

Date: 1st January 2024

NIFTY



Key observation

On Friday nifty opened gap down with minor loss of (-41 points) at 21737 & whole day it was trading in a range of 21680-21755 as there was lack of strength on either side at the close of the week nifty maintained its anticipated psychological support zone of 21500, going forward the current consolidation is expected to continue with 21500 appearing to be the immediate support while options data is indicating 22000 to remain strong hurdle for the ongoing trend, nevertheless 21000 will act as strong 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. It's better to wait & watch for the occurrence of the bullish pattern 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 21500.

On the weekly scale nifty after back-to-back two strong bullish candles & inside bar candle in previous week again index resumed its rally on higher side by forming a bullish candle (1.79%), the current formation is suggesting an on-neck breakout candle pattern which is indicating a bullish market going ahead at least for short term. Options data too indicates the immediate range to remain intact at 21500-22000. after giving decisive breakout 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 21500. Anticipated range for coming week is 21500-22000 with positive bias

RSI is above 70 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 21800 **S1 21650**

R2 22000 **S2 21500**

BANK NIFTY



Key observation

On Friday Bank nifty opened gap down with minor loss of (-134 points) at 48374 & whole day it was trading in a range of 48150-48350 as there was lack of strength on either side same like nifty it was stuck in a range until second half wherein volatility was witnessed which took nifty bank again near its opening price and forming an indecisive candle (48292) on daily scale, expect index to hold steady until 47800 is not breached on downside while further up move would witness once 48500 is taken out on higher side while we see strength indicator RSI (14) is now trending in overbought zone. it is advisable to trail the long position with a stop of 48000 & maintain long short equation once index slips below strong demand zone of 47800

On weekly scale price pattern suggest after breakout in december series above 46300 which is indicating a bullish signal, immediate levels to track on upper sides will be 48500 followed by 48750 while support looks firm at 47800, options data for the week indicates a price range of 47800-48500. However price action front after forming an inside bar candle in previous week again this week index has showed some strength this week (1.69%) up & formed a fresh all time high (48836). For coming week until the anticipated range is intact expecting index to give healthy time wise correction & 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 hereon once it moves above 48500 on daily time frame. one can be light on positions if 48000 is taken out on downside side & can maintain long short equation.

Key levels to consider for coming week

R1 48500 S1 48000

R2 48650 S2 47800

Sector Look: NIFTY METAL INDEX



Key observation

Among nifty sectoral indices Nifty metal (+4.25) is amongst the top gainer, after some minor correction earlier in previous month nifty metal index witnesses a rally along with this it is now trading near all-time high zone of 7950-8015, so far in December series nifty metal index is up by almost 13.69% from its month's low (7025) outperforming the benchmark nifty 50 index which is up (7.94%) during the same period. The ongoing setup after breakout suggest a sharp rally can't be ruled out on upside.

Price action indicating a bullish pattern formation that is on neck breakout candlestick wherein a strong full body candle is witnessed with confluence with one inside candle after which a very next candle moves above previous inside candle, expecting further pickup in directional momentum as the RSI also breached decisively above 70 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 on weekly time frame Going ahead the strategy should be **buy on dip**

Key level to consider for coming session

R1 8000 S1 7750

R2 8150 S2 7500



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