

## Market Views for the Week 18 May– 22 May 26-Venkat's Blog

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

### NIFTY



(Chart image source: TradingView.com)

The Nifty Index broke the crucial support zone of 23850-900 and made a sharp slide towards 23300 creating panic selling. The control clearly lies with the bears as the oil prices remained above 100 and there were no clear signs of opening of the Strait of Hormuz. The Nifty Index made a bearish candle for the week. The current mood of the market appears to be neutral. Any change in the geo-political scenario would impact the sentiments.

A few observations from the weekly charts are:

- The index moved in a range of 735 points between 23997- 23262
- Market sentiments remains neutral

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 23200-24040

**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 23505\*\*, 23960\*\*\*, 23820\*\*\* and the index could face resistances at ,23860\*\*,24040\*\*\*,24200\*\*
- The Index had seen multiple gaps on either direction of its journey.
- The levels were repeatedly mentioned in the previous blogs.
  - 23123-23855 – Filled during the week

#### US Markets

- The DJI Index for the fourth consecutive week seen consolidating at a higher range
- DJI made a bearish candle with a higher low and higher high
- The momentum appears to be slowing down as the Index seem to face supply above 50K
- The Index attempted 50K. However, it has to clear the hurdle around the 50200-300 range on a daily closing basis to attempt the previous ATH
- The oscillators are showing mixed signals
- The risk reward seems to favour short side unless we see a daily close above 50200 and the chances of an intermediary correction towards 48K cannot be ruled out
- Any pullback towards 48300 would attract buying interest and we can expect a consolidation in the range of 48300-50350
- 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 below the 55 DMA at 23957 and closed below the 200 DMA at 25034. Reclaiming and closing below the 55 DMA is a negative sign
- We may see a possible consolidation between 23200 and 24200

#### A few additional Observations:

- Index is still below the MBB on monthly after a year is seen as negative (Last seen below MBB was in Feb-Mar 25)
- Markets will witness the struggle between the bulls and bears for the control. We may see a decent consolidation between 23200 & 24200
- The week is expected to throw better visibility on the direction of the market
- While the risk associated with the Geo-political scenario seem to cool down, the situation is still uncertain and the volatility could resurface anytime
- The Investors need to follow prudent risk management measures to protect their capital
- Q4 results and progress on Extended cease fire without any traces of US-Iran talks or agreement is a cause of concern
- We can see some light only when the Oil and merchandise transit through the Strait of Hormuz without hassles

#Stay Safe

## Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty is seen gradually declining for the fourth consecutive week. It broke a key support at 54300-400 zone and declined to close lower and made a bearish candle with lower low and lower high. Bank Nifty remained in a range of 1811 points viz. between 55002 & 53191. The earlier support around 54200-350 will be a resistance zone where we may see supply. The oscillators in different time frames are showing mixed signals. As noted in the previous Blog the daily close below 54200 would open the downside towards re-test of 53K has happened. The Index can continue bullish momentum if we see a daily close above 55.5K. Expected range for the week is 52800- 54700 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 consolidated at higher range. It made a new ATH at 112.50. The currency pair is moving in an ascending channel with a top at 112.80 and the lower end support at 109.25. Need to be aware of the fact that the currency pair tends to scale new highs followed by a sharp selling. It made a bullish candle with a higher low and higher high. The currency pair moved in a range of 111.02-112.50. The current set-up suggests that the currency pair may consolidate in the range of 110.40-112.80 before finding further direction. Any breach of the range would lead to 70-100 pips move.

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## USDINR



(Chart image source: TradingView.com)

The currency pair made a new ATH and closed around the peak of the week. The ascending channel top provided intermediary resistance around 96.30-35 and the support at the previous peak of 95.25-30. The pressure on currency pair is expected to continue till we see the cooling of oil prices and supply chain disruptive eases. Any dip in price is seen as opportunity for the importers to hedge and also the Oil import related demand continues to hold the currency pair from softening.

A few observations

- Expect the range of 95.25 -96,30 would hold for the week
- Vols seen spiking again

A few more observations:

- The currency pair is likely to attract sellers on a spike above 96
- The two-way move is likely to continue
- We can expect 95.25-96.30 range with volatile moves
- Only a daily close below 94.70 will help the pair to attempt price stability
- Further escalations and changes in Geo-political risk and any sharp spike in higher oil prices would impact negatively

## Gold

The precious metal in spite of multiple attempts in the last 5 weeks has failed to penetrate the resistance zone of 4750-800 zone. Till now the support at 4500 is holding and is likely to give-up the support as it is seen in the present set-up. 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. There may not be violent move unless a fresh Geo-political risk arises. The precious metal is below the Mid BB in the weekly timeframe. A daily close below 4500 would open the downside risk towards 4200. The current set-up suggests that the precious metal may see a correction towards 4100 and consolidate between 4100 & 4600 and there could be choppy moves within this range.

## **Silver**

Silver saw a violent move towards 89 when the crucial resistance at 84 was breached. However, towards the last two sessions it faced a harsh selling pressure and closed lower at 76. The present set-up suggests that the Silver may consolidate between 70 & 80 with a negative bias for a quick breach of 70. The metal is caught between multiple moving averages and could make see choppy moves in the range. Next couple of weeks would throw better picture on the future direction and the target.

## **Crypto**

The crypto assets posted considerable gains during the month of April and recovered all the losses made in the sell-off during Feb 26. During the week it made a bearish candle with lower low and lower high. The Crypto assets seem to face struggle moving higher. If it fails to gain and end positive during this week, we may see fresh selling happening sooner. It is expected to consolidate with +/- 7-10% of current levels with a neutral bias.

## **Crude**

The crude prices remained elevated as no positive outcome seen on the agreement between US-Iran & Israel as the cease fire and the Strait of Hormuz closure co-exist. Higher crude prices is likely to have ripple effect on the economy and the Inflation and has probably warranted some of the Asian country heads to call upon austerity measures by the public. We are in for turbulent times if the normalcy is not restored quickly. With 105 as pivot, the Crude is expected to consolidate between 95 & 115. The volatility is likely to continue for some more time.

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