

Date: 22<sup>nd</sup> April 2024

## NIFTY



### Key observation

On Friday, Nifty opened gap down (-134 points) at 21862, marking a gain of 285 points. It was seen that in the first half market was sideways but then it changed its trend and was trading on higher side. The weekly chart for nifty50 shows a bearish candle, a small red candle with large downward wick which shows buying from lower levels. This indicates sideways to bullish momentum. Also on weekly timeframe higher highs and higher lows formation is seen which also indicating sideways to bullish momentum for the upcoming week. Immediate support is seen around 22000 while option data indicates 22500 as a strong resistance. Therefore it is considered to reduce short positions and to trail stops at 22000 on a closing basis for long positions. The RSI (14) is at 62 signalling sideways to bullish market and also price is trading above the super trend.

Option data suggests the immediate range to watch is btw 22000-22500, indicating a buy on dip strategy until 21950 is taken out on the downside. Aggressive short positions could be considered, factoring in risk-reward at this point, but leveraging short positions might be prudent if the index closes below 21950

### Key levels to consider for coming week

**R1 22300            S1 22000**

**R2 22500            S2 21950**

**NIFTY BANK**



**Key observation**

On Friday, Bank Nifty opened gap down (-324 points) at 46745, marking a gain of 829 points. It was seen that in the first half market was sideways but then it changed its trend and was trading on higher side. The weekly chart for bank nifty shows a bearish candle, a small body candle with a large downward wick which shows buying from lower levels. Also on weekly timeframe an ascending triangle formation is seen meaning bank nifty will be sideways to bullish momentum for the upcoming week. Immediate support is seen at 46500 while option data indicates 48000 as a strong resistance. If it does break below 46500 based on closing prices then short position can be considered but until then long position with a stop loss of 47000 is suggested.

Option data for the week suggests a price range of 47000-48000. On the indicator front RSI (14) is trading at 56 indicating a balanced outlook. And also price is trading above super trend meaning sideways to bullish momentum.

**Key levels to consider for coming week**

<b>R1 48000</b>	<b>S1 47500</b>
<b>R2 48500</b>	<b>S2 47000</b>

**Sector Look: NIFTYPHARMAINDEX**



**Key observation**

Among nifty sectoral indices Nifty pharma (-2.04%) is amongst the top loser, after some upside in first half of ongoing month, currently nifty pharma index witnessed a rally on down side with this it is now trading below 10 EMA as well as near 10 day low so far in April series nifty pharma index is down by almost -5.01% from its month's high (19395.55) underperforming the benchmark nifty 50 index which is flat (-0.81%) during the same period. The ongoing setup near breakdown zone is suggesting a further move can't be ruled out on downside

Price action indicating bearish formation that is rectangle pattern breakdowns seen on the downside, indicating a negative trend in the index as well as closing below daily & weekly opening is given a confirmation of further sideways to bearish momentum could be witnessed at least for short term, nevertheless momentum indicator RSI showed negative divergence & is now below 70 on weekly scale, Also index is below 10 period EMA suggesting the downward movement is expected to continue in near term.

On indicator front RSI (14) is reading below 40 on daily scale. Apart from that it is now trading below 5 & 20 EMA & 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 18525    S1 18300

R2 18790    S2 18175

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## Weekly Market Strategy

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