

Market Views for the Week 10 Apr –14 Apr 2023-Venkat's Blog

#syfx.org #Nifty #USDINR #Indianstocks #Gold #Crypto #Crude #BankNifty #DOW #US equities

NIFTY



(Chart image source: TradingView.com)

The past week saw a return of control back to the bulls. In spite of a truncated week the Index made considerable gain which indicates that the market has digested most of the bad news and the sentiments are turning positive. It remains to be seen if this enthusiasm would keep the market afloat.

A few observations from the weekly charts are:

- Weekly charts suggest that
 - The index moved in a range of 326 points viz. between 17312 and 17638
 - The oscillators of different time frames are showing mixed signals
 - The Index is close to the top of the long term trend line
 - Option open interest to drive the direction of the market

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- Expected scenarios for the ensuing week
 - Index may find supports at 17510, 17380,16260 and the index could face resistances at multiple levels viz. 17660, 17770, 17830
 - Expected to remain in the range of 17380-17830 and any close outside the range requires re-assessment of risk
- Additional interesting observations
 - The observations made in the previous blog
 - The Index is at the edge of a trend line break above 17380 could trigger next target of 17540-17600 zone. This target has been achieved
 - There had been multiple Gaps created during the up move (These are for quick reference as these are risk zones for sharp moves)
 - 17126-17221(newly created gap)
 - 16650-16770
 - 16360-16560
 - US Markets
 - The weekly candle suggest that the support zone is moved higher to 32500 and can safely assume that major downfall may not happen immediately
 - As expected the Daily close above 33400 gave extra energy for to bulls to drive the market higher
 - Though the sentiments can lift the market towards 33900-34K we may see a reversal with fresh shorts closer to 34k
 - We may see a consolidation between 33000-33700
 - Final Note
 - Another candle with a higher high and higher lows which is considered a bullish sign
 - The below piece of information is being highlighted in our previous blogs starting Dec 22. We intend to keep this tail piece even at the cost of repetition for the sake of quick reference
 - If we take the Fib retracements so far the correction has been 1283 points. The Annual gain has been 3704 points from 15183 to 18887. One third correction would fall at 17666 and a 50% correction would mean 17035.
 - It is to be noted that the index has crossed the Mid BB on the monthly chart and just above 200 DMA @17510
 - The Index is closer to the top of the long term trend line and also closer to another channel top trend line both of which are closer to 17630-17670 range
 - Daily close above will trigger more 17670 stops and the target would be 17830
 - This week is crucial to judge if a new trend is emerging towards attempt of earlier peaks or reverse after a short term gain
 - The quick gains made in the last two weeks in spite of the turmoil in the Banking sector and uncertainty in the growth prospects of major economies is a cause of concern
 - Market appears to be betting on the hypothesis that the interest rates are peaking and possibly expecting a pause instead of a hike
 - Though presently the markets is in Bulls control, this week could see a bit of intense battle

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Bank Nifty:

(Chart image source: TradingView.com)

The Bank Nifty moved in a range of 506 Viz. between 40535 & 41274 which made a bullish candle and also made a higher high and higher lows. However, the small candle suggests a cautious approach of the market as it is near the top of the trend line. The Bank Nifty is continuing to move in the downward sloping channel with Bottom support at 38100 and top resistance at 41300 and the mean at 39600. The Index is close to the top of the channel top. Daily close above 41300 could trigger a sharp spike towards 41800. Only a close below 39600 could lead to deeper correction. Expected range for Bank Nifty is 39400-41600. Though the charts are showing positive signs for a possible up move, the Global scenario for Banking stocks continues to be highly negative. A daily close outside the broader range indicated above would require re-evaluation.

USDINR



Past week saw a narrow range of 81.80-82.45. The Monthly candle still shows a bearish candle. We need to see a daily close below 81.60 for further lower levels. After almost 2 months the currency broke the support at 82.05. There is not much change in the earlier observations of the likely scenario which would be a consolidation between 81.60 and 82.45. Break below 81.60 could lead to a sharp move towards the target of 80.60. There could be choppy moves within this range. A close outside this range requires re-assessment of risk/direction and target.

A few more observations:

- The currency corrected after making multiple attempts to break 83
- Moves in Dollar Index-DXY does not have exact correlation
- The raising upward channel indicate the broader range of 77.10-83.30
- As noted in the previous blog, continue to keep the following input for quick reference.
 - The 82.75-83.25(with error adjustments) zone is the Fib projection of July 2011 to July 2013. Hence, the importance. If breached, we may see another spike towards 85.70.
 - This range is continuing to be protected
 - The increased volatility and wild swings likely to continue
 - The target for this move is 80.60 provided 81.60 is taken out on a closing basis

Gold

The precious metal crisis continues to hold on to the gains. The precious metal has a fair chance for a target of 2050. The market would be cautious will creating fresh longs. The move has been quick and over stretched. We can expect profit booking closer to 2050. Expected range is 1970-2050.

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Crypto

The crypto assets are in a consolidation mode with a neutral bias for the time being. It is attempting to cover the losses made in May 22. However, for the past 3 weeks it is struggling in a narrow range with on and off spike and decline. One strong move changes the outlook of the market. We can expect a consolidation phase to continue for the current week with 10% +/- moves. The next couple of weeks are crucial for the Crypto assets to hold on to the gains and move higher failing which we would see renewed attack. For now, the scenario seems to be positive and expect well supported on declines.

Crude

The crude is back again above 80. We can expect the crude to be back in the long traded range of 72-84. Though there has been more firing in the job market due to growth uncertainties it appears that the recession worries are pushed aside for a little longer time. The monthly charts show a Hammer formation. The confirmation candle is required and the monthly timeframe is difficult to wait for confirmation. There would be better prospects of growth if the range of 72-84 continues for a longer time.

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