

Date: 26th March 2024

NIFTY



Key observation

On Thursday Nifty opened gap down at 21990 with losses of (-33 points) and then the whole day it was trading in the range of po21900-22115) and then closed at 22096. On a weekly basis Nifty50, for the first time in a long time went below 21850 which was a strong support level along with a short covering, Going forward bullish to sideways move is expected to continue with 22000 appearing to be the immediate support zone while options data is indicating 22500 to remain a strong hurdle for the ongoing trend, however, 21850 will act as the base (demand zone) for the current and upcoming weekly series. Hence it is advised to reduce short/stay light on position and keep stop trailing at 21850 closing basis for long position.

Price action front index is respecting rising channel pattern, Strength indicator , RSI(14) on weekly scale is trading above 60 which indicates the market is still in sideways to bullish mode. Levels to watch on higher side will be 22400 followed by 22500 and on downside Immediate support is now at 22,000 followed by 21900 at least for the short-term Options data indicates the immediate range to remain intact is 22,000 22,300 going ahead expecting the index to be in buy-on dip mode until 21700 is not breached on the downside. as well as Super trend is also suggesting positive trend , On contrary aggressive short could be considered as well considering risk-reward at this Junction, but the Leverage shore position can be added once the Index slips below 21850

Key levels to consider for coming week

R1 22400	S1 22000
R2 22500	S2 21850

NIFTY BANK



Key observation

On Friday Bank Nifty opened with losses at 46458.75 and the whole day it was trading in a wider range of 500 points due to which the index formed a bullish candle on the daily time frame near the demand zone. The index is expected to be sideways to bullish until 46,000 is not breached (closing basis). While further down move would witness once 46,000 is taken out on the lower side wherein there is strong demand zone. The strength indicator RSI is now trading in neutral to positive zone. It is advisable to trade a long position with a stop of 46300 (closing basis)

On a weekly scale, price action suggests after forming an bearish candle in the previous week near the support, this week again a bullish candle closing above that resistance, meaning the nifty bank will be sideways to bullish. Immediate levels to track on the upper sides would be 46700 followed by 47000, while support looks firm and 46500 options data for the week indicates a price range of 46800 to 47500. However on the indicator front if you see the strength indicator RSI (14) on weekly is trading at 54 which again suggests the index is in neutral to bullish mode. For the coming week until the anticipated range is intact index is expected to be sideways to bullish.

The strategy going ahead should be buy on dip as long as the index is reading above 46,000 on the weekly timeframe leverage long should be added once the index moves above 47,000 on the daily timeframe. One can be light on positions if 46,000 is taken out on the downside and can maintain long-short equation

Key levels to consider for coming week

R1 47000 S1 46800

R2 47400 S2 46500

Sector Look: NIFTYITINDEX



Key observation

Among nifty sectoral indices Nifty IT (-6.17%) is amongst the top loser, after some upside in first half of previous month, currently nifty IT index witnessed a rally on lower side with this it is now trading near 12 week low, so far in march series nifty IT index is down by almost 6.71% from its month's high (37888.85) underperforming the benchmark nifty 50 index which is flat (+0.52%) 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 rising channel pattern breakdown is 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 is also below 60 on weekly scale, Also index has broken 21 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&20EMA & 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 35400 S1 35000

R2 35675 S2 34700



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