

Market Views for the Week 16 Feb 26– 20 Feb 26-Venkat's Blog

#syfx.org #NIFTY #USDINR #EURINR #Gold #Silver #Crypto #Crude #BankNifty #DOW

NIFTY



(Chart image source: TradingView.com)

The Nifty Index failed to hold above 25800 resulted in continued to sell-off. The euphoria after the EU/US trade deals is waning. While the political climate is not as bad as it was a few weeks back, the Index mover stocks have been under constant pressure. Technically the sentiments appear to be turning negative till such time it is below 25800-85 zone. The current move is seen as gap filling effort of previous week's sharp move. The key support to watch would be 25230-25080.

A few observations from the weekly charts are:

- The index moved in a range of 565 points between 26009- 25444
- Market sentiments turns negative
- Option expiry & Q3 results will decide on the direction of market
- Oscillators in different timeframes are showing mixed signal

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 25080-25770

Disclaimer: The views expressed here are personal and not connected to SYFX Treasury Foundation. The views are for learning and reference purpose only.

Additional interesting observations

- Nifty made a bearish inside candle with a higher low and lower high
- Index may find supports at 25270**, 25100***, 24970 and the index could face resistances at 25570**, 25690, 25820***
- There were multiple gaps created during this dream run.
- The levels were repeatedly mentioned in the previous blogs. Since they are far away for now, they will be inserted back when relevant
 - 24008-24420- Gap created on 12th May 25
 - 25088-25641-Gap created on 3rd Feb 26(At risk)

US Markets

- The DJI Index managed to scale a new ATH. However, it failed to cross 50500 on 3 consecutive attempts and came under selling pressure
- DJI made a bearish candle with a higher low and higher high
- It is good to see a consolidation after a gain of every 1K points
- The oscillators appear stretched and are showing mixed signal
- While there is no clear signal for reversal, the upside is seen capped by supply
- A daily close below 48300 would be seen as negative
- We can expect a consolidation in the range of 48400-50200

Final Note

- The Index is closed below the 55 DMA at 25829 and above the 200 DMA at 25290
- We may see a possible consolidation between 25080 and 25820

A few additional Observations:

- Key Index weighted stocks remain vulnerable and global sell-off on IT space is a cause of concern
- We may see interest on both sides and the Index is caught between multiple moving averages
- Index at a crucial support and breach of 25400 would easily take the Index to 25200-
- Key levels to watch are 25230 followed by 25030 on the downside and 25570 followed by 26820 on the upside
- There is no clear trend seen and the Index has been moving in the range of 24700-256300 since Sep 25
- Only a weekly close above 25850 can help higher levels
- Volatility likely to continue and the Investors need to follow prudent risk management measures to protect their capital

#Stay Safe

Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty remained in a very narrow range after a move during the previous week. It is back closer to the break-out level of 60100-200. It remains to be seen whether the Bank Nifty will be back in to the same old range of 58700 & 60400 which had been there for the previous 9 weeks. 58700 will be the new base for some time. Bank Nifty remained in a range of 803 viz. between 60876 & 60073 and made a bearish inside candle with a higher low and lower high. The oscillators in different time frames are showing mixed signal. The hurdle on account of the long-term ascending channel top is at 61600 and the lower end at 56K with pivot at 58600. Only a daily close below 58700 will be seen as negative. Expected range for the week is 58900- 60200 with a neutral bias. A daily close outside the range would trigger at least 500-700 points move in the direction of breach.

EURINR



(Chart image source TradingView.com)

The EURINR currency pair remained in a narrow range attempting to gain some grounds. The EURINR currency pair made a bullish inside candle with a higher low and lower high. We see interest on both sides and the upside expected to be met with supply and seems capped around 108.70. We can expect a consolidation with a neutral bias. Expected range is 105.40-108.70. Any breach of the range would lead to 70-100 pips move.

USDINR



(Chart image source: TradingView.com)

The currency pair remained in a narrow range after the sharp fall during the previous week. The currency pair is moving in an ascending channel with top at 92.34 and the lower end of the channel is at 90.20 with a mid-range at 91.23. The EU & US trade deal helped the INR appreciation. Exporters who felt missing out the previous opportunity are expected to hedge on any spike higher, thereby providing supply.

A few observations

- Upside expected to be capped at 91.15 and the range of 89.70 -91.15 would hold for the week
- Vols seen cooling

A few more observations:

- The currency pair is likely to find decent supply on every spike
- The two-way move is likely to continue, which is positive.
- There is hope for consolidation at a lower range if we see a close below 89.70
- At best we can expect 89.70-91.15 range with volatile moves

Gold

The precious metal seems to consolidate with gradual gains. The support around 4900 zone seems to hold. The precious metal is making efforts to re-attempt the previous peak. Future moves are likely to be more gradual than crazy one. The present set-up suggests that the push towards higher levels likely to continue. Crucial levels to watch are 4880 on the downside and 5210 on the upside. A breach on either side would trigger \$100-200 move. Aggressive purchases by the Central Banks keep the prices elevated. Expected range 4740-5210 and there could be choppy moves within this range.

Silver

Silver made third consecutive negative candle making wild swings during the week. It appears that Silver is likely to consolidate in the range of 63-93 with an inner range of 73-83. Unlike Gold, Silver shows higher signs of retraction. These kinds of move on both sides are part of the parabolic moves and make the risk management very difficult. The moves were similar to the earlier Crypto hype seen during the Nov 24. This week price action and the closing will give better picture for the near term outlook.

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Crypto

The crypto assets having failed to hold the Nov 24 break-out levels and was under strong selling pressure. Crypto assets have been making negative candles for the past 5 months and the trend seems to continue during this month as well. The technical indicators suggest further downside. A strong consolidation may help stability. It made a Doji candle with higher low and lower high. The outlook remains negative. It would continue to trade with higher volatility. It is expected to consolidate with +/- 7-10% of current levels with a neutral bias. It remains to be seen if the crypto assets would consolidate around current levels or melt down further.

Crude

The crude prices continue to be trading higher in the range of 62-65 during the week. The price above 66 is averted for now. Crude made a strong positive candle after 5 months of negative candle which is a matter of concern. While de-escalation process is on-going, any new trigger would derail the equilibrium. Overall picture for now is that the price range is 53-79 with a pivot at 67. The uncertainties on the future oil supply from Venezuela and fresh escalation in geo-political risks could trigger a sharp spike. The crude is currently at another tipping point. Expected range for the week is 60-64.

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