

Date: 15<sup>th</sup> January 2024

## NIFTY



### Key observation

On Friday nifty opened gap up with gains of (+126 points) at 21773.55 & whole day it was trending on higher side as there was lack of strength on downside & due to which index formed a strong bullish candle on daily scale & a new all time high, however at the close of the week nifty again maintained its anticipated psychological support zone of 21500, going forward the current up move is expected to continue with 21500 appearing to be the immediate support zone while options data is indicating 22000 to remain strong hurdle for the ongoing trend, nevertheless 21000 will act as base (demand zone) for the current month. Significant correction towards 20500 can be witnessed if support is breached on lower side. While checking its strength indicator RSI on daily scale is trending in overbought zone (70) as well as super trend is also in bullish mode, however It's better to wait to redeploy longs near its anticipated support area around 21500 Hence it is advised to reduce longs/stay light on position & keep stop trailing at 21700(closing basis).

On the weekly scale nifty after strong bullish candle earlier this month had formed inside bar candle in previous week, however this week again we saw continuation of uptrend after forming on-neck breakout candle pattern in this week which is indicating a bullish market going ahead at least for short term. However, the pattern formation will be negated if low of previous week is breached on downside (21448). Options data too indicates the immediate range to remain intact at 21500-22000. after forming bullish candle on weekly scale. Going ahead expecting the index to hold steady until 21500 is not breached on downside. Aggressive short could be considered as well at this junction but leverage short position can be added once index slips below 21700. Anticipated range for coming week is 21500-22000 with positive bias

RSI is above 75 which indicates that index is into bullish zone on weekly scale as well as index is trading above 5 EMA & 20 EMA on weekly scale.

### Key levels to consider for coming week,

**R1 22000**                      **S1 21700**

**R2 22150**                      **S2 21500**

**BANK NIFTY**



**Key observation**

On Friday Bank nifty opened gap up with minor gains of (+134 points) at 47572.70 & whole day it was trading in a range of 47800-47650 as there was lack of strength on either side due to bearish engulfing candle on one hour scale wherein volatility was witnessed on negative side which took nifty bank again near its opening price and forming a small body green candle (47709) on daily scale, expect index to hold steady until 47500 is not breached on downside while further up move would witness once 48000 is taken out on higher side while we see strength indicator RSI (14) is now trading in neutral zone.it is advisable to trail the long position with a stop of 47500(closing basis) & maintain long short equation once index slips below strong demand zone of 47500

On weekly scale price action suggest after a Doji candlestick (-0.28%) in previous week nifty bank has now formed an small bearish candle on weekly scale near anticipated resistance zone of 48150, immediate levels to track on upper sides will be 48000 followed by 48150 while support looks firm at 47500, options data for the week indicates a price range of 47500-48150.However indicator front if we see strength indicator RSI (14) is trading at 63 which is suggesting the index is in bullish mode. For coming week until the anticipated range is intact expecting index to give a healthy time wise correction or price wise correction to form a fresh elevated base for the ongoing bullish structure on weekly scale.

The strategy going ahead should be buy on dip as long as index is trading above 47500 in near term, leverage long should be added once Index moves above 48000 on daily time frame. one can be light on positions if 47500 is taken out on downside side & can maintain long short equation.

**Key levels to consider for coming week**

<b>R1 48000</b>	<b>S1 47500</b>
<b>R2 48150</b>	<b>S2 47300</b>

## Sector Look: NIFTY IT INDEX



### Key observation

Among nifty sectoral indices Nifty IT (+4.79%) is amongst the top gainer, after some correction earlier in previous month nifty IT index witnesses a rally along with this it is now trading near 52 high zone of 36500-36600, so far in January series nifty IT index is up by almost 6.68% from its month's low (34236) outperforming the benchmark nifty 50 index which is flat (+0.75%) during the same period. The ongoing setup near breakout zone is suggesting a sharp rally can't be ruled out on upside.

Price action indicating a bullish formation that is breakout of Flag & pole on the upside, indicating a positive trend in the index as well as channel formation has given a confirmation of breakout from the pattern on the upside, expecting further pickup in directional momentum as the RSI has also breached decisively above 67 on weekly scale.

On indicator front RSI (14) is reading above 60 on daily scale. Apart from that it is now trading above 5.20, 50 EMA & super trend is in bullish mode on weekly time frame Going ahead the strategy should be **buy on dip**

Key level to consider for coming session

**R1 36600            S1 36435**

**R2 36750            S2 36250**

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## Weekly Market Strategy

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