

Date: 26<sup>th</sup> December 2023

## NIFTY



### Key observation

On Friday nifty opened gap up with gains of (+40 points) at 21295 & whole day it was trading in a range of 21310-21375. at the close of the week nifty maintained its anticipated psychological support zone of 21000, going forward the current consolidation is expected to continue with 21600 appearing to be the immediate top for the current trend. Options data now suggest 21000 will act as strong support zone for the upcoming week. Significant correction towards 20800 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 reversal pattern to redeploy longs near its anticipated support area around 21000. Hence it is advised to reduce longs/stay light on position & keep stop trailing at 21200.

On the weekly scale nifty after back-to-back two strong bullish candles now it has formed inside bar candle, which is indicating a choppy market going ahead at least for short term. Options data too indicates the immediate range to remain intact at 21500-21000 after giving decisive breakout of ongoing channel pattern followed by inside bar candle on weekly time frame however going ahead expecting the index to hold steady 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 21000. Anticipated range for coming week is 21000-21600

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 21400**                      **S1 21200**

**R2 21600**                      **S2 21000**

**BANK NIFTY**



**Key observation**

On Friday Bank nifty opened at 47840 at same levels wherein it had closed on monthly expiry day & same like nifty it was stuck in a range until second half wherein selling was witnessed which took nifty bank below its opening price and forming a bearish candle on daily scale, expect index to hold steady until 47300 is not breached on downside while further up move would witness once 47800 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 47300 & maintain long short equation once index slips below 47000

On weekly scale price pattern suggest after failure of double top breakdown above 46300 which is indicating a bullish signal, immediate levels to track on upper sides will be 47800 followed by 48150 while support looks firm at 47750, options data for the week indicates a price range of 47000-47800. However price action front after forming two consecutive strong bullish candle Index has formed an inside bar candle. 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 47000 in near term, leverage long should be added hereon once it moves above 47800 on daily time frame. one can be light on positions if 47000 is taken out on downside side & can maintain long short equation.

**Key levels to consider for coming week**

**R1 47800            S1 47300**

**R2 48150            S2 47000**

**Sector Look: NIFTY PHARMA INDEX**



**Key observation**

Among nifty sectoral indices Nifty pharma (+1.33) is amongst the top gainer, after some minor correction earlier in previous month nifty pharma index witnesses a rally along with this it is now trading near all-time high zone of 16500, so far in last two monthly series nifty pharma index is up by almost 11% outperforming the benchmark nifty 50 index which is up (10%) during the same period. The ongoing setup after breakout suggest a sharp rally going ahead can't be ruled out on upside.

Price action indicating a strong bullish candle on weekly scale after retesting the breakout of horizontal resistance around 15875, 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 16500      S1 16300**  
**R2 16700      S2 16100**



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## Weekly Market Strategy

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