

Date: 8<sup>th</sup> January 2024

## NIFTY



### Key observation

On Friday nifty opened gap up with minor gains of (+47 points) at 21705.75 & whole day it was trading in a range of 21650-21730 as there was lack of strength & due to which index formed a indecisive candle (Doji) on daily scale, however at the close of the week nifty again maintained its anticipated psychological support zone of 21500, going forward the current consolidation is expected to continue with 21500 appearing to be the immediate support zone while options data is indicating 21800 to remain strong hurdle for the ongoing trend, nevertheless 21000 will act as base (demand zone) for the current month. Significant correction towards 20500 can be witnessed if support is breached on lower side. While checking its strength indicator RSI on daily scale is trending in overbought zone (70). It's better to wait for the occurrence of the bullish pattern to redeploy longs near its anticipated support area around 21500 Hence it is advised to reduce longs/stay light on position & keep stop trailing at 21500(closing basis).

On the weekly scale nifty after strong bullish candle in previous week has now formed inside bar candle, as we saw on-neck breakout candle pattern in previous week which is indicating a bullish market going ahead at least for short term. However, the pattern formation will be negated if low of previous week is breached on downside (21329). Options data too indicates the immediate range to remain intact at 21300-21800. after forming doji on weekly scale. Going ahead expecting the index to hold steady until 21500 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 21300-21800 with positive bias

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 21800**                      **S1 21500**

**R2 22000**                      **S2 21300**

**BANK NIFTY**



**Key observation**

On Friday Bank nifty opened gap up with minor gains of (+50 points) at 48245 & whole day it was trading in a range of 47900-48200 as there was lack of strength on either side same like nifty it was stuck in a range until second half wherein volatility was witnessed on positive side which took nifty bank again near its opening price and forming an indecisive candle (48159) on daily scale, expect index to hold steady until 48000 is not breached on downside while further up move would witness once 48500 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 48000(closing basis) & maintain long short equation once index slips below strong demand zone of 47800

On weekly scale price action suggest after bullish candlestick (1.69%) in previous week nifty bank has now formed an doji candle on weekly scale near anticipated resistance zone of 48300, immediate levels to track on upper sides will be 48300 followed by 48500 while support looks firm at 47800, options data for the week indicates a price range of 47800-48500. However indicator front if we see strength indicator RSI (14) is trading at 67 which is suggesting the index is in bullish mode. For coming week until the anticipated range is intact expecting index to give a healthy time wise correction or 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 47500 in near term, leverage long should be added once it moves above 48500 on daily time frame. one can be light on positions if 48000 is taken out on downside side & can maintain long short equation.

**Key levels to consider for coming week**

|                 |                 |
|-----------------|-----------------|
| <b>R1 48300</b> | <b>S1 48000</b> |
| <b>R2 48500</b> | <b>S2 47800</b> |

**Sector Look: NIFTY MEDIA INDEX**



**Key observation**

Among nifty sectoral indices Nifty media (+3.34) is amongst the top gainer, after some minor correction earlier in previous month nifty media index witnesses a rally along with this it is now trading near 52 high zone of 2475-2500, so far in January series nifty media index is up by almost 3.5% from its month's low (2392) outperforming the benchmark nifty 50 index which is flat (-0.09%) during the same period. The ongoing setup near breakout zone is suggesting a sharp rally 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 cup & handle formation has given a confirmation of breakout from the pattern on the upside, expecting further pickup in directional momentum as the RSI has also breached decisively above 60 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 2500            S1 2445**

**R2 2580            S2 2385**



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## Weekly Market Strategy

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