

MARKET STRATEGY

27th January 2025



NIFTY



LTP	R1	R2	S1	S2
23092.2	23425	23650	22700	22500



LTP	R1	R2	S1	S2
48367.80	48800	49500	48000	47500

- The Nifty 50 index commenced the week on a positive note at 23,290 showing initial optimism, however, the index witnessed selling pressure near highs of the preceding week around 23390-23426, this selling pressure resulted in the formation of bearish candlestick signaling negativity in the market. The index recorded a weekly low of 22,976.85 before settling at 23,092.20
- From a trend analysis perspective, the 20-day Exponential Moving Average is sloping downward, reaffirming a prevailing downtrend. Additionally, the RSI on the daily chart is comfortably placed below its 14-period SMA, making a lower low formation indicating a lack of upward momentum and a negative sentiment
- The market sentiment for the upcoming week leans towards a negative outlook, with key support at 22,975 and resistance at 23,400. A breakdown below 22,975 could open trading opportunities, with potential downside targets of 22,700 and 22,500. Conversely, if the index breaks above 23,400, the bearish sentiment would be negated, paving the way for a possible move toward the 200 EMA placed at 23,650

BANK NIFTY

- On the weekly chart, the Nifty Bank index formed a reasonable bearish candlestick with a long upper shadow, indicating selling pressure at higher levels, suggesting the presence of sellers and the possibility of a further downward moment. The index concluded the week at 48,367.80, marking a modest decline of 0.36%.
- Currently, the index is exhibiting a lower high and lower low formation, which confirms a prevailing downtrend. The downward slope of the 20 & 50-day Exponential Moving Averages (EMAs) on the hourly chart further supports the bearish sentiment. Additionally, the Relative Strength Index (RSI) stands at 37, below its signal line, reflecting weak momentum.
- Traders are advised to consider a directional strategy if the index confirms a breakdown below 48,000, as it may initiate a move toward the immediate downside target of 47,500. Conversely, if the index surpasses 48,800, the next significant resistance level to watch is 49,500 aligned with 20 EMA. Market participants are encouraged to monitor these key levels for actionable opportunities.

NIFTY PHARMA



- The Nifty Pharma Index declined by 189.30 (-0.86%) on the weekly chart, forming a series of bearish candles, additionally, a negative bias will be negated once the index moves above its 20-period exponential moving average
- 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 21,775, followed by 21,500 on the downside.

Outperformers	Underperformers
LAURUSLAB , AUROPHARMA	ALKEM , DRREDDY

NIFTY AUTO



- The NIFTY AUTO Index opened on a flat note and ended the week with a decline of 620 points (-2.72%) on the weekly timeframe. It has formed a bearish candlestick, which indicates bearish outlook.
- The index has given a breakout of a falling wedge pattern on the daily timeframe, indicating a continuation of the downtrend. Additionally, the momentum indicator RSI (14) is positioned at 37, signaling a lack of upward momentum
- Levels to note on the upside is 22500 and 22800, while on downside immediate support is seen at 22000 followed by 21650

Outperformers	Underperformers
EICHERMOTOR , BHARAFORG	APOLLOTYRE , SONCOMS

NIFTY IT



- The Nifty IT index registered a sharp incline of 1491 points, or 3.55%, forming a bullish candlestick on the chart. Additionally, the index saw a bounce from the lower end of rising channel pattern.
- On the daily timeframe, the index comfortably closed above its 20 & 50-period exponential moving averages. On the momentum front, RSI (14) has risen significantly to 51, signaling improving momentum.
- Going ahead levels to watch on the upside are 44000 and 44390 while on the downside are 43000 and 42750

Outperformers

WIPRO , MPHASIS

Underperformers

CYIENT , HFCL

NIFTY FINANCIAL SERVICE



- The NIFTY FINANCIAL index ended the week on a negative note with 94 points down, 0.42 percent additionally lower low lower high formation is indicating a bearish outlook
- On the hourly timeframe with EMA trending on the lower side reinforcing the negative outlook ahead, moreover the momentum indicator, RSI (14) is placed at 37.67 confirming the negative sentiment
- Key levels to watch are 22800 & 23000 on the upside while 22350 & 22000 levels on the downside.

Outperformers

BAJAJFIN , BAJAJFINSV

Underperformers

JIOFIN , ICICIPRULI

NIFTY FMCG



- The Nifty FMCG index ended on a positive note gaining 268 points, 0.48 percent up, forming a hammer candlestick near the support area indicating a potential reversal
- On the daily timeframe, the index is trading below the 20 and 50 EMA, indicating a bearish sentiment. This outlook will remain intact as long as the index stays below the key resistance level of 56,200, which aligns with the Fast EMA. However, if the index manages to breach this level on the upside, the bearish view will be negated, and the index could potentially rally towards the 57,000 mark.
- Key levels to watch are 56400 & 57000 on the upside while support is placed at 55500 & 55000 respectively.

Outperformers

UBL , BRITANNIA

Underperformers

JUBLFOOD , KALYAN

NIFTY REALTY



- The Nifty Realty Index ended the week with a sharp decline, forming a significant bearish candle on the weekly chart. The index dropped by 85 points, recording a 9.12% fall, marking its worst weekly performance since March 2024.
- 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 30 supporting the downward momentum
- Going ahead, levels to watch on the upside are 875 and 900 on the upside while on the downside are 833 followed by 810

Outperformers

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Underperformers

OBEROI REALTY , PRESTIGE

NIFTY METAL



- The Nifty Metal index ended on the negative side with 0.97 percent down and 82.90 points in total forming a bearish candle indicating sellers again came into action.
- 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 viewed as a selling opportunity till the time index remains below the 20 EMA
- Key levels to watch for the upcoming sessions are 8540 and 8740 on the upside while 8400 and 8236 on the downside.

Outperformers	Underperformers
JSWSTEEL , NMDC	VEDL , JINDALSTEEL

NIFTY MEDIA



- The nifty media index closed on a negative note, 59 points and 3.47 percent down, forming a bearish candle with this index is trading near 2-year lows of 1640
- 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, 1690 & 1750 on the upside while 1600 & 1550 are on the downside.

Outperformers	Underperformers
	SUNTV, PVRINOX

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