

Date: 12th February 2024

NIFTY



Key observation

On Friday nifty opened flat (+10 points) at 21727 & whole day it was trading in the range of 115 points (21665-21780) however in second half momentum was witnessed which took nifty above its opening price(21782.50) due to which index formed a bullish candle with wick on lower side, nevertheless at the close of the week nifty has again maintained its anticipated psychological support zone of 21500 on lower side, 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, however 21350 will act as base (demand zone) for the current & upcoming weekly series. Hence it is advised to reduce longs/stay light on position & keep stop trailing at 21500(closing basis) for long position. On indicator front RSI (14) is trading below 60 which is indicating market is now in sideways zone. Levels to watch on higher side will be 21800 followed by 22000 & on downside immediate support is now at 21715 followed by 21500

On the weekly scale nifty has formed small body bearish candle near ongoing rectangle pattern wherein demand zone is placed (21400-21500) 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 21500-22000. Going ahead expecting the index to be in buy on dip mode until 21000 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 RSI is above 60 which is indicating that index is 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

R1 21800	S1 21715
R2 22000	S2 21500

NIFTY BANK



Key observation

On Friday Bank nifty opened flat (-26 points) at 44986 & whole day it was trending on higher side as there was strong demand zone of 45000 also fib level of 61.8% was 44850 which took nifty bank above its opening price and forming a bullish candle (45970) on daily scale, expect index to be in sideways to bullish zone until 45000 is not breached (closing basis). while further down move would witness once 44850 is taken out on lower side wherein there is strong demand zone of rising trendline. Strength indicator RSI (14) is now trading in neutral Zone (44) it is advisable to trail the long position with a stop of 45000 (closing basis) & maintain long short equation once index goes below demand zone of 45000 in short term

On weekly scale price action suggest after forming a strong bullish candle in previous week nifty bank has now formed a hanging man candle (-0.73%) near rising trendline wherein nifty bank has taken support and bounced back twice on weekly, immediate levels to track on upper sides will be 45700 followed by 45900 while support looks firm at 45350, options data for the week indicates a price range of 45300-46000. However indicator front if we see strength indicator RSI (14) is trading at 51 which is again suggesting the index is in neutral 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 45700 on daily time frame. One can be light on positions if 45000 is taken out on downside side & can maintain long short equation

Key levels to consider for coming week

R1 45700	S1 45350
R2 46000	S2 45000

Sector Look: NIFTY IT INDEX



Key observation

Among nifty sectoral indices Nifty IT (+1.01%) is amongst the top gainer, after some correction in second half of previous month ,currently nifty IT index witnessed a rally on higher with this it is now trading near 52 week high as well as all time high zone of 38000, so far in February series nifty metal index is up by almost 3% from its month's low (36451) outperforming the benchmark nifty 50 index which is flat (+0.26%) 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 breakout of rectangle pattern on the upside, indicating a positive trend in the index as well as closing near demand zone on daily scale is given a confirmation hereon, 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 60 on daily scale. Apart from that it is now trading below 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 37800 S1 37400

R2 38100 S2 37000

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