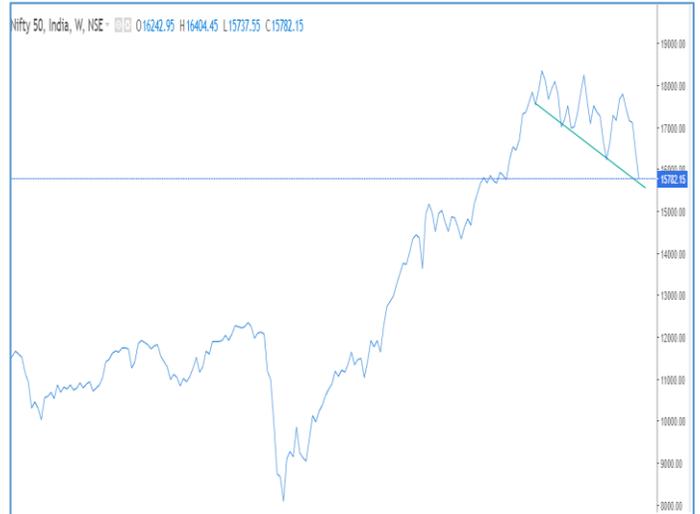


## Market Views for the Week 16 May – 20 May 2022-Venkat's Blog

#syfx.org #Nifty #USDINR #Indianstocks #Gold #Crypto #Crude #BankNifty



Another week that saw unabated selling and was fully charged with just one sided action. Index lost around 700 points from the peak of 17100 in the first week and around 660 points on the second week. It is but for natural to expect another bearish candle. If the current week also produces another black candle of 500 to 600 points, then we are in to full-fledged bear cycle and the target could be still deeper. Over-all the index is likely to move towards 15400 and then to 15040-14940. There are reference levels like 15600 which saw a big break-out while on its upward journey. Now that we have reached the first target of 15800. There could be some buying interest for value investing between 15800-16k.

Disclaimer: The views expressed here are personal and for learning and reference purpose only.

A few observations from the weekly charts are:

- Over-all sentiments continue to be negative
- Daily charts show supports at 15600 and then 15300.
- Weekly charts suggest that the Index is at another crucial tipping point. 15800 is a very crucial support. Though the Index closed just below that, it is to be seen whether this level will get protected for the current week.
- Monthly chart still shows a possible move towards 15040.
- The mirroring move from first week of March to First week of April seems to have got completed.
- Now the next question is whether reversal can be expected from here?
- For now, it all points to a very tuff time ahead as we are just below the Mid BB on the monthly charts for the first time since Sep 2020 when it crossed higher.
- Do feel that 15400-15600 could be a consolidation zone and an opportunity to start fresh investments for long term.
- Now that the earlier support zone of 16450-16620 would be a supply zone.
- Globally the Stock indices continue to show deeply negative scenario. Apart from the disruptions due to war, the effects of long transitory inflation hurting the economies.
- Fight against raging inflation requires the same commitments as like coordinated action against the pandemic.
- The only hope is that the power centers act responsibly to restore peace, enable efficient supply chain and arrest inflation to avoid serious political repercussions.

A mid-week review may be required to re-asses the scenario as by Wednesday we may see a low for the week or the peak. India VIX needs to cool down to below 20 Bank Nifty losing its shine due to central bank actions.

Bank Nifty:

As noted in the previous weekly report the deeper correction towards 33300 has been achieved and surpassed. Now we are staring at a possibility of 32500 if Bank Nifty breaks the crucial support at 32900. Expect strong buying interest to emerge around 32-32.6k. Even if we see a good move, the upside appears to be capped at 35400. Only a weekly close above this could give change of sentiments.

## USDINR

All that was expected has happened and the pair tested 77.70. The pair has shifted its base from 76 to 76.70. Now that next range could be 76.70-78.10. Break of 78.10 could cause serious impact which for now seems a bit difficult. The pair moving to 77.20 or 77.70 is not a big event. The worrying part is that technically, the alligator waiting to open. We need to be aware and alert to remain safe. Down side also seems limited. A close below 76.70 could give the required breathing space for it to move to 76.10. Could be a case of slow grinding between 76.60 & 78.00.

## Gold

Precious metal failed miserably in spite of the fact that it is considered as perfect inflation hedge. Technically it is drifting to the same old consolidation range of 1760-1860. The metal is seen in a wider range of 1760-1860 with choppy moves during the week. Break on either side would require quick re-assessment.

## Crypto

Upside seems capped for now and Monthly charts show a strong down move. As expected we seen the lows of Jan 22 levels and sooner we may see May-June 21 levels. There could be a relief rally during the current week which again may be deceptive and trap. Next couple of weeks could see strong actions in the Crypto currencies. Any sharp down move penetrating Jan 22 lows could lead to bout of selling by punters.

## Crude

Crude likely to be moving in a range of 100 & 115 with both ends having interest. The crude has to give-up 100 levels for possible ease of situation. Upside likely to be capped at 115. This week could prove to be crucial. If for any reason it breaches, then we may see another spike towards 125 and then 140 on account of panic buying

Stay safe

[https://syfx.org/?page\\_id=100](https://syfx.org/?page_id=100)

Disclaimer: The views expressed here are personal and for learning and reference purpose only.