

Date: 05<sup>th</sup> February 2024

## NIFTY



### Key observation

On Friday nifty opened with gains of (+112 points) at 21812.75 & it was trending on higher side & made fresh all time high of 22126 however in second half there was bearish engulfing candle (-212 points) on 1 hour scale wherein volatility was witnessed on negative side which took nifty again near its opening price(21853) due to which index formed a bullish candle with wick on higher side, nevertheless at the close of the week nifty has now breached its anticipated psychological support zone of 21500 on higher 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 21900 - 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 the weekly scale nifty has formed bullish 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 70 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

<b>R1 22000</b>	<b>S1 21715</b>
<b>R2 22125</b>	<b>S2 21500</b>

**NIFTY BANK**



**Key observation**

On Friday Bank nifty opened with gains of (+380 points) at 46568 & whole day it was trending on lower side as there was lack of strength at supply zone of 46800 also fib level of 61.8% was 46800-46850 which took nifty bank below its opening price and forming a bearish candle (45970) on daily scale, expect index to be in sideways zone until 45500-46500 is not breached (closing basis). while further down move would witness once 45500 is taken out on lower side. Strength indicator RSI (14) is now trading in neutral Zone(48) it is advisable to trail the short position with a stop of 46300(closing basis) & maintain long short equation once index goes above supply zone of 46500

On weekly scale price action suggest after forming a strong bearish candle in previous week nifty bank has now again formed a bullish candle (+2.46%) near rising trendline wherein nifty bank has took support and bounced back twice on weekly, immediate levels to track on upper sides will be 46300 followed by 46500 while support looks firm at 45500, options data for the week indicates a price range of 45500 46300. However indicator front if we see strength indicator RSI (14) is trading at 52 which is suggesting the index is in neutral mode. For coming week until the anticipated range is intact expecting index to give a healthy time wise correction to form a fresh elevated base at current junction on weekly scale.

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 46500 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**

<b>R1 46300</b>	<b>S1 45800</b>
<b>R2 46500</b>	<b>S2 45500</b>

**Sector Look: NIFTY METAL INDEX**



**Key observation**

Among nifty sectoral indices Nifty metal (+4.65%) is amongst the top gainer, after some correction in previous two week nifty metal index witnessed a rally on higher with this it is now trading near 52 week high zone of 8075-8100, so far in February series nifty metal index is up by almost 4.7% from its month's low (7748.50) outperforming the benchmark nifty 50 index which is up (+2.35%) 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 day high on daily scale has given a confirmation of breakout from the pattern on the upside, expecting further up move from current level nevertheless momentum indicator RSI has also breached decisively below 60 on weekly scale.

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 Going ahead the strategy should be **Buy on dip**

Key level to consider for coming session

**R1 8115            S1 8000**

**R2 8220            S2 7900**

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