

Market Views for the Week 25 Sep–29 Sep 2023-Venkat's Blog

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

NIFTY



(Chart image source: TradingView.com)

The market witnessed a scenario which appeared as a complete U-turn of the sentiments. The expectation that the previous high would act as a support also was negated. In just four sessions the Index lost more than 50% of the gains made during the month. The ensuing week remains crucial with the culmination of the weekly, Monthly, Quarterly & Half yearly closing.

- A few observations from the weekly charts are:
 - The index moved in a range of 521 points viz. between 20195 and 19674
 - The oscillators of different time frames are turning from positive to negative signals
 - Weekly & Monthly Option open interest to drive the direction of the market
- Expected scenarios for the ensuing week
 - After removing the outliers, the Nifty Index is moving in an ascending channel with a top at 20340 and lower end support at 19620 with a median at 20042
 - In the normal course when the prices reach the earlier trend there are possibilities of rejection. Though it stayed above the longterm trend for some time, ultimately it failed and was heavily sold-off

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- Additional interesting observations
 - The Bears were in total control crucial support zone of 19880 – 19960 gave way easily
 - Index may find supports at 19630, 19520, 19440 and the index could face resistances at multiple levels 19770 and 19880, 19940, 20060
 - There has been a few Gaps created in this bull run
 - 18818-18908 (28th Jun 23) far off for now
 - 18972-19079 (29th July 23) far off for now
 - 19189-19246 (3rd July 23) far off for now
 - 20063-20133- Got filled yet a new Gap created 20133-19980*
- US Markets
 - Daily charts indicate that the sentiments are deeply negative and the current levels are crucial. Further lower levels would make the Index drift lower by another 500 points
 - Expect a consolidation between 33500-34500 which is likely to be the new range
 - Unless either of these are breached on a closing basis we see whipsaw moves within this range. It indicates that the confidence level is low
- Final Note
 - The Index has stayed well above the long-term trend line and the 200 DMA at 18471 and 55 DMA around 19606
 - *In the weekly charts the Index made a failed attempt to get back to the original ascending channel and closed at the lower end of the trading range*
 - Even after more than 50% fall, the September series so far has proved to be positive
 - *Expected to consolidate remain in the range of 19460-19960 and any close outside the range requires re-assessment of risk*
 - *The fall has been very sharp and the 0.618 Fib retracement support at 19620 and then the next 0.786 Fib retracement at 19450 are crucial*
 - After four consecutive daily negative candles, It is prudent to remain vigilant as drag can be on both sides
 - *The ensuing week remains crucial with the culmination of the weekly, Monthly, Quarterly & Half yearly closing.*

#Stay Safe

Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty moved in range of 1704 points Viz. between 46252 & 44548. The high volatility and big moves are back in Bank Nifty. Past week it made a strongly bearish candle, Though the current sentiments are negative, the declines closer to the monthly lows around 44K are expected to be bought. The Index is moving in an ascending channel with lower end at 44650 and the top of the channel at 46620 with the midpoint at 45530. The oscillators are showing mixed signals. Expected range for Bank Nifty is 44650-46620. A daily close outside the broader range indicated above would require re-evaluation.

EURINR



(Chart image source: TradingView.com)

The Currency pair continues to be under selling pressure for the past 7 weeks. Every attempt of higher levels only to be sold-off again and posted a bearish candle. For the ensuing week, the pair may find support at 87.70 and may face resistance around 89.30. A daily close above 89.50 required for further gains. Below 89.00, we can see another round of selling towards 87.90. Expected to undergo consolidation phase between 87.90 & 89.40. Any breach of the range would lead to 100 pips move.

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USDINR



(Chart image source: TradingView.com)

Past week saw a narrow range by taking 83.05 as pivot moved 0.27 on either side. One more attempt of 83.30 and reversal is fairly a good sign for a small correction towards 82.50 and the 82.20. Market is no mood to believe decline towards even 82.20. At best we can presume that the range is gradually shifted higher between 82.50 and 83.30. Expect the range of 82.50-83.30 would continue to hold for the week with a crucial support at 82.80 and 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:

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. Alternatively, the Fib projection of the move from Jan 22 (Low) to Oct 22 (High) and Nov 22 low also suggest the projection as 82.92. Hence, the importance. If breached, we may see another spike towards 85.70. With last week's move we are back in the same trading range of 82.50-83.30*
- On analyzing the quarterly and half yearly charts, the risk on the higher side is till 85.70 which is the channel top and the down side is 77.70
- *Incidentally, the big move from 80 to 83 happened during third week of Sep 22 to first week of Oct 23. Are we in to another such move?*
- We have been witnessing depreciation for the past 12 years starting 2011 with exception of 2017. We are in the ninth month. Will 2023 be another 2017 or as usual?

Gold

Precious Metal has moved in the range of 1913-1947. With a small green candle. It is evident that the precious metal faces strong selling pressure around 1960 levels and reasonable buying interest around 1910. The Precious metal is caught between multiple moving averages and hence witnessing a narrow range consolidation. Only a close above 1960 would help chasing higher levels. More likely scenario could be a consolidation between 1910-1960 with sharp moves within the range.

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Crypto

The Crypto assets saw another week of narrow range with sharp moves within such a range. The Crypto assets have seen a narrow consolidation for the past five weeks. The trade set-up as per the weekly chart appears to be a break higher. Another faltering week could result in selling pressure. It appears that the sentiments would continue to remain negative. Only a strong recovery of 20-25% could help regain the confidence. Any further slide of 20% would be fatal for a free fall.

Crude

The crude held a narrow range of 88.40-92.40 and holding on the gains as 84 levels is breached on a weekly closing basis after almost 8 months. Crude appears to be in a perfect trading range with small steps higher every week. Charts in different time frames are showing mixed signals. The likely scenario could be a consolidation between 87 & 94 for some time. A weekly close below 87 would bring some relief towards 82-84 range. If the higher price scenario continues for longer, we may have a tuff time during the winter. Price above 80 would make the inflation stay higher for longer. The prices above 94 would create a cascading effect on the overall inflation/growth opportunities. Expect a range of 87-94 for the week.

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