

# MARKET STRATEGY

20<sup>th</sup> January 2025



## NIFTY



LTP	R1	R2	S1	S2
23203.2	23400	23600	23000	22800



LTP	R1	R2	S1	S2
48540.60	49000	49500	48300	47900

- The Nifty 50 index commenced the week on a negative note at 23,195.40 and traded within a narrow range throughout, forming a classic Doji candlestick on the weekly chart, signaling indecision in the market. The index recorded a weekly low of 23,047 and a high of 23,391.65 before settling at 23,203.20
- From a trend analysis perspective, the 20-day Exponential Moving Average (DEMA) is sloping downward, reaffirming a prevailing downtrend. However, the RSI on the daily chart is showing early signs of divergence, suggesting that a bounce from current levels cannot be ruled out.
- Looking ahead, the market sentiment appears rangebound for the upcoming week, with critical support at 23,000 and resistance at 23,400. A breakout above or below these levels could provide a trading opportunity, with potential targets of 22,800 on the downside and 23,600 on the upside. Market participants are advised to closely monitor these levels for further direction.

## BANK NIFTY

- On the weekly chart, the Nifty Bank index formed an inverted hammer candlestick, indicating selling pressure at higher levels. Despite this, the index closed slightly above its opening price, suggesting the presence of buyers and the possibility of a bounce. The index concluded the week at 48,540.60, marking a modest decline of 0.40%.
- Currently, the index is exhibiting a lower high and lower low formation, which confirms a prevailing downtrend. The downward slope of the Exponential Moving Averages (EMAs) on the hourly chart further supports the bearish sentiment. Additionally, the Relative Strength Index (RSI) stands at 34, below its signal line, reflecting weak momentum.
- Traders are advised to consider a directional strategy if the index confirms a breakdown below 48,300, as it may initiate a move toward the immediate downside target of 47,900. Conversely, if the index surpasses 49,000, the next significant resistance level to watch is 49,500. Market participants are encouraged to monitor these key levels for actionable opportunities.

## NIFTY PHARMA



- The Nifty Pharma Index declined by 319.15 points (-1.43%) on the weekly chart, forming a bearish candlestick resembling a hammer pattern, which could indicate the possibility of a short-term reversal
- On the daily timeframe, the index is trading within a broader range and is currently positioned near the lower boundary of a channel pattern, signaling the likelihood of a technical bounce.
- Crucial levels to monitor include resistance at 22,250 and 22,500 on the upside, while immediate support is placed at 21,800, followed by 21,500 on the downside.

Outperformers	Underperformers
BICON, DIVISLABS	MAXHEALTH , IPCALAB

## NIFTY AUTO



- The NIFTY AUTO Index experienced a gap-down opening and ended the week with a decline of 226 points (-0.98%) on the weekly timeframe. It has formed a classic Doji candlestick pattern, which indicates indecision among market participants.
- The index is currently trading within a falling wedge pattern on the daily timeframe, indicating a potential reversal setup. Additionally, the momentum indicator RSI (14) is positioned at 43, signaling divergence and providing early signs of a possible recovery in the near term
- Levels to note on the upside is 23000 and 23250, while on downside immediate support is seen at 22500 followed by 22350

Outperformers	Underperformers
ESCORTS , MOTHERSON	MRF , M&M

## NIFTY IT



- The Nifty IT index registered a sharp decline of 2,577 points, or 5.78%, forming a strong bearish candlestick on the chart. Furthermore, the breakdown from a symmetrical triangle pattern confirms a bearish outlook
- On the daily timeframe, the distortion in the higher bottom structure highlights a potential shift in trend. Additionally, the RSI (14) has dropped significantly to 46, signaling weakening momentum.
- Going ahead levels to watch on the upside are 44400 and 45000 while on the downside are 43400 and 43000

### Outperformers

LTTS , TATAELXSI

### Underperformers

HCLTECH , OFSS

## NIFTY FINANCIAL SERVICE



- The NIFTY FINANCIAL index ended the week on a negative note with 122 points down, 0.54 percent additionally lower low lower high formation is indicating bearish outlook
- On the hourly timeframe the index has given a breakdown of inverted flag & pole coupled with EMA trending on lower side reinforcing negative outlook ahead
- Key levels to watch are 22800 & 23000 on the upside while 22500 & 22300 level on the downside.

### Outperformers

BSE , MANAPPURAM

### Underperformers

ANGELONE, CAMS

## NIFTY FMCG



- The Nifty FMCG index ended on a negative note losing 1316 points, 2.31 percent down, continuing its bearish momentum.
- On the daily timeframe, the index is consistently encountering resistance at the 20 & 50 EMA. Additionally, on higher timeframes, the index has breached its rising trendline support. The bearish outlook remains valid as long as the index trades below the 56,400 level, which aligns with the Fast EMA, reinforcing the negative sentiment
- Key levels to watch are 56400 & 57000 on the upside while support is placed at 55500 & 55000 respectively.

### Outperformers

BERGERPAINT , DABUR

### Underperformers

BATAIND , KALYAN

## NIFTY REALTY



- The Nifty Realty index concluded the weekly session on a bearish note forming a hammer candle near the support zone on the weekly chart of 24 points, 2.50 percent down
- On a daily timeframe the index is forming a lower low and with this index is placed below 200 EMA indicating a bearish trend moreover RSI (14) saw a sharp decline and is now below 40 supporting the downward momentum
- Going ahead, levels to watch on the upside are 952 and 963 on the upside while on the downside are 925 followed by 900 which is aligned with the previous week's low.

### Outperformers

HUDCO , INDHOTEL

### Underperformers

OBEROI REALTY , LODHA

## NIFTY METAL



- The Nifty Metal index ended on the positive side with 3.13 percent down and 258 points in total forming a bullish candle indicating buyers coming into action at lower levels.
- On the daily scale, the index is trading below its key EMA, with a consistent lower-low and lower-high pattern further confirming the bearish outlook. Any upward movement should be view as a selling opportunity till the time index remains below the 20 EMA
- Key levels to watch for the upcoming sessions are 8560 and 8740 on the upside while 8400 and 8236 on the downside.

Outperformers	Underperformers
HINDALCO , HINDCOPPER	JSWSTEEL , JINDALSTEEL

## NIFTY MEDIA



- The nifty media index closed on a negative note, 41 points and 2.36 percent down, forming a bearish candle with a shadow on the lower end.
- On a daily timeframe the index is trading in lower low and lower high formation while all the major Ema's are sloping downward confirming the negative trend
- Key levels to watch for the week, 1750 & 1800 on the upside while 1700 & 1650 are on the downside.

Outperformers	Underperformers
	SUNTV, PVRINOX

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