

## Market Views for the Week 09 Oct–13 Oct 2023-Venkat's Blog

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

### NIFTY



(Chart image source: TradingView.com)

The market continues to see the struggle to retain control by Bulls and Bears. The Index actually broke the key support zone of 19500-19450 to test a low of 19333 and recovered to close the week at 19653. The ensuing week also expected to remain volatile due to recent developments in the Geo-Political risk perceptions.

- A few observations from the weekly charts are:
  - The index moved in a range of 342 points viz. between 19333 and 19675
  - The oscillators of different time frames are showing mixed signals
  - Option open interest to drive the direction of the market

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- Expected scenarios for the ensuing week
  - The ascending channel is redrawn with the new support seen from the lows of the week.
  - After removing the outliers, the Nifty Index is moving in an ascending channel with a top at 20430 and lower end support at 19360 with a pivot at 19930
- Additional interesting observations
  - The Bears still holds fair control and would continue to attempt selling every rally till the index is below crucial zone of 19880 – 19960
  - Index may find supports at 19540, 19440, 19360 and the index could face resistances at multiple levels 19770 and 19880, 19960, 20060
  - There has been a few Gaps created in this bull run
    - 18818-18908 (28<sup>th</sup> Jun 23) far off for now
    - 18972-19079 (29<sup>th</sup> July 23) far off for now
    - 19189-19246 (3<sup>rd</sup> July 23) far off for now
    - 20063-20133- Got filled yet a new Gap created 20133-19980\*
- US Markets
  - Daily & Weekly charts shows some signs of recovery after hitting the lows of the week at 32850. Friday's candle is a strongly bullish one and we can expect the follow through.
  - Expect a consolidation between 33200-34100 which is likely to be the new range
  - The weekly chart shows a Hammer which might require confirmation. Post confirmation the potential is till 36K
- Final Note
  - The Index has stayed well above the long-term trend line and the 200 DMA at 18517 and is hovering around the 55 DMA at 19623
    - *The ascending channel is redrawn with the levels supported during this week and it appears that there are chances that the Index may bounce back or at least consolidate in a smaller range before taking further direction*
    - *Expected to consolidate remain in the range of 19460-19960 and any close outside the range requires re-assessment of risk*
    - *The Daily chart has a hammer with a confirmation and the target for the same is 19860. Similarly, the weekly chart finished with a hammer and pending confirmation would have its target till 20500*
    - Expect the regular SIP investments to support for a consolidation above 19500
    - The distinct fault lines lie at 19450 on the lower end and 19880 on the higher end
    - Expect for the Geo-political backlashes the set-up appears to be positive for a re-attempt of 20K

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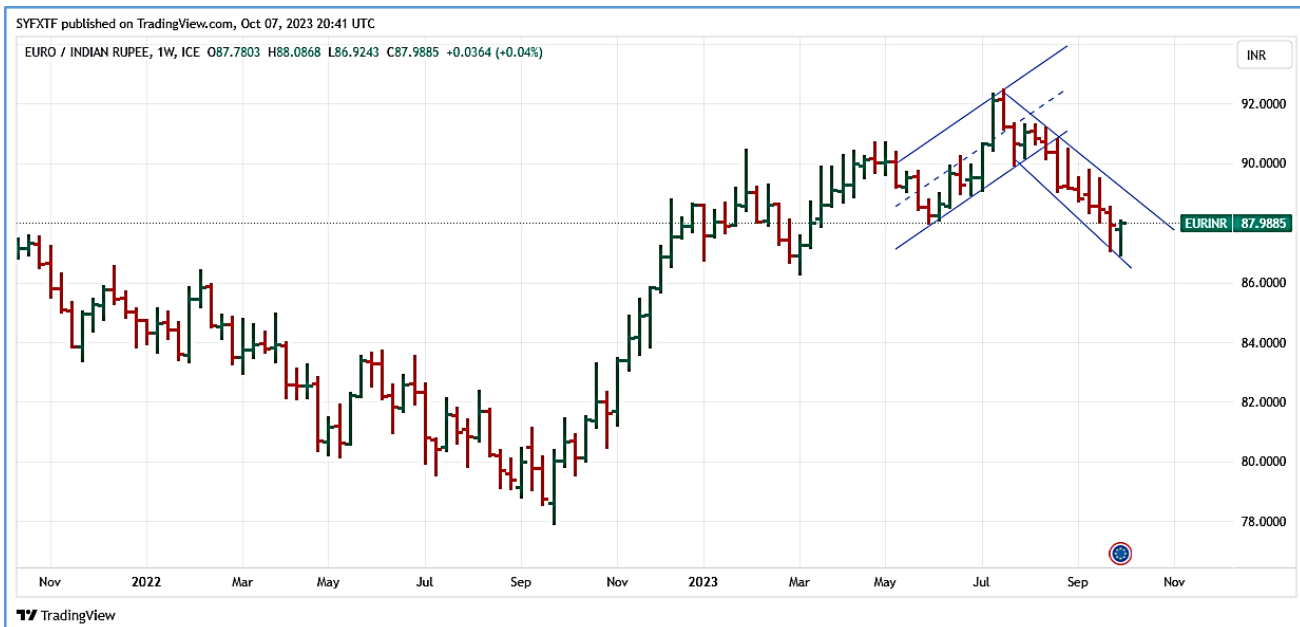
## Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty moved in range of 709 points Viz. between 43857 & 44566. The past week saw less volatility and a narrower range and made another bearish candle, Though the current sentiments are negative, the declines closer to the monthly lows around 44K are expected to be bought. The weekly chart shows a Hammer candle and if confirmed has a potential target of 45860 which matches with the channel top. The Index is moving in a descending channel with lower end at 43820 and the top of the channel at 45520 with the midpoint at 44670. The oscillators are showing mixed signals. Expected range for Bank Nifty is 43960-45520. A daily close outside the broader range indicated above would trigger a spike of 400 points and would require re-evaluation of risk and target.

## EURINR



(Chart image source: TradingView.com)

The Currency pair finally finds a base at around 87 and has made a tweezer bottom and a hammer type formation and a green candle after 8 weeks. This reinforces the assumptions noted in the earlier blog that the support at 87.10 and 86.90 are fairly strong and expect to hold for a relief rally towards 89 levels. For the ensuing week, the pair may find support at 87.40 and may face resistance around 88.90. A daily close above 89.50 required for further gains. Below 89.00, we can see another round of selling towards 87.10. Expected to undergo consolidation phase between 87.10 & 88.90. Any breach of the range would lead to 100 pips move.

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## USDINR



(Chart image source: TradingView.com)

Past week witnessed repeat of the same narrow range by taking 83.15 as pivot moved 0.14 on either side. One more attempt of 83.30 and reversal is fairly a good sign for a small correction towards 82.75. Market is no mood to believe decline towards even 82.50. At best we can presume that the range is gradually shifted higher between 82.90 and 83.30. Expect the range of 82.90-83.30 would continue to hold for the week with a crucial support at 82.90 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 82.70-83.30*
- On analyzing the quarterly and half yearly charts, the risk on the higher side is till 85.70 followed by 86.10 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 is be another 2017 or as usual? Monthly/Quarterly/Half yearly charts do not show significant signs of lower levels yet. Only a weekly close below 82.20 can help chances of lower levels.

## Gold

After the breach of Mid BB during the second week of June 23, the precious metal has been under selling pressure. The earlier strong support zone of 1900 would act as the resistance zone for some time. The sell-off seem to have halted for a while now and the changes in the geo-political tensions may help the precious metal recover some lost ground. We can expect a consolidation between 1820-1900 for a few weeks or till we see any major trigger on account of geo-political risk perceptions.

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## **Crypto**

The Crypto assets saw another week of narrow range. The trade set-up as per the weekly chart appears to be a break higher with a curved formation. The Crypto assets have seen a narrow consolidation for the past seven weeks. Another faltering week could result in selling pressure. It appears that the sentiments would continue to remain negative. Only a strong recovery past May 23 high could help regain the confidence. Any further slide of 20% would be fatal for a free fall.

## **Crude**

As expected the Crude prices cooled-off towards 82 levels. However, the Monthly charts depict potential for further upside. Charts in different time frames are showing mixed signals. The likely scenario could be a consolidation between 79 & 85 for some time. Another weekly close below 87 would bring some relief towards 78-84 range. If the higher price scenario continues for longer, we may have a tuff time during the winter. Price above 90 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 79-85 for the week.

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