

## Market Views for the Week 10 Feb – 14 Feb 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 had a initial strong move on the first two sessions. However, the markets remained volatile in a narrow range, due to uncertainties regarding the US stance on trade tariffs. While the sentiments continue to remain uncertain, there is hope that the fifth candle will be positive after four bearish candles, The last such thing was seen during Dec 22 to Mar 23 and prior to that during Sept16 to Dec 16. We can expect 23K as base for a consolidation before further up move. Nifty is seen attempting to get back in to the long term trend. The upward momentum is possible only if the Index manages to cross 24K. One positive thing is that the weekly candle remained above the break-out level of the descending channel.

A few observations from the weekly charts are:

- The index moved in a range of 585 points viz. between 23222 and 23807
- Nifty made a small bullish candle with higher high and higher low indicating a possible consolidation phase
- Option expiry & open interest to drive the direction of the market
- Oscillators in different timeframes are showing mixed signals

**Disclaimer: The views expressed here are personal and not connected to SYFX Treasury Foundation. The views are for learning and reference purpose only.**

#### Expected scenarios for the ensuing week

- Fourth consecutive bearish candle on the monthly charts shows weak sentiments

#### Additional interesting observations

- Index posted a strongly bullish candle in the weekly time frame which could be a sign of slowdown in selling pressure and a consolidation phase
- Index may find supports at 23280, 23100, 22960 the index could face resistances at , 23640, 23800\*. Above 23800 we can see a quick move crossing 24K
- *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*

#### US Markets

- DJI made small bullish candle after making an unsuccessful attempt of 45K and just managed to stay above 44K
- In all probabilities the DJI is expected to attempt a new ATH
- DJI made an attempt closer to the earlier peak. However, it got sold-off to close lower
- We need to see a daily close above 45K for further upside. Else the trading rand would be 43 800-45K
- Only a daily close below 43400 could be seen as negative
- No change in the perception that the market is expected a consolidation in the range of 43800-45200

#### Final Note

- The Index closed below the 55 DMA at 23797 and below the 200 DMA at 24033
- The present scenario suggests that Index appears to have made decent base around 23K and expect a consolidation for a move higher towards 24K
- The Index is making strong efforts to get back in to the long term trend line starting from Mar 23
- The Index has to clear the hurdle at 23800-900 range for further gains. Till such time we can expect a consolidation between 23K and 23800. The lower range is 22800-23300 and higher range is 23200-23800
- Market is witnessing return of buying interest after a long gap which gives hope for a decent recovery

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## Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty is managed to get back in to the six months trading range of 49700-53700. However, the Bank Nifty faces strong resistance at 51K. Bank Nifty made a bullish candle, Bank Nifty witnessed strong buying interest around 49K making a case for a turnaround. However, If for any reason the crucial support one of 47900-48K is breached then there would be more pain to follow as the Index would drift quickly towards 46600 which is the long term support. Bank Nifty moved in a range of 1735 points viz. between 48906 & 50641. The oscillators in different time frames are showing mixed signals. Daily close above 51K is required to see more upside. Expected range for the week 49K-51500. A daily close outside the range would trigger at least 500-700 points move in the direction of breach.

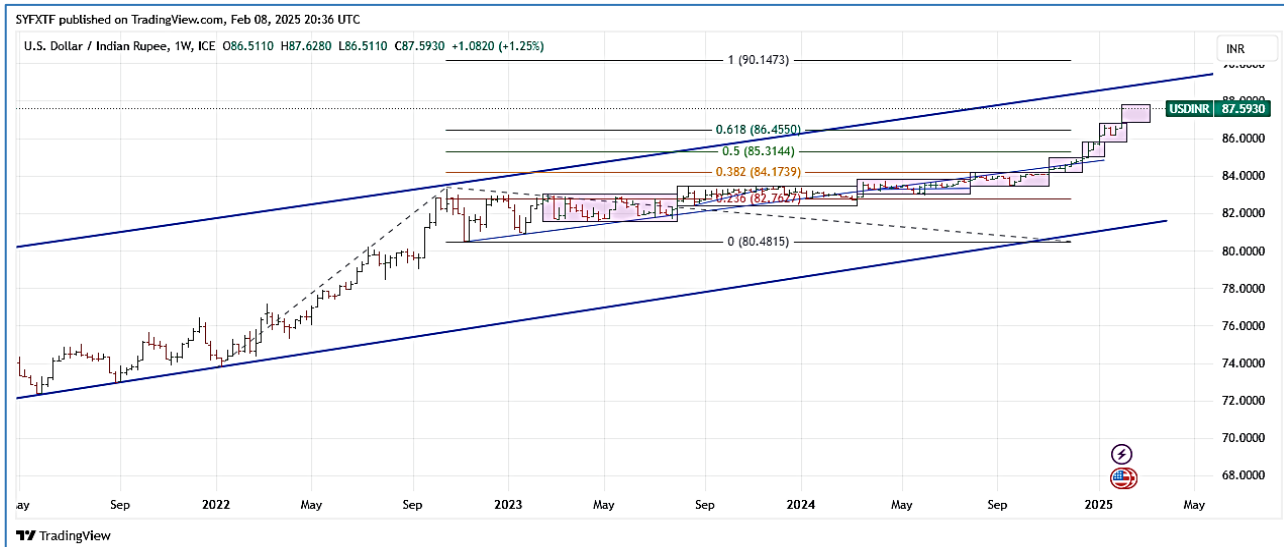
## EURINR



(Chart image source: TradingView.com)

The EURINR currency pair remained volatile during the week due to moves by the US to impose additional tariffs. Yet it bounced back and at 90.65 after attempting a high of 91.15. There is likely to be a consolidation phase at a higher range with support at 89.70 and resistance around 91.20-50 range. The currency pair made a bullish candle. Now the earlier resistance of 89.70 would be well supported. We can expect the currency pair to consolidate between 89.70 & 91.50. Any breach of the range would lead to 70-100 pips move.

## USDINR



(Chart image source: TradingView.com)

The currency pair made another Bullish candle. We could not sight any favourable indication for a correction till now. The intermediary trend suggests that the pair is expected to face resistance at 88.40 for now and that the support at 87.10 will be crucial to watch. The currency pair moved in the range of 86.90-87.62. There is room for some two-way move as the Exporters would start hedging and thereby supply would be there. Still the market will try to position itself for covering the Imports on any dip.

### A few observations

- Expect the range of 87.10-88.40 would hold for the week
- Vols are on the rise
- There is divergence seen in the charts

### A few more observations:

Continue to keep the following input for quick reference though it is repeated for the past 8 months.

- All earlier projections have been achieved and that still we are seeing the currency pair vulnerable. The Monthly chart indicates further upside and the final hope lies at 88.40 followed by the long term trend line resistance at 89.50*
- The dips would still be seen by importers as an opportunity for hedging
- As we observed in our previous blogs, the currency pair was appearing to move in a typical long step staircase for nearly a year and now its smaller and steeper steps. Have we reached the peak? Charts have not yet given clear indication yet*
- Only a daily close below 86.50, would ease the strain on the currency pair to some extent
- Presently the currency pair is drifting almost 100 pips higher in a week. There could be a scenario whenever the down move happens similar pressure may be there and the greed of the exporters would leave them missing the opportunity

## **Gold**

Precious metal is on a free run and it appears that it is looking to attempt the next milestone of 29K. With a sharp positive candle we can expect the buying momentum to continue for attempt of the higher trading range of 28K-29K. The precious metal crossing 2760 and making a 5th bullish candle is indicative of a fair chance of making a new ATH. The precious metal has a characteristic of a sharp slide after reaching new highs. Only a daily close below 2740 would indicate negative scenario. Expected range for the week, 2760-2920. There could be choppy moves within this range.

## **Crypto**

The crypto assets made alternate up and down move of 3-4% on a daily basis. These kinds of moves suggest a possible top in place and there are chances of a 10% correction. At least, a possible consolidation at these levels would continue for another couple of weeks before taking a fresh direction. Most likely scenario could be that the crypto asset is likely to have volatile sessions in a band of +/- 10%. The net couple of weeks are crucial which may throw some light on the future direction of the market.

## **Crude**

The crude price is back again in the safe zone of 70-74. after being saved from the crucial trigger point of 79-80. The oscillators continue to show mixed signals. The crude price may continue in the previous safe zone of 68-75 for now.. Overall picture for now is that the price range is 62-85 with a pivot at 73. The current set-up suggests that the crude is likely to consolidate between 67 & 72 during the week. It is to be noted that this could be a temporary relief and may reverse anytime when the geo-political climate changes.

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