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Market Views for the Week 17 Aug- 21 Aug 26-Venkat's Blog

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

NIFTY

(Chart image source: TradingView.com)

The Nifty Index remained in a narrow lower range and had shown signs of interest on both sides. There has been confusing signals with regards to the US-Iran conflict causing anxiety on the status of the Strait of Hormuz and triggers on oil prices. Index closed lower making a bearish candle. The sell-off is off-set by strong Q2 performance of selective stocks. The overall sentiments appear to be neutral and waiting for one major trigger to find clear direction

A few observations from the weekly charts are:

- The index moved in a range of 355 points between 24620- 24265
- Market sentiments remain neutral

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 23900-24800

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 candle with a lower low and lower high
- Index may find supports at 24240**, 24160, 24040***, 23900 and the index could face resistances at 24480**, 24620***, 24780***
- The Index had seen multiple gaps on either direction of its journey.
- The levels were repeatedly mentioned in the previous blogs and will be inserted when relevant
    - 23984- 24176– Gap created on 29th Jul 26
    - 24383- 24572- Gap created on 3rd Aug 26(Filled)

US Markets

- The DJI Index consolidated in a narrow range after a strong gain during the previous week
- DJI made a bearish inside candle with a higher low and lower high
- Though the declines will attract buying interest, it appears that there would be good supply around 54500-700
- Only a close below 52500 would be treated as negative
- The oscillators are stretched and yet to show signs of reversal
- We can expect a consolidation in the range of 52900-54500
- A daily close outside the range will attract stops and could trigger 500-700 points move in the direction of breach

Final Note

- The Index closed well above the 55 DMA at 24026 and closed below the 200 DMA at 24735
- We may see a possible consolidation between 24K and 24800

- A few additional Observations:
- Index managed to close above the MBB on weekly for the past 6 weeks after a fall during Jan-Feb 26 and moves around the Mid BB on the monthly which is a positive sign
- Present set-up suggests that the slow grind to continue for some more time till we see clear direction and a consolidation between 24K & 24800
- Any decline towards 24K is seen as an opportunity to initiate fresh longs
- Index withstood the pressure towards the crucial zone of 24180-250 is a positive sign
- Fresh escalations and spike in crude prices could be a dampener for the momentum
- The Index heavy weights are showing signs of recovery which could help the Index scale higher level irrespective of the other factors
- Option open interest could drive the direction of the market
- Index is expected to find major resistance around 24700-800 zone and if we see a daily close above 24800 we may see quick spike towards 25200
- In the last 5 years the Aug month either gave a break-out or helped in making a base
- Market is settle with the regulatory changes on closing price mechanism
- The Investors need to follow prudent risk management measures to protect their capital

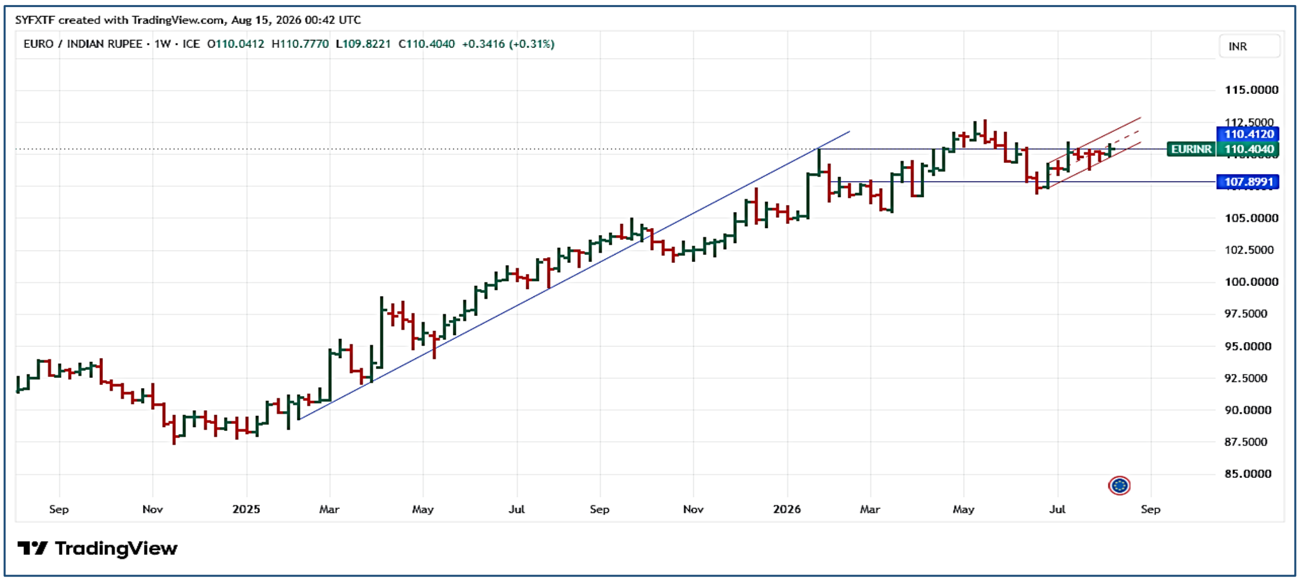
#Stay Safe

Bank Nifty:

(Chart image source: TradingView.com)

The Bank Nifty continued to consolidate in a narrow range. There exists a key support around 57200-57300 zone which is expected to hold. A failure there would mean the Bank Nifty is heading towards 56100-300. Similarly, the 58K-58800 remains a supply zone. During the week it made a made a bearish candle with lower low and lower high. We may see selling pressure to continue till we see a daily close above 58300. Bank Nifty remained in a range of 857 viz. between 58015 & 57158. The oscillators in different time frames are showing mixed signals. The Index seem to be stuck in a range of 57200- 58200 and only a break would give clues for the direction and target. 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 currency pair consolidated in a higher range during the week. The currency pair made a bullish inside candle with a higher low and higher high penetrating the crucial resistance at 110.40. The currency pair moved in a range of 109.82-110.77. The outlook seems to favor another attempt towards the ATH. The current set-up suggests that the currency pair is likely to consolidate in the range of 109.90-111.80. Breach of the range would trigger a 50-70 pips move in the direction of the breach.

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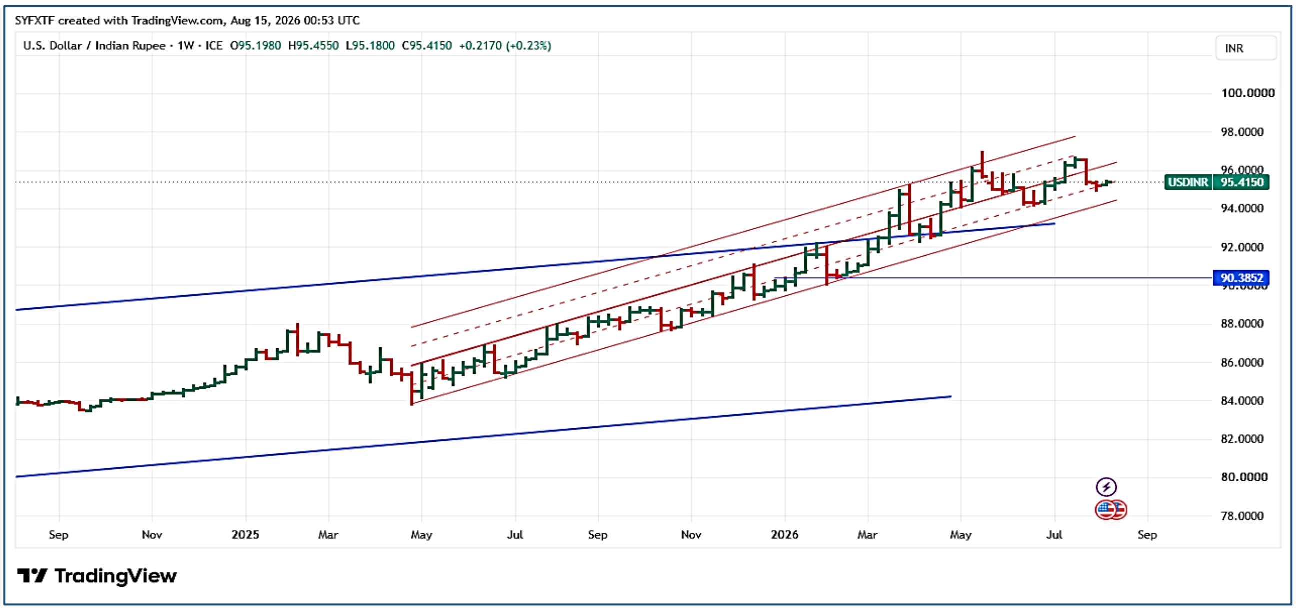
USDINR



(Chart image source: TradingView.com)

The currency pair consolidated in a tight range of 95.18-95.45. For now, it appears that the intermediary cap is at 95.75-95.80 range. The currency pair made a bullish candle with higher low and higher high. Import demand continues to hold the currency from appreciating. Any spike in oil prices due to fresh escalations in the gulf region would add to the demand.

A few observations
a) Expect the range of 95.10 -95.75 would hold for the week
b) Vols seen cooling
A few more observations:

- The currency pair is likely to attract sellers on a spike closer to 95.75
- The two-way move is likely to continue
- We can expect 95.10-95.70 range with volatile moves
- Only a daily close below 95.10 will help the pair to attempt 94.80 and further lower levels
- Fresh escalations and changes in Geo-political risk and any sharp spike in higher oil prices would impact negatively

Gold

The precious metal settled for a narrow consolidation after a sharp spike during the previous week. It made a bullish candle with higher low and higher high and there seems definite demand below 4K. As noted in the previous blogs the zone between 4430-4500 is seen as a hurdle. The next couple of weeks are crucial for assessing future direction of the precious metal. It appears that the aggressive purchases by the Central Banks have slowed down causing mismatch in the demand and supply. The precious metal is just closer to the Mid BB in the weekly timeframe after 15 weeks. The current set-up suggests that the precious metal may consolidate between 4160-4520 and there could be choppy moves within this range.

Silver

Silver consolidated in a narrow range. There seems to be an intermediary reversal of trend with the base closer to 55 seems stronger. Next couple of weeks would throw better picture on the future direction and the target. For now the declines will attract buying interest and the present set-up suggests that the metal is likely to trade in the range of 60-69 with choppy moves within the range. The volatility is likely to continue.

Crypto

The crypto assets continue with a narrow range consolidation. During the week it made a bearish candle with equal low and equal high. The Crypto assets have failed to trigger higher in spite of some favorable factors. It is expected to consolidate with +/- 5-7% of current levels with a neutral bias. The price action and narrow range consolidation for nearly 10 weeks after the fall during the first week of June suggests that something is brewing underneath and there could be a strong move in next couple of weeks. Only a strong single day gain of 3% can alter the course of the oscillators and help gain momentum for higher levels, else the assets would be under pressure to break lower.

Crude

The crude prices continue to create jitters due to confusing signals from the both US & Iran. The crude prices moved in the range of 77 & 84. A daily close above 86 would trigger panic and we may see the prices spike towards 90. The hope is that we don't enter in to a turbulent time again. There could be shocks and the resultant volatility for some more time. Only a daily close below 78 would help seeing lower levels.

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