

Market Views for the Week 23 Mar 26– 27 Mar 26-Venkat's Blog

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

NIFTY



(Chart image source: TradingView.com)

The Nifty Index staged a brave counter move for the first three sessions of the week. However, the attack on gas fields made the Index open with a huge gap down and ended close to the lows of the week. It continues to remain vulnerable in-line with the global markets. The week ended with a long legged Doji pattern, signifying both bulls and bears were active but neither could take control. The dynamic shift in the geo-political risk and the flare-up in oil price have deeply impact the sentiments. Whenever the Nifty Index attempted pull back it faced stronger sell-off. The key resistance one to watch would be 23650-23770. The downside hope remains around the 22930-830 zone below which there would be even more selling.

A few observations from the weekly charts are:

- The index moved in a range of 932 points between 23862- 23114
- Market sentiments remains negative
- Monthly Option expiry and impact of US-Iran conflict will decide on the direction of market
- Oscillators in different timeframes are showing negative signal

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

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 22600-23600

Additional interesting observations

- Nifty made fourth consecutive bearish candle with a lower low and lower high
- Index may find supports at 23030***, 22830***, 22690 and the index could face resistances at 23320***, 23480**, 23630***
- There were multiple gaps created during this dream run.
- The levels were repeatedly mentioned in the previous blogs. Just a week back many Gaps created during Feb-Mar 25 appeared far away yet the accelerated fall filled a couple of gaps
 - 22828-23368- Huge Gap Created on 15th April 25 (under risk)
 - 23777-23380- Gap created on 19th March 26

US Markets

- The DJI Index continued to slide lower due to dynamic changes in the geo-political risks
- DJI made a fourth consecutive bearish candle with a lower low and lower high
- The weekly close is suggestive of upside seems capped at around 47700-800
- The oscillators show negative signal, and expect every spike higher will be sold-off
- As expected the sharp move towards 45600 happened and the risk of further move towards 44500 remains given the developments
- We can expect a consolidation in the range of 44500-47500
- A daily close outside the range will attract stops and could trigger 400-600 points move in the direction of breach

Final Note

- The Index is closed below the 55 DMA at 25201 and below the 200 DMA at 25282
- We may see a possible consolidation between 22600 and 23600

A few additional Observations:

- Index faced selling pressure on every spike as the US-Iran conflict continues without a solution in sight and the risk of further spike in crude prices poses major threat
- Index is at another crucial support zone. Key levels to watch are 22890 followed by 22600 on the downside and 23320 followed by 23600 on the upside
- Daily close below 23K would trigger more stops which can take the Index to 22700 which is possibly a last line of hope
- Index below the MBB on monthly after a year (Last seen below MBB was in Feb-Mar 25) is negative. A sharp rebound only can save which seems remote for now, given the global scenario. However, there could be sudden changes owing to monthly and Q4 end
- With Volatility expected to spike higher, 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 like the main Index attempted to edge higher during the first 3 sessions and lost the gains in the next couple of sessions. Leadership disagreements in the Index heavy weight pulled the index down. Bank Nifty remained in a range of 2314 points viz. between 55554 & 53240 and made fourth consecutive bearish candle with a lower low and lower high. The oscillators in different time frames are turning negative. The hurdle on account of the long-term ascending channel bottom is at 56450 which would act as primary resistance. Till we see a daily close above this we may see a consolidation at a lower range. The upside seems capped at 56.5K and expected to remain soft. Expected range for the week is 52- 55K with a negative 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 made a strong bullish candle with a lower low and higher high. As expected the pair broke the support at 106.40 and moved lower towards 105.46 from where it bounced back sharply to close at 108.40. The currency pair moved in a narrow range of 105.46-108.48. The Currency pair is moving in a descending channel with top at 108.25 and the support at 105.36. A daily close above 108.40 would trigger the price towards 109+. The currency pair may consolidate in the range of 106.40-109.40. Any breach of the range would lead to 70-100 pips move.

USDINR



(Chart image source: TradingView.com)

The currency pair continued to attract demand owing to the spike in oil price and anticipated impact on the economy. It scaled a new ATH. The currency pair is moving in an ascending channel since April 25, with top at 93.10 which got breached this week. Incidentally another Ascending channel is noted which commenced from Feb 26. The top of the channel is at 93.98 and the lower end of the channel is at 91.63 with a mid-range at 92.80. The supply does not seem to match with the demand. The import demand continues to hold the currency pair at elevated levels.

A few observations

- Expect the range of 92.70 -93.95 would hold for the week
- Vols seen spiking

A few more observations:

- The currency pair is likely to make a new ATH
- Trigger and a daily close above 94.20 would make the currency pair volatile
- The two-way move is likely to continue
- The expectation of consolidation at a lower range is possible only if we see a close below 91.50 which seems relatively less likely at this juncture
- At best we can expect 92.70-93.95 range with volatile moves
- Geo-political risk will add to the pressure along with higher oil prices

Gold

The precious metal seems to show signs of retreat. As noted in the previous blog, the precious metal tested the support at 4800 and a fracture there triggered stops and swiftly move towards 4477 much lower than the expected level of 4600. It appears that the aggressive purchases by the Central Banks have slowed down causing mismatch in the demand and supply. There seems a definite shift in the overall outlook. The precious metal has closed below the Mid BB in the weekly timeframe for the first time since Sep 2023. There could be violent pullback attempt. Expected range 4300-4834 and there could be choppy moves within this range.

Silver

Silver had another losing week as it could not hold above 80. The upside appears to be capped at 82 and the previous bounce back level of 64 is crucial support zone to watch. Breach below could make the metal slide towards 57. The present set-up suggests that the metal is likely to trade in the range of 60-80 with choppy moves. The volatility is likely to continue. Next couple of weeks would throw better picture on the future direction and the target.

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Crypto

The crypto assets seem to make a base around the current levels and are likely to gain in the coming weeks though it continued to remain in a comparatively narrow range. It made a small bearish candle with higher low and higher high. The Crypto assets are at another crucial support zone and further sell-off would make things ugly as the outlook remains neutral. Only a sharp 15% gain would tilt the balance towards positive outlook. It would continue to trade with higher volatility. It is expected to consolidate with +/- 7-10% of current levels with a neutral bias. A breach below Feb 26 low would be fatal. It remains to be seen if the crypto assets would consolidate around current levels or melt down further.

Crude

The crude prices hovered in an elevated range of 92-102. As has been constantly highlighted in the previous blogs for the past couple of months the worst feared break-out has happened. This move seems similar to the move which happened during the initial phases of the Russia-Ukraine conflict. The outlook appears uncertain given the supply chain bottlenecks. Though the closing is below 100, the risk continues to remain elevated. The risk of crude price is move towards 105+ remains open. Expected range for the week 92-105. Only a daily close below 92 could give some relief.

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