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Market Views for the Week 10 Aug- 14 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 opened with a gap and was trading in a higher range during the week. There has been on and off triggers in the US-Iran conflict causing anxiety on closure of the Strait of Hormuz and triggers on oil prices. Index closed around the opening levels making a dlji candle. The sentiments appear to be turning cautiously positive and waiting for one major trigger to penetrate higher levels.

A few observations from the weekly charts are:

- The index moved in a range of 347 points between 24427- 24774
- Market sentiments turning cautiously positive

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 24200-24900

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 Doji candle with a higher low and higher high
- Index may find supports at 24430, 24240**, 24120***, 24030 and the index could face resistances at 24640**, 24780***, 24910***
- 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(likely to test the base)

US Markets

- The DJI Index penetrates the previous high and posts a new ATH
- DJI made a strongly bullish candle with a higher low and higher high
- As noted in the previous blog that the tweezer bottom can act as strong intermediary support for another attempt towards ATH has happened
- Declines will attract buying interest and 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 53K-54600
- A daily close outside the range will attract stops and could trigger 500-700 points move in the direction of breach

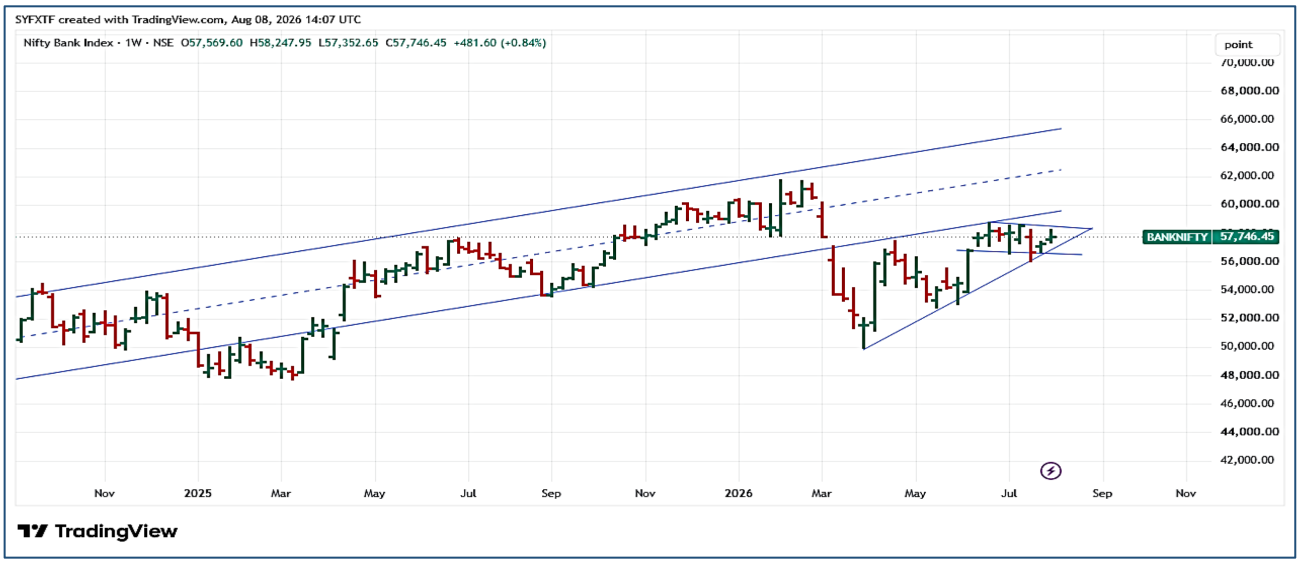
Final Note

- The Index closed well above the 55 DMA at 23971 and closed below the 200 DMA at 24766
- We may see a possible consolidation between 24200 and 24900

- 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 also closed above the Mid BB on the monthly which is a positive sign
- Present set-up suggests that the Bulls regained control and we may see the selling pressure to ease for a decent consolidation between 24200 & 24900
- Any decline towards 24K is seen as an opportunity to initiate fresh longs
- Index regaining and closing well above 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 market direction
- Index is expected to find major resistance around 24800-900 zone and if we see a daily close above 24900 we may see quick spike towards 25K+
- The index has been making alternate bullish and bearish candles for the past 4-5 weeks. If this logic continues we may see another positive candle this week
- Bank Nifty if contributes the NIFTY could scale 25K easily
- The Investors need to follow prudent risk management measures to protect their capital

#Stay Safe

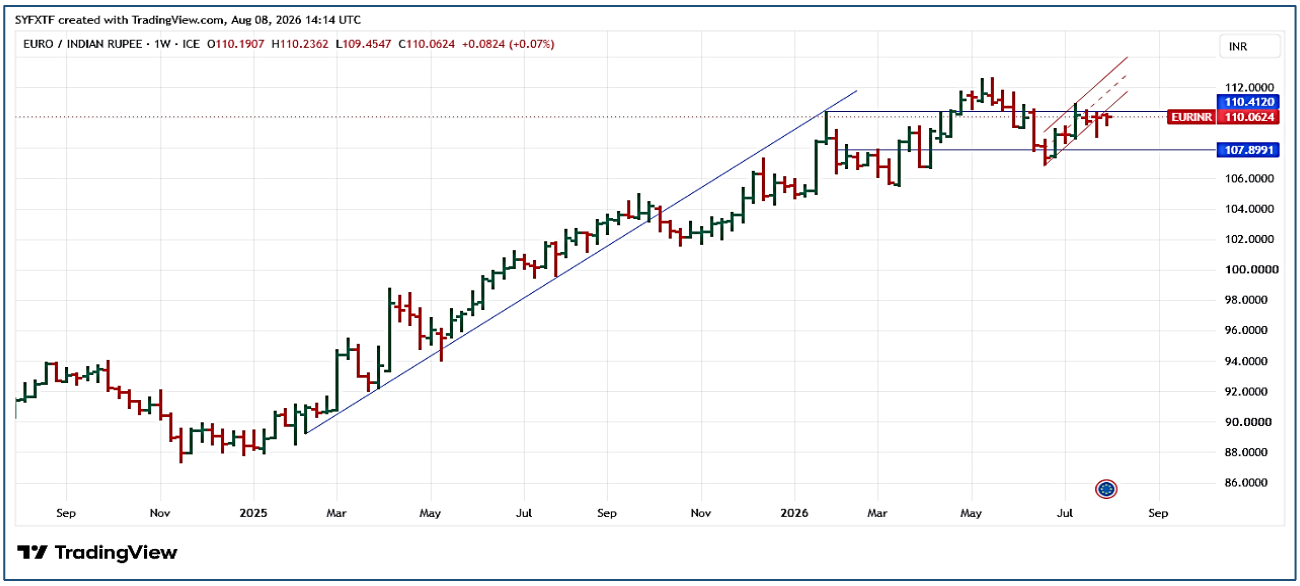
Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty is making slow attempt to regain its lost shine. There exists a key support around 56700-57K zone which is expected to hold. A failure there would mean the Bank Nifty is heading towards 56100-300. During the week it made a made a tiny bullish candle with higher low and higher high. We may see selling pressure to continue till we see a daily close above 58500. Bank Nifty remained in a range of 895 points viz. between 57352 & 58247. The oscillators in different time frames are showing mixed signals. Expected range for the week is 56500- 58500 with a positive bias. A daily close outside the range would trigger at least 500-700 points move in the direction of breach.

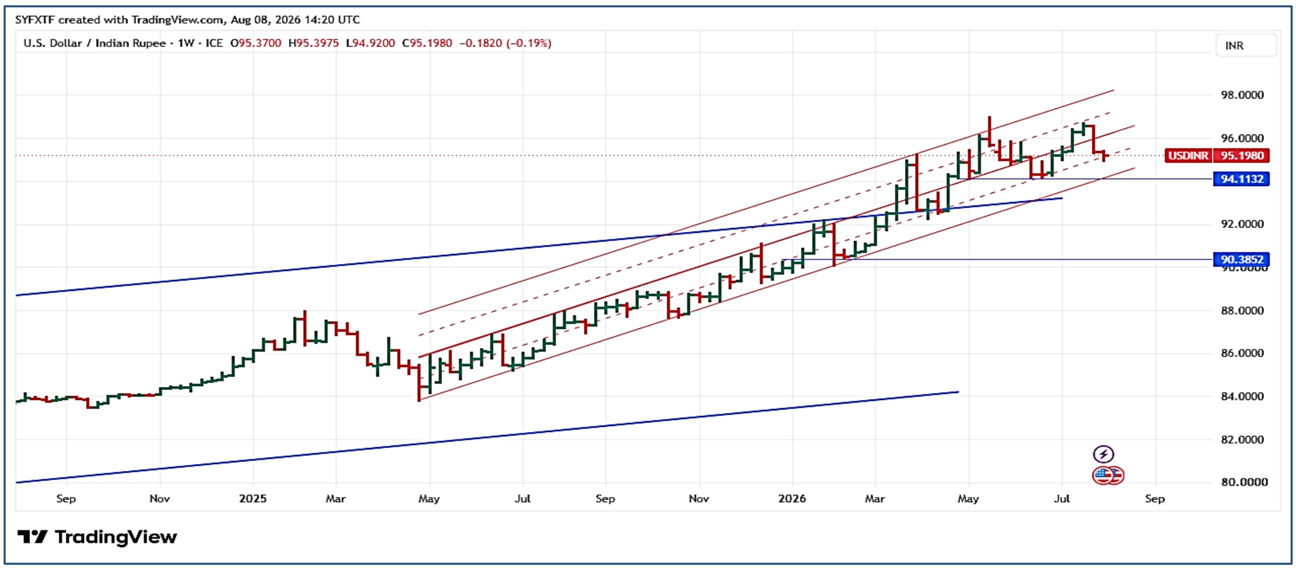
EURINR



(Chart image source TradingView.com)

The currency pair settled in a narrow range during the week. During the week the currency pair made a bearish inside candle with a higher low and lower high. The currency pair moved in a range of 109.45-110.23. The current set-up suggests that the currency pair is likely to consolidate in the range of 109.10-110.80. Breach of the range would trigger a 50-70 pips move in the direction of the breach.

USDINR



(Chart image source: TradingView.com)

The currency pair continued to see moderate gains aided by inflows, CB selling and quick cooling-off in crude price. Mid July 26 created panic due to sudden spike in oil prices and the pressure was seen on the currency pair. After 2 weeks of nervous time for the importers, the currency pair is settling down in a lower range. It closed below the crucial 95.75-95.80 range. The currency pair made a bearish candle with lower low and lower high. In case there is a spike in oil prices due to renewed escalations in the gulf region the pressure on currency pair is expected to continue.

A few observations
a) Expect the range of 94.70 -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 94.70-95.70 range with volatile moves
- Only a daily close below 94.70 will help the pair to attempt lower levels and price stability
- Fresh escalations and changes in Geo-political risk and any sharp spike in higher oil prices would impact negatively

Gold

The precious metal snapped its narrow consolidation and spiked higher towards 4372 and closed at 4343.. It made a strongly bullish candle with higher low and higher high and there seems definite demand below 4K. As noted in the previous blog that there could be an intermediary reversal of the trend and also that in case we see a daily close above 4200 would trigger a spike towards 4330 in a quick move have happened. However, the zone between 4430-4500 will continue to be seen as a hurdle. It appears that the aggressive purchases by the Central Banks have slowed down causing mismatch in the demand and supply. The precious metal is below the Mid BB in the weekly timeframe for the fifteenth consecutive week. The current set-up suggests that the precious metal may consolidate between 4150-4500 and there could be choppy moves within this range.

Silver

Silver seem to find a base closer to 55 levels as it withstood for 7 weeks and spiked higher during the week closing just above the crucial 63 levels. 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 58-70 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 bullish candle with equal low and lower high. So far, The Crypto assets have failed to trigger higher in spite of some favorable factors. Only a strong single day move of 5% can alter the course of the oscillators and help gain momentum for higher levels. It is expected to consolidate with +/- 5-7% of current levels with a positive bias.

Crude

The crude prices continue to create jitters due to confusing signals from the both US-Iran. Till now, the saving grace is that it has not breached the crucial 82 on a weekly closing basis which signifies that none can afford another spike in prices. As long as the prices are below 82 we can conclude that the crude may settle between 74 & 82. 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.

#Stay safe