

## Market Views for the Week 20 Jan – 24 Jan 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 moved in a narrow range. It appears as if it is trying to make a base around 23K. Nifty was on the defensive and was caged in a tighter range. Though the New Year 2025 started with a positive note, we are starting at a 4<sup>th</sup> consecutive bearish monthly candle. Nifty has clearly closed below the long-term trend line and the final hope lies at the Nov 24 lows viz. 23243 and may 24 high of 23110. This could be more of a consolidation phase between 22600 and 23600. The upward momentum is possible only if the Index manages to cross 25K.

A few observations from the weekly charts are:

- The index moved in a range of 346 points viz. between 23391 and 23047
- A tiny Doji candle with lower high and lower low which may be a possible sign of reversal
- Option expiry & open interest to drive the direction of the market
- Oscillators in different timeframes are showing mixed signals

Expected scenarios for the ensuing week

- The decline during Q3, continues in Jan 25 as well. Fourth consecutive bearish candle on the monthly charts (though it is ongoing) shows weak sentiments

**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

- Index posted a tiny Doji candle in the weekly time frame which could be a sign of dissipating selling pressure
- Index may find supports at 23130, 22970, 22840, 22600 the index could face resistances at 24330, 24450, 24590
- *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*
  - *We are at a risk of a Gap which was seen prior to the India election results day which saw a gap between 22530 & 23337 (Created on 3<sup>rd</sup> June 24). However, the supports at 23030 followed by 23900 are expected to witness buying interests*
  - *A new Gap has been created*
    - 26178-26060
    - 25796-25452

#### US Markets

- DJI made a remarkable recovery from the strong base around 41800
- DJI managed to close above the crucial hurdles at 43K followed by 43400
- With this move we can expect the declines to be met with buying interest till we see a daily close below 42K
- Next couple of weeks are crucial for deciding the direction of the market
- Expect a consolidation in the range of 43K-44.5K

#### Final Note

- The Index closed below the 55 DMA at 23976 and below the 200 DMA at 23967
- The Index has clearly broken the long term trend line starting from Oct 24 and continues with correction phase
- The present scenario suggests that unless the Index quickly regains 24K, we will be witnessing more downside. which would mean a steeper painful correction
- The Tiny cross is indicative of a relief pull back or a pause before continuation of the downward spiral will be known in the next couple of weeks
- The US market is buoyant just prior to the US president assumes office on 20<sup>th</sup> Jan 25

#Stay Safe

## Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty has been moving between 53700 & 49700 June 24 till mid Jan 25 making wild swings within this wide range of 4000 points. It got breached during the previous week and has breached near the long term trend line at 48699. Bank Nifty made a Doji type candle with lower low and lower high. This appears like a piercing pattern, which may indicate a relief rally. The support at 48K is crucial and any daily close below that would drag the Index towards 46600 which is the long term support. Bank Nifty moved in a range of 1561 points viz. between 47898 & 49459. The oscillators in different time frames are showing mixed signals. The range between 49700 and 50300 would become a supply Zone for the near future. Expected range for the week 47600-50300. A daily close outside the range would trigger at least 500-700 points move in the direction of breach.

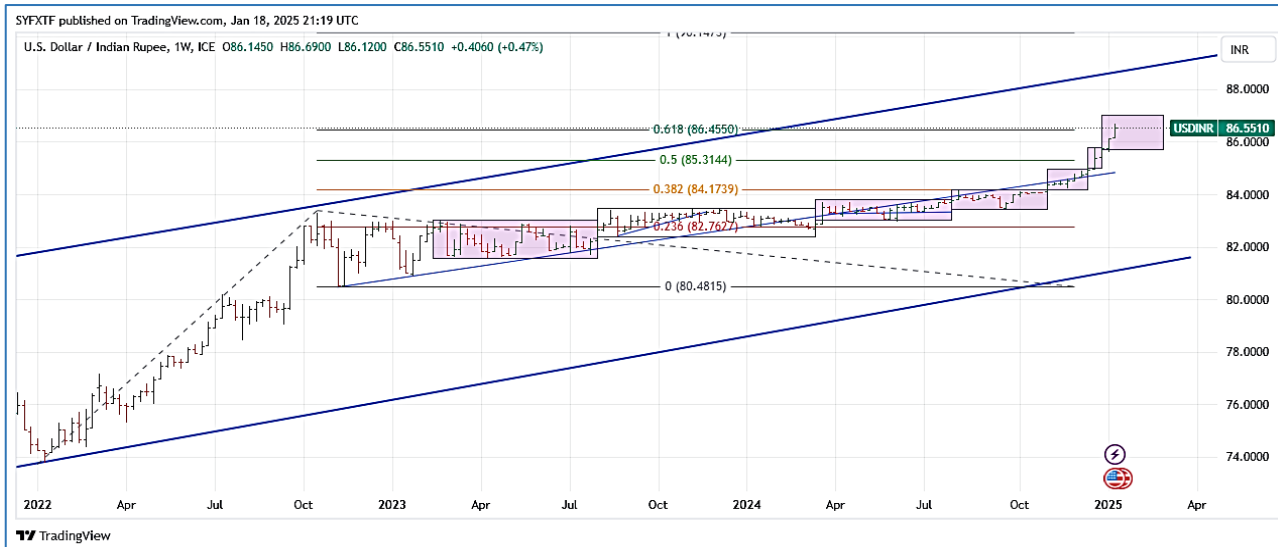
## EURINR



(Chart image source: TradingView.com)

the EURINR currency pair is well supported around 88 levels and equally faces tuff resistance around 89.50 The support base at 87.70-88.10 should hold for helping the currency pair to recover. The currency pair made a bullish candle. The currency pair has been moving in the range of 87.90-89,50 for the past 8 weeks. We can expect a break-out from this range in the weeks to follow. A daily close above 89.50-70 region is required to see further upside. We can expect the currency pair to consolidate between 88.50 & 89.50. Any breach of the range would lead to 70-100 pips move.

## USDINR



(Chart image source: TradingView.com)

The currency pair continues its journey towards higher levels and moved in the range of 86.12-86.69. The continuous cautionary notes highlighted in the blogs have come true. The currency pair is expected to be aggressively bought on every dip lower. The market will try to position itself for covering the Imports on any dip.

A few observations

- Expect the range of 86.40-86.95 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.

- The Fib projection of the move from Jan 22(Low) to Oct 22(High) and Nov 22 low also suggest the projection as 84.21. After decisive break above 84.20,, we may see another spike towards 85.35(which is completed and has complicated with a sharp spike and cross-over of the net target of 86.45, adding to the pains )*
- The dips are seen as opportunity for hedging the Imports*
- As noted in some of the previous blogs the Oct-Nov marked big move in the past. It seems to be happening and continued through Dec 24 and continuing in Jan 25 as well*
- As we observed in our previous blogs, the currency pair was appearing to move in a typical long step staircase for nearly a year long and now its smaller and steeper steps. Are we nearing the peak? Not necessarily is what the charts indicate*
- Now that the alligator pattern is in action we may have to re-set the target to 87.00 which is the upper BB as the next Fib projection of 86.45 is also penetrated. Only a daily close below 86.10, would ease the strain on the currency pair to some extent*

## **Gold**

Precious metal seems to hold the 2600 base after witnessing 6 weeks of consolidation. With a sharp positive candle we can expect the buying momentum to continue for attempt of the higher trading range of 2660-2730. It did make one attempt closer to 2730 and closed around 2700. Till we see a daily close above 2730, the Precious metal is likely to be caged in the range of 2530-2730 with a pivot at 2630. Daily close above 2730 would indicate that the precious metal move to the next higher range of 2730-2830. Expected range for the week, 2660-2730. There could be choppy moves within this range.

## **Crypto**

The crypto assets made wild swings on a daily basis which made it to appear that we are heading for a new ATH. Higher closing suggests higher possibilities of a new ATH. At least, a possible consolidation at higher 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 ensuing week may throw some light on the future direction of the market.

## **Crude**

The crude price crossing the long consolidation phase in smaller range has finally ended as expected and we are close to witnessing another trigger point of 79-80 which would mean more pains to follow. The oscillators are turning indicating sustained higher price levels for the near future. 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 74 & 80 during the week.

#Stay safe