

Date: 29<sup>th</sup> January 2024

## NIFTY



### Key observation

On Friday nifty opened flat with gains of (+1 points) at 21454 & whole day it was trending on lower side as there was lack of strength on higher side (21500) & due to which index formed a bearish candle on daily scale, nevertheless at the close of the week nifty has breached its anticipated psychological support zone of 21500, going forward the current down move is expected to continue with 21500 appearing to be the immediate resistance zone while options data is indicating 21500 - 21600 to remain strong hurdle for the ongoing trend, however 21000 will act as base (demand zone) for the current & upcoming weekly series. Significant correction towards 20500 can be witnessed if support is breached on lower side. While checking its strength indicator RSI on daily scale is now reading in sideways zone (55) However while we check super trend it is still in bullish mode, it's better to redeploy longs near its support area around 21000 Hence it is advised to reduce longs/stay light on position & keep stop trailing at 21500(closing basis) for short position.

On the weekly scale nifty has formed back to back two bearish candle had formed earlier this month after forming of on-neck breakout candle pattern earlier this month which is now indicating a pattern failure as low of previous week is breached on downside (21137). Options data too indicates the immediate range to remain intact is 21200-21500. Going ahead expecting the index to be in sell on rise mode until 21500 is not breached on upside. Aggressive short could be considered as well at this junction but leverage short position can be added once index slips below 21200. Anticipated range for coming week is 21100-21500 with negative bias RSI is still above 60 which is indicating that index is still into bullish zone on weekly scale as well as index is now trading near 5 EMA & 20 EMA on weekly scale.

### Key levels to consider for coming week

<b>R1 21350</b>	<b>S1 21200</b>
<b>R2 21500</b>	<b>S2 21000</b>

**NIFTY BANK**



**Key observation**

On Friday Bank nifty opened flat with minor loss of (-57 points) at 45057 & whole day it was trending on lower side as there was lack of strength until last half & hour wherein volatility was witnessed on positive side which took nifty bank near its opening price and forming a hanging man candle (44866) on daily scale, expect index to be in sell on rise mode until 45150 is not breached on upside while further down move would witness once 44500 is taken out on lower side while we see strength indicator RSI (14) is now trading in neutral Zone is advisable to trail the short position with a stop of 45150(closing basis) & maintain long short equation once index goes above supply zone of 45150

On weekly scale price action suggest after forming a strong bearish candle in previous week nifty bank has now again formed a bearish marubozu candle (-2.59%) After breakdown of small rectangle range on weekly scale earlier this month immediate levels to track on upper sides will be 45150 followed by 45500 while support looks firm at 44500, options data for the week indicates a price range of 44500 45150. However indicator front if we see strength indicator RSI (14) is trading at 46 which is suggesting the index is in neutral mode. For coming week until the anticipated range is intact expecting index to give a healthy time wise correction to form a fresh elevated base at current junction on weekly scale.

The strategy going ahead should be buy on dip as long as index is reading above 44000 on weekly time frame, leverage long should be added once Index moves above 45150 on daily time frame. One can be light on positions if 44000 is taken out on downside side & can maintain long short equation

**Key levels to consider for coming week**

<b>R1 45150</b>	<b>S1 44500</b>
<b>R2 45500</b>	<b>S2 44000</b>

## Sector Look: NIFTY FMCG INDEX



### Key observation

Among nifty sectorial indices, NIFTY FMCG has seen a sell off of ~5% from its all-time high forming a candlestick pattern i.e. 3 black crows in past 3 weeks. This is a bearish pattern and since it has formed near the all-time high which signals reversal in trend. We can expect more sell off in this sector in the upcoming weeks and there is a possibility that this sector may correct around 2-3% more.

Further to this we have seen a divergence in RSI and price, i.e. price is making higher highs and RSI making same high which indicates short term change in trend. Also, the sector has been respecting 9 ema on weekly charts and now we have seen that price has been closed below it which indicates change in short term trend.

Key level to consider for coming session

**R1 57000      S1 53880**

**R2 58106      S2 52450**



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## Weekly Market Strategy

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