

Date: 31st July 2023

NIFTY



The Nifty index displayed a muted opening, with a flat to negative bias. Subsequently, it traded in a sideways to lower manner for the majority of the session. However, during the final hour and a half of trading, there was a notable surge in buying interest, leading to the formation of a doji candlestick pattern. This particular candlestick pattern is indicative of indecisiveness between buyers and sellers at current price levels.

The session ultimately concluded with a decline of approximately 13.85 points. Moving forward, it is crucial to monitor the critical support level at 18,400, as a breach below this level could signal further downside potential.

However, on the weekly timeframe, the index formed an inside candlestick pattern, signifying a pause in the prevailing uptrend. To validate a resumption of the upward movement, it is imperative for the Nifty to maintain its position above the significant support zone around 19,780. If this support is sustained, there is potential for the index to advance towards the resistance levels at 19,950 and 20,000.

On the downside, immediate support is anticipated at 19,560, followed by 19,450, which could act as further price cushions.

A momentum indicator RSI (14) reading is above 60 levels which is supportive for the long position.

BANK NIFTY



The Nifty Bank index exhibited a flat to negative opening and traded with predominantly sideways to lower movement during the majority of the trading session. However, a noteworthy buying interest was observed during the final hour, leading to the formation of a Doji candlestick pattern. The day concluded with a decline of approximately 211.20 points.

Upon analyzing the daily chart, it is evident that the Technical indicator Ichimoku cloud shows the price trading above the baseline, which is now acting as a pivotal support level for the market. This suggests an overall positive sentiment, notwithstanding the day's losses.

Conversely, on the weekly scale, the Nifty Bank formed an Inside candlestick pattern, indicating a temporary pause in the prevailing uptrend. This suggests a cautious stance among market participants, possibly awaiting further signals before establishing significant directional positions.

A momentum indicator RSI (14) reading is above 50 levels which is supportive for the long position.

The upside resistance is placed near the 45850 & 46100 levels. Support exists at 45200 to 45000 levels.

Sector Look: NIFTY METAL INDEX



The Nifty Metal index is currently exhibiting a favourable technical setup on the weekly timeframe. The index is showing strong adherence to its long-term trend line, which signifies a robust level of support for the metal sector. This suggests a positive underlying sentiment in the market.

Recent price action has indicated increased buying interest in the metal index, leading to a noteworthy base breakout. This breakout has been confirmed by the presence of a bullish candlestick pattern on lower timeframes, reinforcing the potential for an upward move in the sector.

The Fast (21) and Slow EMA (50) are trending upside indicating the uptrend, whereas price trading above the EMA confirms the bullish move.

The Technical indicator Ichimoku Cloud analysis supports the positive outlook as well. The current price levels are trading above the conversion line and the base line, acting as significant support levels for the sector. This reinforces the notion of a bullish bias.

A momentum indicator RSI (14) is reading above 55 levels, which suggests a bullish move may continue in the near term.

The immediate support for the Metal Index is placed at 6500 and below those 6400 levels. The resistance is placed at 6777 to 6880 levels.

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