

Date: 19th February 2024

NIFTY



Key observation

On Friday nifty opened gap up with gains (+114 points) at 22020.55 & whole day it was trading in the range of 70 points (22000-22070) however in second half Volatility was witnessed though it took nifty near its opening price(22040.70) due to which index formed a small bullish candle with wick on both side, nevertheless at the close of the week nifty has maintained its anticipated psychological support zone of 21500 on lower side for consecutive three weeks, going forward the current up move is expected to continue with 21800 appearing to be the immediate support zone while options data is indicating 22200 to remain strong hurdle for the ongoing trend, however 21500 will act as base (demand zone) for the current & upcoming weekly series. Hence it is advised to reduce short/stay light on position & keep stop trailing at 21950(closing basis) for long position. On indicator front RSI (14) is trading at 60 which is indicating market is now in sideways to bullish zone. Levels to watch on higher side will be 22050 followed by 22250 & on downside immediate support is now at 21950 followed by 21800 atleast for short term

On the weekly scale nifty has formed bullish candle near ongoing rectangle pattern wherein demand zone is placed (21500) and supply zone is at 22060 earlier in previous month a pattern failure had occurred & due to which low was breached on downside (21137). Options data indicates the immediate range to remain intact is 21800-22200. Going ahead expecting the index to be in buy on dip mode until 21100 is not breached on downside. Aggressive short could be considered as well considering risk reward at this junction but leverage short position can be added once index slips below 21950. Anticipated range for coming week is 21950-22200 RSI is above 70 which is indicating that index is into bullish zone on weekly scale as well as index is now trading above 5 EMA & 20 EMA on weekly scale.

Key levels to consider for coming week

R1 22050	S1 21950
R2 22250	S2 21800

NIFTY BANK



Key observation

On Friday Bank nifty opened with gains (+236 points) at 46454 & whole day it was trading in the range of 200 points (46300-46500) due to which index formed indecisive red candle on daily frame as there was tug of war between bulls & bear at 46300-46500 and forming a Doji candle (46384) on daily scale, expect index to be in sideways to bullish zone until 45500 is not breached (closing basis). while further down move would witness once 45500 is taken out on lower side wherein there is strong demand zone. Strength indicator RSI (14) is now trading in neutral Zone(54) it is advisable to trail the long position with a stop of 46000(closing basis) & maintain long short equation once index goes below demand zone of 46000 in short term.

On weekly scale price action suggest after forming a bearish candle in previous week near ongoing rectangle setup, nifty bank has now formed a bullish candle (+1.64%) near rising trendline wherein nifty bank has taken support and bounced back twice on weekly, immediate levels to track on upper sides will be 46500 followed by 46750 while support looks firm at 46000, options data for the week indicates a price range of 46000-46750. However indicator front if we see strength indicator RSI (14) is trading at 54 which is again suggesting the index is in neutral to bullish mode. For coming week until the anticipated range is intact expecting index to give a time wise correction to form a fresh elevated base at current junction on weekly scale for long side.

The strategy going ahead should be buy on dip as long as index is reading above 45000 on weekly time frame, leverage long should be added once Index moves above 46500 on daily time frame. One can be light on positions if 46000 is taken out on downside side & can maintain long short equation

Key levels to consider for coming week

R1 46500	S1 46000
R2 46750	S2 45850

Sector Look: NIFTY AUTO INDEX



Key observation

Among nifty sectoral indices Nifty Auto (+4.33%) is amongst the top gainer, after some correction in second week of this month, currently nifty auto index witnessed a rally on higher with this it is now trading near 52 week high as well as all time high zone of 20500, so far in February series nifty metal index is up by almost 6.30% from its month's low (19235) outperforming the benchmark nifty 50 index which is flat (+1.45%) during the same period. The ongoing setup near breakout zone is suggesting a further move can't be ruled out on upside

Price action indicating a bullish formation that is on-neck breakout is seen on the upside, indicating a positive trend in the index as well as closing near highs on daily scale is given a confirmation, expecting further up move from current level nevertheless momentum indicator RSI has also breached decisively above 70 on weekly scale, while we check super trend is also suggesting the upward movement is expected to continue at least for short term.

On indicator front RSI (14) is reading above 70 on daily scale. Apart from that it is now trading above 5.20,50 EMA & super trend is 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 20400 S1 20300

R2 20600 S2 20090

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