39%. This downward momentum pushed the index below a critical support level, marking a weekly low of 23,344.35 before closing at 23,431.50.
- From a trend perspective, the 20-day exponential moving average (DEMA), which was previously flattened, has sloped downward, indicating a potential shift in downtrend. Additionally, the Relative Strength Index (RSI) on the daily chart is gradually worsening and is currently at 37, suggesting a negative momentum.
- Looking ahead, the overall market sentiment for the upcoming week appears negative as long as the index stays below 23700 aligned with 200 DEMA. Participants should monitor the 23700 level as a critical resistance zone. Any bounce toward 23,700 may present an opportunity for selling with a potential target of 23250 and 23000 maintaining a stop loss of 24000

## BANK NIFTY



| LTP      | R1    | R2    | S1    | S2    |
|----------|-------|-------|-------|-------|
| 48734.15 | 49000 | 49800 | 48600 | 48000 |

- On the weekly timeframe, the Nifty Bank index exhibited a sharp decline, forming a strong bearish candle as it breached a rising trendline that had been respected since June 2022. This breakdown marks a significant shift toward a bearish trend, resulting in a decline of approximately 4.4 percent or 2,254 points—the second-largest weekly drop since 2023.
- The index was consolidating within a well-defined range of 50,600–51,600, reflecting indecision among market participants. However, the recent breakdown highlights seller dominance, indicating a strengthening of bearish momentum. The RSI currently stands at 41, remaining below its signal line, which further confirms the lack of upward momentum.
- Given the current scenario, a "sell-on-rise" strategy is advisable as long as the index stays below 49,800, a level that previously acted as strong support. Immediate support is observed at 48,600, aligned with the previous week's low, and a breach of this level could open the door for further downside toward 48,000. Market participants are advised to monitor these critical levels closely.

## NIFTY PHARMA



- The Nifty Pharma index recorded a weekly loss of 882 points, or -3.79 percent, on the weekly chart. It has formed a reasonable bearish candle wiping out previous two-week gains marking a weekly low of 22336.80 and settling at 22380.85.
- On the daily chart, the index gave a breakdown of the rising channel indicating a bearish outlook, as long as the index is placed below the breakdown candle's open which is placed around 22825 view remains negative.
- Key levels to watch on the upside are 22500 followed by 22825 and 22300 followed by 22000 on the downside.

| Outperformers       | Underperformers    |
|---------------------|--------------------|
| ZYDUSLIFE , SYNGENE | AUROPHARMA , LUPIN |

## NIFTY AUTO



- The NIFTY AUTO index ended on a negative note 987 points, 4.11 percent on the weekly timeframe forming a bearish engulfing candle wiping out gains of previous week indicating a negative outlook.
- The breakdown of the 200 DEMA on the daily time frame indicates a bearish outlook, moreover, the momentum indicator RSI (14) is trading at 43 indicating a lack of momentum
- Going ahead levels to note on the upside is 23400 and 23650, and on the downside, immediate support is seen at 22800 is said level is breached index may continue trending towards 22500

| Outperformers       | Underperformers       |
|---------------------|-----------------------|
| TATAMOTOR , ESCORTS | ASHOKLEY , APOLLOTYRE |

## NIFTY IT



- The Nifty IT index recorded a gain of 882 points, 2.02 percent forming a bullish candle additionally a falling trendline breakout after meaningful correction is indicating a bullish outlook
- On the daily timeframe, the index is trading in higher high and higher low formation while RSI (14) has started moving higher, indicating an improving positive momentum
- Going ahead levels to watch on the upside are 45000 and 45500 while on the downside are 44350 and 44000

### Outperformers

LTIM , TCS

### Underperformers

HFCL , TATAELXSI

## NIFTY FINANCIAL SERVICE



- The NIFTY FINANCIAL index ended the week on a negative note with 1005 points down, 4.24 percent forming a bearish candle on a weekly chart, additionally 4-month range breakdown indicating a bearish outlook.
- On the daily timeframe the index formed a series of negative candles throughout the week coupled with EMA trending on the lower side reinforcing the negative outlook ahead
- Key levels to watch are 23050 & 23315 on the upside while 22500 & 22250 levels on the downside.

### Outperformers

ICICIGI , SBILIFE

### Underperformers

REC , PFC

## NIFTY FMCG



- The Nifty FMCG index ended on a negative note losing 699 points, 1.21 percent down, continuing its rangebound action indicating a tug of war between the buyers and sellers.
- On the daily timeframe, the index consistently encounters resistance at the 50 EMA. The negative bias remains valid as long as the index trades below the 57700 level, which aligns with the said EMA, reinforcing the negative sentiment
- Key levels to watch are 57700 & 58250 on the upside while support is placed at 56900 & 56500 respectively.

### Outperformers

TATACONS, BRITANNIA

### Underperformers

VBL, KALYANJIL

## NIFTY REALTY



- The Nifty Realty index concluded the weekly session on a negative note forming a massive bearish candlestick on the weekly chart of 81 points, 7.83 percent down
- On a daily timeframe the index formed a bearish marubuzo candlestick and with this index has decisively breached 200 EMA indicating a bearish outlook moreover RSI (14) saw a sharp decline and is now below 30 supporting the downward momentum
- Going ahead, levels to watch on the upside are 995 and 1015 on the upside while on the downside are 950 followed by 935.

### Outperformers

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### Underperformers

HUDCO , PRESTIGE

## NIFTY METAL



- The Nifty Metal index ended on a negative side with 5.35 percent down and with 626 points in total forming a long week bearish candle indicating seller's dominance.
- On the daily scale, the index is trading below its key EMA, with a consistent lower-low and lower-peak pattern further confirming the bearish outlook. Any upward movement should view as a selling opportunity till the time index remains below the 20 EMA
- Key levels to watch for the upcoming sessions are 8400 and 8600 on the upside while 8200 and 8000 on the downside.

| Outperformers    | Underperformers |
|------------------|-----------------|
| JSWSTEEL , NALCO | JSL , TATASTEEL |

## NIFTY MEDIA



- The nifty media index closed on a negative note, 118 points and nearly 6 percent down, forming a strong bearish candle with this index has given a breakdown of the rectangle pattern.
- On a daily timeframe the index is forming a lower low while all the major Ema's are sloping downward confirming the negative trend.
- Key levels to watch for the week, 1770 & 1800 on the upside while 1717 will act as major support for the upcoming week if said level is breached we could see further pain in media sector

| Outperformers | Underperformers |
|---------------|-----------------|
|               | SUNTV, PVRINOX  |

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