

Market Views for the Week 15 Sep–19 Sep 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 steadily reclaimed the 25K mark and gearing itself to gather momentum to off-set the previous months fall, if not more. The higher close suggests that the upside potential for an attempt of face the next challenge at 25250-350 zone and possibly beyond. The market sentiment is has tuned from negative to neutral. Once we see a daily close above 25350 we can expect more stops to be triggered which can take the Index to previous high.

A few observations from the weekly charts are:

- The index moved in a range of 388 points between 24751- 25139
- Option expiry and FED rate decision to drive the direction of the market
- Oscillators in different timeframes are turning positive

Expected scenarios for the ensuing week

- The Index holding above 4 monthly closing levels between the one of 24680-740 is seen as positive

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 bullish with a higher low and higher high
- Index may find supports at 24920**, 24770***, 24640** and the index could face resistances at 25230***, 25350***, 25515**
- *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(Saved for now?)
 - 25355-25255- Gap created on 11th July 25
 - 24631-24938- Gap created on 18th Aug 25

US Markets

- The DJI Index breached the resistance at 45600 and also crossed the 46K mark to form a new ATH
- DJI continues made a positive candle with a higher low and higher high, breaking the range after 3 weeks of consolidation
- The momentum still favors upside and can expect demand on any dip lower towards 45500. The potential seem to favor attempt of another ATH before possible reversal
- There could be supply at 46300 levels and a sharp spike if the Index manages to breach and close above 46400
- Only a daily close below 45400-450 would trigger stop loss and could see a move towards 44K
- The oscillators are getting stretched and showing mixed signal
- The market expects rate cuts and monetary easing
- We may expect a consolidation in the range of 45K-46K with a neutral bias

Final Note

- The Index is closed above the 55 DMA at 24960 and fairly above the 200 DMA at 24127
- We may see a possible consolidation between 24770 and 25500

A few additional Observations:

- As noted in the previous blog that the Index reversing from 24450 for the second time is a positive sign as it forms a possible "W" type formation
- The Index has moved above the Mid BB after 5 weeks
- Broader perspective suggests that the Index is caught in a range of 24400-25400. Only a break on either side could show clear direction
- Option expiry and FED's rate decision during the week is likely to keep the market on the edge

#Stay Safe

Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty finally manages to find its base at 53700 and attempts move higher. The past 2 weeks were of narrow range. The Bank Nifty is moving in a minor descending channel within the major ascending channel. The minor channel support is at 53144 and the top of the channel is at 55450. The Bank Nifty is at the crucial support of the top of the boxed range since June 24 at 53.900. The 54K levels seem to attract good buying interest. We need to see a daily close above 55.5K for attempt of higher levels. Bank Nifty made a bullish candle and remained in a range of points 785 between 54067 & 54852 with a higher low and higher high. The oscillators in different time frames are showing mixed signals. Expected range for the week is 54K-56K with a positive bias. A daily close outside the range would trigger at least 700-900 points move in the direction of breach.

EURINR

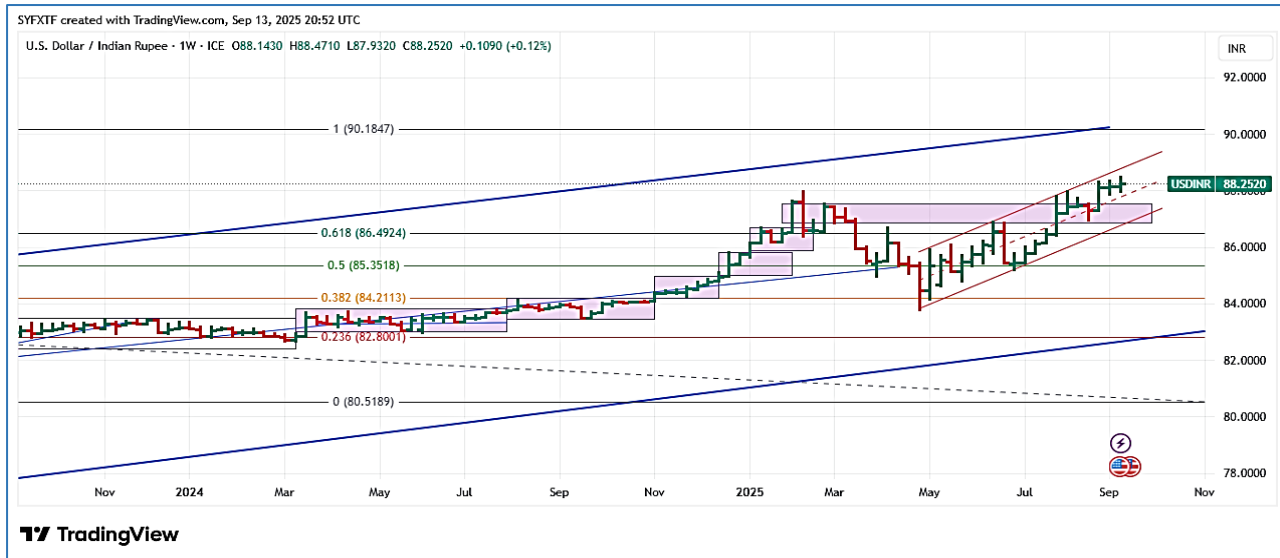


(TradingView.com)

The EURINR currency pair made a bullish candle with a higher low and higher high on weekly time frame. While the weekly close around the top suggests that the potential for higher level still exists, there is an element of cautious approach as the range is becoming narrower and the candles are smaller. It may be noted that there exists a fair chance for the currency pair to make a new ATH with a sharp move before a possible correction. The currency pair may continue its consolidation in a higher range on account of any one of the underlying cross pairs. We may see buying interest to emerge on any dip closer to 102.70. Daily close below 102.60 would see a trigger lower towards 101. We can expect a consolidation in the range of 102.70 and 104.70 with a positive bias. Any breach of the range would lead to 70-100 pips move. The target for the move is likely to get extended to 105+.

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USDINR



(Chart image source: TradingView.com)

The currency pair hit a new ATH at 88.49 due to panic buying and the uncertainty on the impact of additional Tariff. It formed a bullish candle with higher high and higher low. The currency pair is moving in an ascending channel with top at 88.90 with the lower end of the channel at 86.90 with a mid-range at 87.90. Break above the crucial 87.70 is not a good sign for the currency pair. Only a daily close below 87.70 could see the currency pair move towards 87.10. 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

- Expect the range of 87.70 -88.90 would hold for the week
- Vols seen cooling

A few more observations:

- Appears as though the exporters are waiting on the side lines for the currency pair to trade above 90
- The two way move is likely to continue, which is positive.*
- The expectation of consolidation at a lower range after almost 2 years is short lived*
- At best we can expect 87.90-88.90 range with volatile moves
- Break above 88.90 would see the pair towards 89+

Gold

Precious metal seem to be in mood to look back. After crossing 3600 mark, every dip towards 3600 is being grabbed by the market. Another resistance/trigger is at 3675. Any breach and daily close would see the precious metal to spike beyond 3700. The precious metal made a new ATH and also remained strongly bullish through the week. The weekly close is suggestive of another trigger higher above 3700. The precious metal has a tendency to fall after hitting a new ATH and resume its trend subsequently. Aggressive purchases by the Central Banks keep the prices elevated. We may see consolidation between 3600-3700. There could be choppy moves within this range.

Crypto

The crypto assets is making a decent attempt stabilise and has moved back to the pivot level after nearly 15% correction from the peak. For now the July break-out levels held well for consolidation and a move higher. With this move during the week, crypto asset is likely to trade higher with higher volatility consolidate with +/- 7-10% of current levels with a neutral bias. It remains to be seen if the crypto assets would hold the gains. 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 61-64 during the week. The weekly closing is below 65 is considered positive for the global economy. In spite of low price range, the crude price did not give up the support of 60. Overall picture for now is that the price range is 55-88 with a pivot at 74. The monthly charts seem to change its direction for one more attempt of lower levels. The current set-up suggests that the crude is likely to consolidate between 58 & 64 during the week.

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