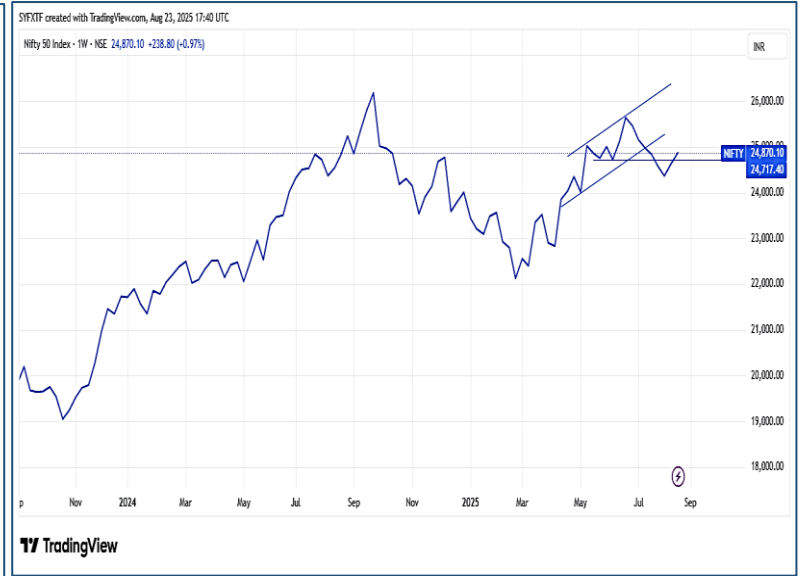


Market Views for the Week 25 Aug–29 Aug 25-Venkat's Blog

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

NIFTY



(Chart image source: TradingView.com)

The Nifty Index opened with a gap and pushed itself through 25K. However, the Index faced sell-off on account of profit booking and lower risk appetite before the 'Jackson hole symposium'. As we enter the final week of Aug, there is likely to be sharp moves on account of monthly option expiry. The base at 24460-500 continues to be crucial. The broke the narrow descending minor trend channel and achieved its potential target.. The market sentiment is turning from neutral to positive and can gain momentum if we see a continued daily close above 24800.

A few observations from the weekly charts are:

- The index moved in a range of 301 points between 25153- 24852
- Monthly Option expiry and tariff impacts to drive the direction of the market
- Oscillators in different timeframes are showing mixed signals

Expected scenarios for the ensuing week

- The Index above the June 25 low of 24473 and a close above 24750-800 one is considered 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 bearish candle with a higher low and higher high. The candle does not seem to reflect higher momentum
- Index may find supports at 24770***, 24640**, 24470** and the index could face resistances at 24910**, 25070**, 25245***
- *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 broke 45k mark decisively and made a new ATH.
- DJI made a strongly bullish candle with a higher high and higher low
- There could be profit booking at higher levels. The momentum still favors upside and can expect demand on any dip lower towards 45K.
- The overall scenario is that the DJI is in a larger range of 43350-45650 with pivot at 44450. A daily close above 44700-750 would trigger stop loss and could see a move towards 46500
- The oscillators are getting stretched and showing mixed signal
- The market expects rate cuts and monetary easing as a key outcome of the "Jacson Economic summit"
- We may expect a consolidation in the range of 45K-46K with a neutral bias

Final Note

- The Index is closed below the 55 DMA at 25016 and fairly above the 200 DMA at 24067
- We may see a possible consolidation between 24420 and 25055

A few additional Observations:

- The Index managed to get past 25K mark. However, the sell-off suggests that the Index still not out of the bear grip
- Market seem accept the worst scenario of the 50% tariff threat and the sentiments seem to turn from negative to neutral
- Next couple of weeks is going to be crucial for the Index as we are witnessing a Yo-Yo move around the Mid BB in the weekly since second week of April 24. Will it be able to hold the advantage of gap-up or will it close the gap is a big question
- The sell-off also points towards lack of conviction on the Gap-up.
- Q1 earnings season could see volatile sessions on individual stocks
- Index need to hold above 24800 and quickly stabilize above 25K. Else, we may see the Index drifting lower. Broader perspective suggest that the Index does not have a clear direction and possibly move in the range of 24300-25200 with choppy moves on either side
- Monthly Option expiry to keep the market on the edge

#Stay Safe

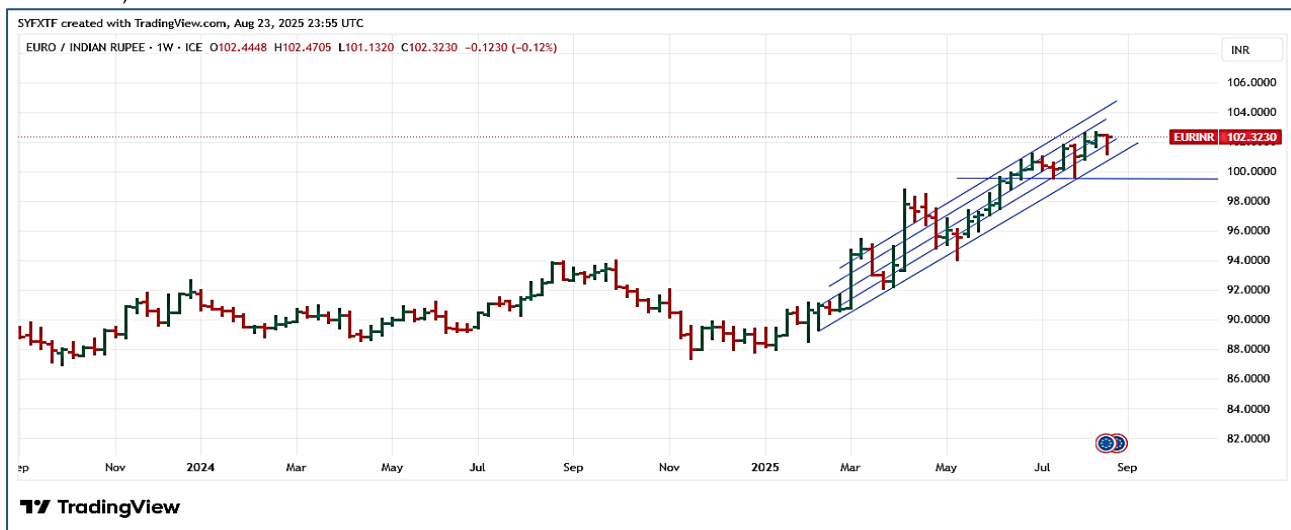
Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty made a weak attempt to cross 56K and failed due to selling pressure. While the support around 54900-55K is crucial and seem to be under threat. The Bank Nifty is moving in a minor descending channel within the major ascending channel. The minor channel support is at 54350 and the top of the channel is at 55770. The Bank Nifty failed to break the minor descending channel. The top of the boxed range since June 24 at 54K is expected to provide decent buying interest. The Bank Nifty is presently just above the crucial support zone of 55K. We need to see a daily close above 56K for attempt of higher levels. Bank Nifty made a bullish inside candle and remained in a range of points 1054 between 56156 & 55102 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 weekly close outside the range would trigger at least 700-900 points move in the direction of breach.

EURINR:)

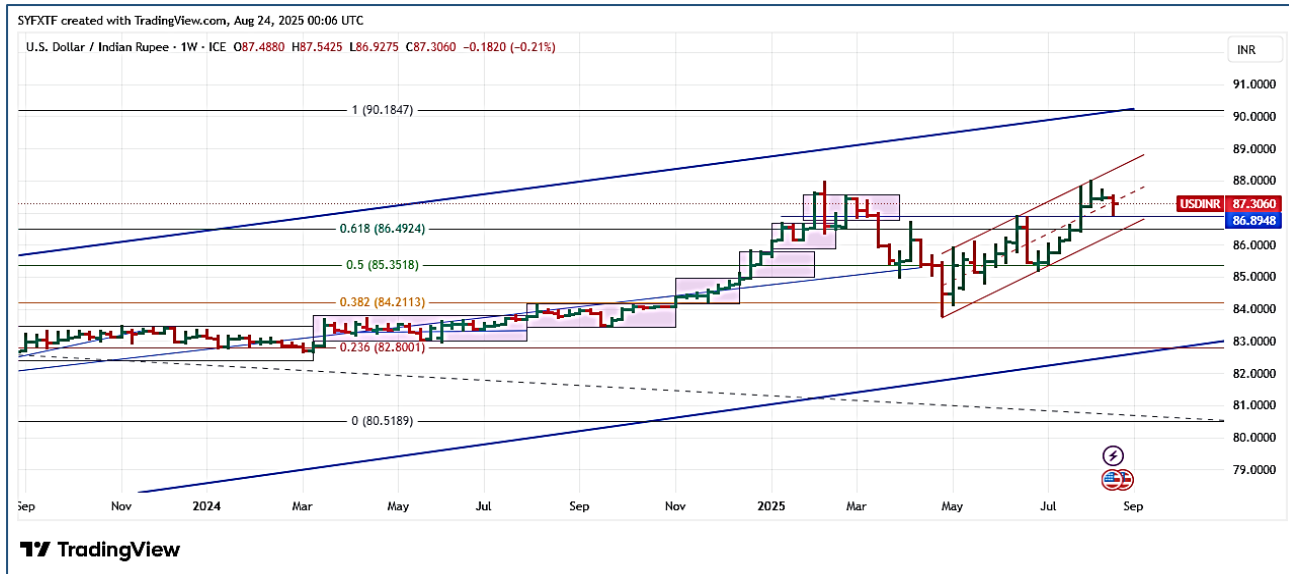


(TradingView.com)

The EURINR currency pair made a bearish candle with a lower low and lower high on weekly time frame. However, the weekly close around the top suggests that the potential for higher level still exists. 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 101.00. We can expect a consolidation in the range of 101.10 and 103.40 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 103+.

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USDINR



(Chart image source: TradingView.com)

The currency pair drifted below 87 briefly and returned back to close at 86.32 which shows that the buying interest continues on every dip. It formed a bearish candle with lower high and higher low. The currency pair is moving in an ascending channel with top at 88.40 with the lower end of the channel at 86.40 with a mid-range at 87.40. There appears a fair chance to see the pair moving below 87 levels. Only a daily close below 86.70 could see the currency pair move towards 86.10. 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 86.90 -87.75 would hold for the week
- Vols seen spiking higher

A few more observations:

- Appears as though the exporters are waiting on the side lines for the currency pair to trade above 88 and could possibly miss the opportunity once again
- The expectation of consolidation at a lower range after almost 2 years is short lived*
- In any case, the two way move is likely to continue, which is positive.*
- This week is crucial to see the monthly candle close. The currency pair is caught between multiple MAs, at best we can expect 86.90-88.00 range with volatile moves
- Break above 88.10 would see the pair towards 88.50+ and similarly break below 87 would see the pair drift to 86.10

Gold

Precious metal stayed in the range of 3311-3378. Till now there seems reasonable supply around 3400 levels. The weekly close is suggestive of another trigger higher above 3400. In the past we have seen the precious metal gaining sharply after every fall. Only a daily close below 3260 could trigger stops and we may see a correction. A daily close above 3440 could take the precious metal in to the earlier trend. The general observation is that there is a long consolidation phase with a price range of 3240-3480. The precious metal has a tendency to fall after hitting a new ATH and resume its trend subsequently. We are likely to witness this in action. Aggressive purchases by the Central Banks keep the prices elevated. We may see consolidation between 3320-3440. There could be choppy moves within this range.

Crypto

The crypto assets had another week of consolidation at higher range. Any sharp fall is supported by buying interest. After every new ATH, there is profit booking which brings down the prices by 5-7%. Then again fresh long position builds up. The crypto asset is likely to have volatile sessions and there could be a consolidation with +/- 5-7% of current levels with a neutral bias, as there are signs of exhaustion. It remains to be seen if this is going to be a correction phase or reversal phase. 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 62-64 during the week. The weekly closing is below 65 is considered positive for the global economy. US-Russia Alaska summit and its follow through action for peace is not clear yet. Overall picture for now is that the price range is 55-88 with a pivot at 74. The monthly charts do not seem to favour much lower levels as seen in the current pattern. The current set-up suggests that the crude is likely to consolidate between 62 & 67 during the week.

#Stay safe