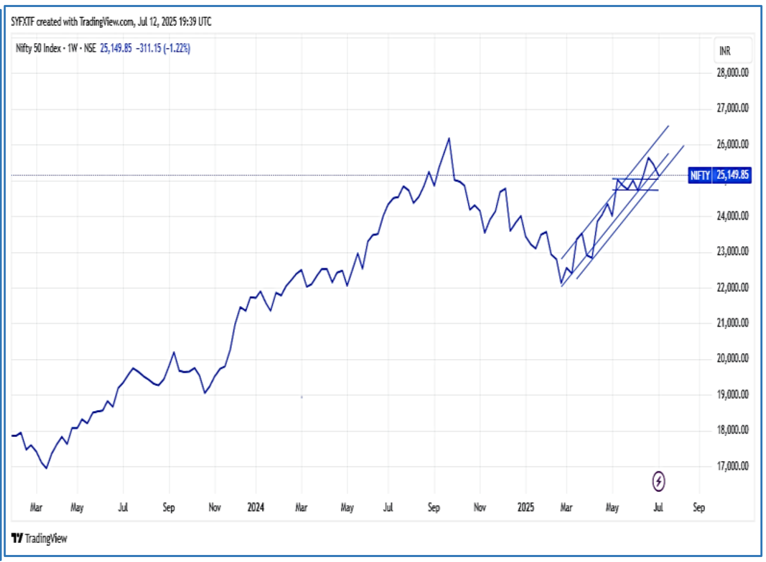
SYFX TREASURY FOUNDATION

Market Views for the Week 14 Jul– 18 Jul 25-Venkat's Blog

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

NIFTY



(Chart image source: TradingView.com)

The Nifty Index came under selling pressure as it could not sustain and cross-over the crucial 25600-650 zone. Though the declines were also measured and not a sharp fall, final session saw bulls giving-up their hopes. The Index is back again inside the earlier congestion zone of 25030-25300. The continued uncertainty on the tariff contributed for a dent in the sentiments. The market sentiment is neutral as the Tariff uncertainties are still open. A deeper crisis on account of Tariff could see the Index drift towards 24700-800 support zone

A few observations from the weekly charts are:

- The index moved in a range of 419 points between 25548 and 25129
- Option expiry to drive the direction of the market
- Oscillators in different timeframes are showing negative signal

Expected scenarios for the ensuing week

- The Index below the key break-out level of 25268 (Aug 24 high) is negative

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 strongly small bearish candle with a lower high and lower low
- Index may find supports at 25030**, 24880**, 24730 the index could face resistances at 25250*, 25360**, 25520***
- *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*
    - *22828-23368- Huge Gap Created on 15th April is open*
    - *23851-23949- Gap created on 21st Apr 25*
    - *24008-24420- Gap created on 12th May 25(at risk?)*
    - *25355-25255- Gap created on 11th July 25*

US Markets

- DJI saw profit booking which resulted in a small inside candle
- DJI outlook remains positive till it breaches the lower support at and any dip lower would attract buying interest
- The DJI's attempt to retest the 45K mark still hangs in balance. Only a daily close above 44800 could help in scaling higher levels
- We may expect a consolidation in the previously known range of 43700-44700 with a neutral bias

Final Note

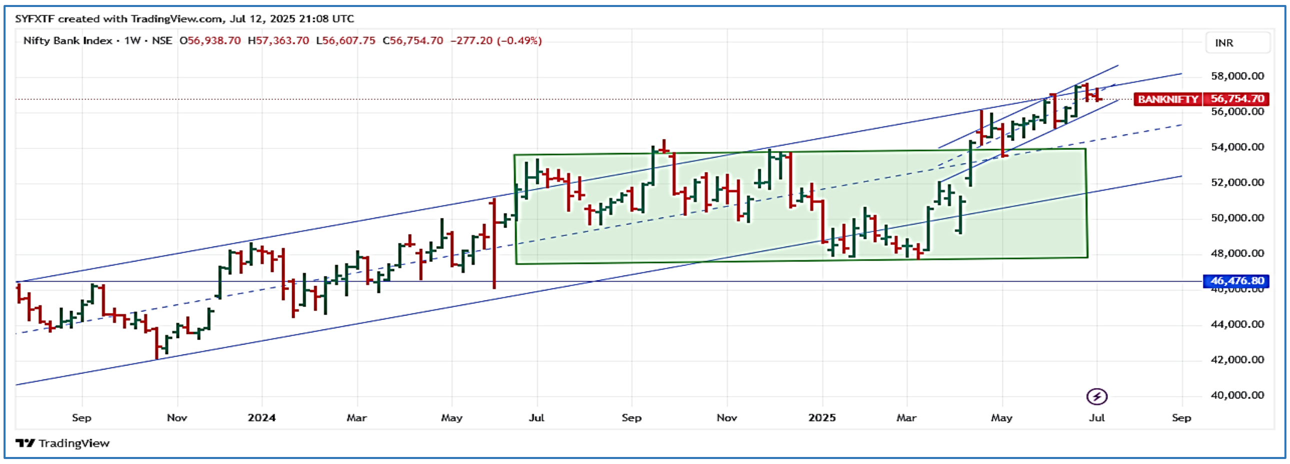
- The Index is closed above the 55 DMA at 24893 and fairly above the 200 DMA at 24099
- We may see a possible consolidation between 24760 and 25420

A few additional Observations:

- The Bulls failed to get the weekly closing of Index above 25270 which is seen as negative
- Till the Tariff uncertainty is resolved we may see the Index drifting lower towards 244600-700 one
- Crucial levels to watch are 25030 followed by 24870 on the downside and 25270 followed by 25420 on the upside
- The major risk seen is that any drag on Tariff issue could derail the sentiments
- It has been observed that the Index falling under a continued low volatility
- July month in the past 10 years starting 2015 has produced positive candles except in 2019. Are we to expect the usual or the repeat of 2019 is a big question
- Just a hope that the Big beautiful does not turn ugly
- In case the Vols flare-up, we may see some sharp moves. Investors need to follow prudent risk management measures

#Stay Safe

Bank Nifty:



(Chart image source: TradingView.com)

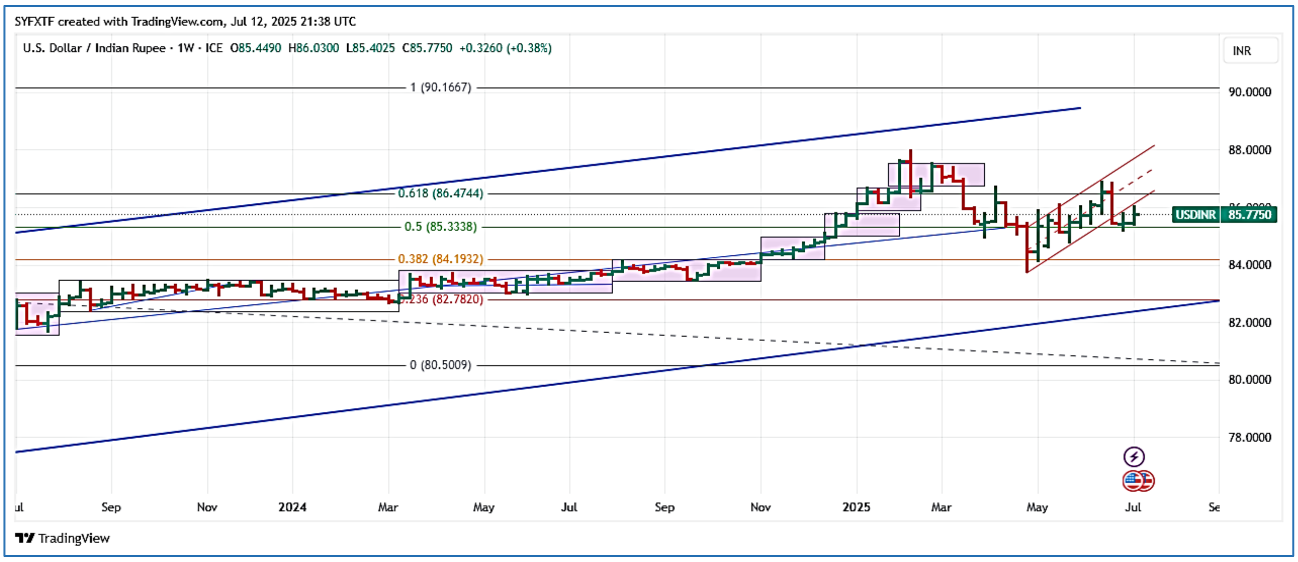
The Bank Nifty remained in a narrow range for the second week. The long term trend line resistance at 57700 appears to be strong resistance. The Bank Nifty is moving in a minor ascending channel within the major ascending channel. The minor channel support is at 55850 and the top of the channel is at 58250 with the mid-line at 56400. Having made failed attempts to penetrate the barrier to form a new ATH, we may expect the Bank Nifty to trade in a lower range consolidation. We need to see a daily close above 57700 for attempt of possibly a new ATH. Bank Nifty made a bearish candle and remained in a range of 756 points between 57363 & 56607 with a lower low and lower high. The oscillators in different time frames are turning negative. Bank Nifty is expected to be well supported between 56K & 55.5K zone and we can expect supply around 57400 levels. A daily close below 56600 would see the Index drift lower towards 55.600. Expected range for the week is 55600-57400 with a negative bias. A daily close outside the range would trigger at least 700-900 points move in the direction of breach.

EURINR

(Chart image source: TradingView.com)

The EURINR currency pair made a bearish candle with lower low and lower high on weekly time frame after 7 consecutive weekly bullish candles. The weekly closing is indicative of the possible barrier at 101 becoming stronger. One more failed attempt would see the currency pair decline towards 98.70 support base. The currency pair may continue its consolidation in a lower range. We may see buying interest to emerge on any dip below 99.00. We can expect a consolidation in the range of 98.70 and 101.40 with a negative bias. Any breach of the range would lead to 70-100 pips move. One area of concern is that, the currency pair has a tendency to come under selling pressure for 2-3 weeks as and when it hits a new ATH. The target for the move is likely to get extended to 104 if we see a daily close above 101.40. Else, we may see pull back.

USDINR



(Chart image source: TradingView.com)

The currency pair remained in a narrower range with demand at lower levels and supply around 86. The currency pair is making attempts to get back in to the minor trend seen with an ascending channel which it broke a couple of weeks back. The resistance as per this pattern comes around 86.20-25 and the supports are outside the formation, which are key levels viz. 85.40, 85.10. A daily close below 85.30 could see the currency pair move towards 84.70. While the imports are getting hedged at every dip lower, the Exporters who felt missing out the previous opportunity are expected to hedge on any spike higher, thereby providing supply.

A few observations

a) Expect the range of 85.40 -86.20 would hold for the week
b) Vols are cooling -off

A few more observations:

- *The close just below 86.10 reignites the hope for a consolidation at a lower range with a positive bias*
- Going forward the exporters who missed the opportunity earlier would rush to hedge
- *After almost 2 years of consolidation the charts appear to be showing probability of further down move, A weekly close below 86.10 brings back the hope*
- *In any case, the two way move is likely to continue, which is positive.*
- The monthly candle is not favouring much downside. As the currency pair is caught between multiple MAs, at best we can expect 85.40-86.20 range with volatile moves

Gold

Precious metal posted took support at 3280 and made another bullish candle. The easing of Geo-political risk perception coupled with failure to hold above 3450 brings in some supply. The closing is at another crucial level. Only a daily close below 3260 could trigger stops and we may see a correction towards 3160. Another key observation is that the precious metal has broken the trend line support starting from Jan 2025. The precious metal seems to reattempt to get back in to the earlier trend. A daily close above 3420 could take the precious metal in to the earlier trend. The general observation is that there is a long consolidation phase with a price range of 3200-3500. The precious metal has a tendency to fall after hitting a new ATH, and resume its trend subsequently. We are likely to witness this in action and the support at 3260 is crucial to watch. Aggressive purchases by the Central Banks keep the prices elevated. We may see consolidation between 3300-3440. There could be choppy moves within this range.

Crypto

The crypto assets have broken the earlier barriers and going through the roof top. Any pull back would attract buying interest. As noted in the previous blog that “the scenario appears like major indecisiveness ahead of one side sharp move” and it happened and as noted the crypto assets have made a new ATH. The remaining operative portion is that we may see a reactive pull back which is likely to be supported by buying interest. The crypto asset is likely to have volatile sessions and there could be a consolidation with +/- 5-7% of current levels with a positive bias. The next couple of weeks are crucial which may throw some light on the future direction of the market.

Crude

The crude prices remained in a safe range of 65-68 during the week. With 65 holding for the past couple of weeks, we may have to face the moments of truth. The prices may trigger higher. Overall picture for now is that the price range is 58-88 with a pivot at 74. The current set-up suggests that the crude is likely to consolidate between 65 & 72 during the week.

#Stay safe