

## Market Views for the Week 06 Apr 26– 10 Apr 26-Venkat's Blog

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

### NIFTY



(Chart image source: TradingView.com)

The Nifty Index takes a breather after experiencing a rough treatment in March 6. It will still be under pressure in-line with the global markets. The week ended with a positive candle after 5 weeks of strongly negative candles. The cooling of Crude prices gave some relief to the market. The dynamic shift in the geo-political risk and the flare-up in oil price have deep impact on the sentiments. The key resistance Zone to watch would be 23250-23350. The downside hope remains around the 22250-350 zone below which there would be even more selling.

A few observations from the weekly charts are:

- The index moved in a range of 759 points between 22182- 22941
- Market sentiments continue to remain negative
- Q4 results, Option expiry and impact of US-Iran conflict will decide on the direction of market
- Oscillators in different timeframes are showing negative signal

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#### Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 22200-23200

#### Additional interesting observations

- Nifty made a bullish candle after five consecutive bearish candles with a lower low and lower high
- Index may find supports at 22540\*\*\*, 22330\*\*\*, 22150\*\* and the index could face resistances at 22940\*\*\*, 23030\*\*\*, 22230
- 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
  - 23777-23380- Gap created on 19<sup>th</sup> March 26

#### US Markets

- The DJI Index held 45K to bounce back towards 46800 and settled 46500
- DJI made a bullish candle after five consecutive bearish candles, with a lower low and higher high
- It remains to be seen whether this is a reversal or a temporary bounce back. The upside still capped at around 47500-47700. Only a weekly close above this will help the Index attempt higher levels. Similarly, the downside support at 45K seems strong for now. A weekly close below this would open-up the downside
- The oscillators show mixed signals, and expect every spike higher will be sold-off
- We can expect a consolidation in the range of 45K-47300
- 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 far below the 55 DMA at 24769 and the 200 DMA at 25207
- We may see a possible consolidation between 22300 and 23300

#### A few additional Observations:

- Index seems to take support around 22300 and stabilize by snapping the one way down move. The uncertainty still continues 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 22500 followed by 22300 on the downside and 23030 followed by 23230 on the upside
- Daily close below 22500 would trigger more stops which can take the Index to 22200 which is possibly a last line of hope
- Index below the MBB on monthly after a year is negative (Last seen below MBB was in Feb-Mar 25). A sharp rebound only can save. It seems remote for now, given the global scenario. However, there could be sudden changes in case there is an acceptable solution is reached on the war front
- An interesting observation is that the region between 21200 and 23200 has been slippery both on the up move as well as the down move. Hence when the reversal happens the same may be with similar intensity
- 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 took firm support close to 50K and recovered to close at 51548. Index heavy weight stocks pulled the index down deeply. Bank Nifty remained in a range of 2248 points viz. between 49954 & 52202 and made a bullish candle after five consecutive bearish candles with a lower low and lower high. The oscillators in different time frames are turning positive. There are potential chances of a trigger higher towards 53500 if the Index is able to clear the top end of the steep descending channel at 52200 on a closing basis. Till we see a daily close above 52200 the Index is likely to trend lower towards 51K or below. The upside seems capped at 53500 and expected to produce interests on both sides. Expected range for the week is 50300- 53K 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 seems to face strong hurdle around 109.40 and hence it came under strong selling pressure to close at 106.77, the low of the week. It made a bearish candle with a higher low and lower high. The currency pair moved in a range of 106.77-109.42. The Currency pair is moving in a ascending channel with top at 110.10 and the support at 105.78. The currency pair may consolidate in the range of 105.80-108.40. 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 reversed sharply during the week making a strongly bearish candle and closed at 92.71, around the low of the week. This is a sharp correction from the ATH of 95.22. The currency pair is back in to the ascending channel since April 25, with top at 93.48. Incidentally another steep ascending channel is noted which commenced from Mar 26. The top of the channel is at 95.30 and the lower end of the channel is at 92.65 with a mid-range at 94.00. Was it due to huge supply or immediately after the Year end is a big question. The import demand continues to hold the currency pair at elevated levels.

A few observations

- Expect the range of 91.70 -93.70 would hold for the week
- Vols seen cooling

A few more observations:

- The currency pair is likely to attract sellers on any spike, as those waited would have the FOMO effect
- The two-way move is likely to continue
- The currency pair may consolidate at a lower range and sharp spike if happens may not cross 94 easily
- We can expect 91.70-93.70 range with volatile moves(*However, 92.60 support should give way on a closing basis*)
- Geo-political risk will add to the pressure along with higher oil prices

## Gold

The precious metal seems forming a support base around 4400-4500 and is attempting higher levels. 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 is attempting to move above the Mid BB in the weekly timeframe. Expected range 4500-4860 and there could be choppy moves within this range. There are chances that the precious metal may make one attempt towards 5K from where there may be fresh selling.

## Silver

Silver saw a range consolidation between 67 & 76. The upside appears to be capped at 82 and the support at 65-67 is the crucial to watch. Breach below could make the metal slide towards 60. Similarly a break above 77 would trigger the prices to move towards 82-84. The present set-up suggests that the metal is likely to trade in the range of 65-80 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 strong around the current levels for the past 8 weeks and are likely to witness a break-out in the coming weeks though it continues to remain in a comparatively narrow range. It made a small bullish candle with lower low and lower 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 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 will be known in net couple of weeks.

## **Crude**

The crude prices hovered in a wider range of 97-113. As noted in the previous blog that a daily close above 103 will set the oil on fire towards 110 and beyond has come true. Cross-over and close above 103 is highly negative. 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. The risk continues to remain elevated. The risk of crude price is move towards 120+ remains open. Expected range for the week 105-120. Only a daily close below 100 could give some relief.

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