

Date: 18th March 2024

NIFTY



Key observation

On Thursday nifty opened at ~22505 and made a fresh high of ~22526 and then whole day it was trading in the range of ~100 points (22526-22430) and closed at ~22494. On weekly basis Nifty50 formed hanging man candlestick pattern which indicates short term reversal. This means we can see Nifty50 sideways to bearish in the upcoming trading sessions. Going forward 22500 to remain a barrier for upside along with 22600 next barrier as per the option data. However 22400 will act as a support along with 22300. On indicator front RSI (14), divergence is seen as price is making higher high and RSI failing to do so. Levels to watch on higher side will be 22500 followed by 22600 & on downside immediate support is at 22400 followed by 22300 at least for short term

Technically it is indicating a range between 22200-22500. Going ahead expecting the index to be in buy on dip mode until 22200 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 22000.

Key levels to consider for coming week

R1 22500 S1 22400

R2 22600 S2 22300

NIFTY BANK



Key observation

On Friday Bank nifty opened to ~46572.10 & the whole day it was trading in the range of ~500 points (~46300~46800) due to which the index formed a green candle on a daily frame. Index is expected to be in sideways to bullish zone until 46500 is not breached (closing basis). While further down move would witness once 46500 is taken out on the lower side wherein there is a strong demand zone. Strength indicator RSI (14) is now trading in the neutral Zone. It is advisable to trail the long position with a stop of 46500(closing basis).

On a weekly scale price action suggests after forming a bullish candle in previous week near a resistance and this week a bullish candle closing near the demand zone, meaning the nifty bank will be sideways to bullish. Immediate levels to track on upper sides will be 46800 followed by 48000 while support looks firm at 46500. However on the indicator front if we see the strength indicator RSI (14) is trading below 60 which is again suggesting the index is in neutral to bullish mode. For the coming week until the anticipated levels are intact index is expected to be sideways to bullish.

The strategy going ahead should be buy on dip as long as index is reading above 46500 on weekly time frame, leverage long should be added once Index moves above 47000 on daily time frame. One can be light on positions if 46500 is taken out on downside side & can maintain long short equation

Key levels to consider for coming week

R1 46800	S1 46500
R2 47000	S2 46000

Sector Look: MIDCAP INDEX



Key observation

Among nifty sectorial indices Nifty midcap (-3.71%) is amongst the top loser, after some correction in first half of previous month, currently nifty midcap index witnessed a rally on lower side with this it is now trading near demand zone of 10350-10450, so far in march series nifty midcap index is down by almost 3.7% from its month's high (10929) underperforming the benchmark nifty 50 index which is down (-2.09%) during the same period. The ongoing setup near breakdown zone is suggesting a further down move can't be ruled out on downside.

Price action indicating a bearish formation that is rising channel pattern breakdown is seen on the downside, indicating a negative trend in the index as well as closing near low on daily & weekly scale is given a confirmation of further bearish momentum at least for short term, nevertheless momentum indicator RSI is also below 70 on weekly scale, while we check super trend, it is also suggesting the sideways to bearish movement is expected to continue in near future.

On indicator front RSI (14) is reading below 40 on daily scale. Apart from that it is now trading below 5.20,50EMA & super trend is in bearish mode on daily time frame as well, going ahead the strategy should be **sell on rise**

Key level to consider for coming session

R1 10500 S1 10400

R2 10750 S2 10250

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Weekly Market Strategy

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