

Market Views for the Week 01 Feb 26– 06 Feb 26-Venkat's Blog

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

NIFTY



(Chart image source: TradingView.com)

The Nifty Index managed to hold the trend line support around 24850 and bounced back. The Nifty Index is holding this trend since May 25. The uncertainties on Trade deal, dynamic shift in the geo-political risk, deeply impact the sentiments. Will the Union budget bring in some cheers to the market in the absence of visibility on the India US trade will be known on the 1st Feb26? The key resistance zone to watch would be 25650-25850, where series of hurdles are seen. The downside hope remains around the 24750-850 below which there would be accelerated selling.

A few observations from the weekly charts are:

- The index moved in a range of 526 points between 24932- 25458
- Market sentiments remains neutral
- Union Budget, Option expiry, & Q3 results will decide on the direction of market
- Oscillators in different timeframes are showing mixed signal

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 24750-25850

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

- Nifty made a bullish candle with a higher low and lower high
- Index may find supports at 25200**, 25030***, 24900 and the index could face resistances at 25460***, 25650***/25850***
- 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
 - 24008-24420- Gap created on 12th May 25

US Markets

- The DJI Index shows signs of exhaustion as it failed its fourth attempt to cross 49600
- DJI made a bearish candle with a lower low and lower high
- The weekly close is suggestive of strong resistance around 49600-650 zone which is negative
- It is good to see a consolidation after a gain of every 1K points and a major milestone of 50K+ may have to wait for sometime
- The oscillators appear stretched and are showing mixed signal
- US-Iran-event risks and US shut-down could trigger could make the index break either 49600 or 48500
- Only a daily close below 47800 would be seen as negative
- Though the trend still favours upside, the risk reward seems favouring shorts compared to the long
- We can expect a consolidation in the range of 47600-49600
- A daily close outside the range will attract stops and could trigger 400-600 points move in the direction of breach

Final Note

- The Index is closed below the 55 DMA at 25680 and just above the 200 DMA at 25200
- We may see a possible consolidation between 24700 and 25800 with choppy moves

A few additional Observations:

- Index holding the trend line support at 14950 is seen as positive
- The trend and the momentum seem to have been disrupted due to the developments in the geo-political scenario
- With many event risks during the week viz. Iran/Greenland, the expectations w.r.t the Finance Budget scheduled for 1st Feb 2026, there could be spike in volatility
- Index is at another crucial support zone. Key levels to watch are 24900 followed by 24700 on the downside and 25650 followed by 25850 on the upside
- Daily close below 24900 would trigger more stops which can take the Index to 24400
- Index breaking 55DMA after a gap of 3 months is negative. A quick rebound can save further slide and Index just around the 200 DMA gives a bit of hope
- Only a sharp move and daily close above 25850 is required for hopes of higher levels
- The Investors need to follow prudent risk management measures to protect their capital

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Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty made a quick rebound taking support at the 58100-200 zone and recovered towards 60K. The Bank Nifty has been making alternate bullish and bearish candles for the past 4 weeks. The Bank Nifty Index continues to move in a descending channel with top at 60K and support at 58K and pivot at 59K. We can have clear direction on breach of this range. Bank Nifty remained in a range of 1939 viz. between 58121 & 60030 and made a strongly bullish candle with a lower low and higher high. The oscillators in different time frames are turning negative. The hurdle on account of the long-term ascending channel top is at 61300 and the lower end at 55500 with pivot at 58600. Expected range for the week is 58200- 60600 with a neutral bias. A daily close outside the range would trigger at least 500-700 points move in the direction of breach.

EURINR

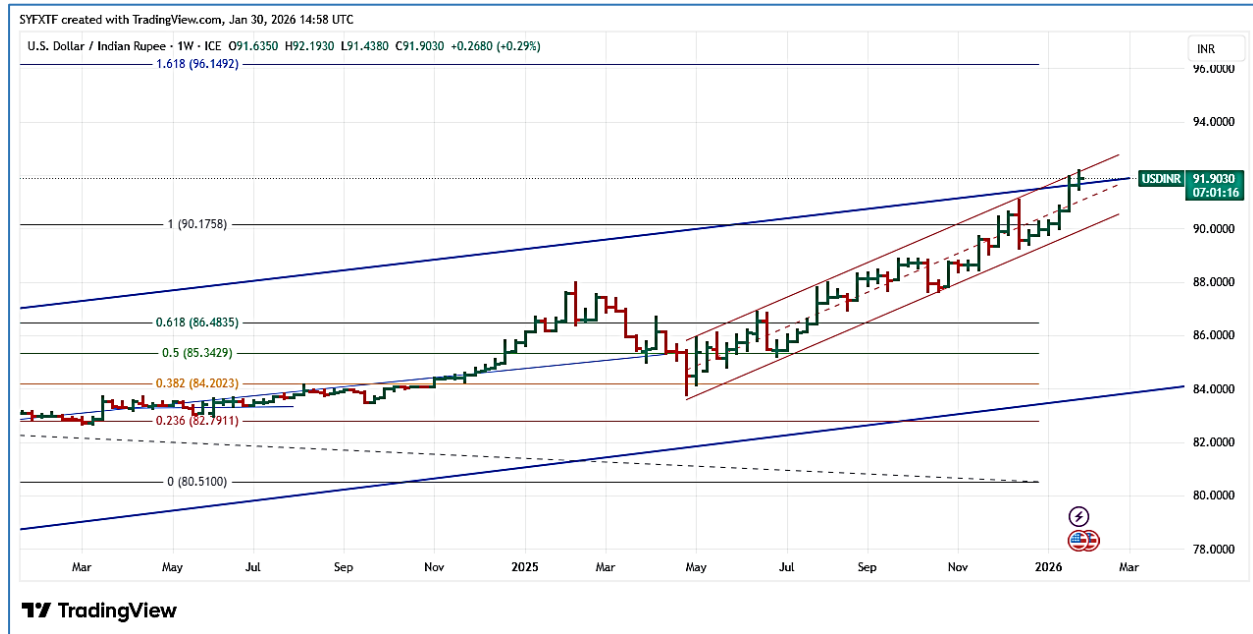


(Chart image source TradingView.com)

The EURINR currency pair made a new ATH at 110.33 and was sold-off due to strong pullback in DXY. It made a bullish candle with a higher low and lower high. However, the candle does not indicate further brighter side for the currency pair. As seen in the past, the currency pair faces strong reversal after a new peak. The downside also buying interest to emerge on any pullback towards 107. Expected range is 106.90-109.40. Any breach of the range would lead to 70-100 pips move.

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USDINR



(Chart image source: TradingView.com)

The currency pair saw another spike during the week and made a new ATH at 92.19. The currency pair is moving in an ascending channel with top at 92.30 and the lower end of the channel is at 90.30 with a mid-range at 91.30. The decline help exporters to some extent to off-set the tariff related higher cost and at the same time the imports becomes expensive. Exporters who felt missing out the previous opportunity are expected to hedge on any spike higher, thereby providing supply.

A few observations

- Expect the range of 91.15 -92.30 would hold for the week
- Vols seen spiking

A few more observations:

- The currency pair is likely to remain volatile and expect the previous ATH to hold
- We can expect supply above 92
- The two-way move is likely to continue, which is positive.
- The expectation of consolidation at a lower range is possible only if we see a close below 90.20 which seems relatively less likely at this juncture
- At best we can expect 91.20-92.20 range with volatile moves
- The prices trending higher for the sixth consecutive week. Need to be cautious for a likely pullback

Gold

The precious metal made a spectacular move crossing all barriers and hitting an ATH of 5595, leaving the market participants awestruck. Then came the spine-chilling fall which rattled the market. With this move the market will be scary to take a position on either side. The market needs to rebalance itself to settle for a more realistic base. Till such time there would be choppy moves. Ideally the precious metal should consolidate in the range to 4600-5100 and there could be choppy moves within this range.

Silver

Silver continued its journey defying all logics in its upward journey making a new ATH at 120. When the entire market was on one side there came the Tsunami like move not stopping at any of the staggered peaks it made during its upward journey. The precious metals have a pattern similar to the z category stocks, where we see only buyer or only sellers. Upside appears to be capped at 103 and the support at 75 remains crucial. For now it may consolidate between 75 & 103.

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Crypto

The crypto assets remained soft and every spike is being seen as opportunity by the bears. It made a Bearish candle with lower low and lower high. The outlook remains negative. Only a sharp 15% gain would tilt the balance towards positive outlook. Presently the crypto assets are at a crucial support zone around the Nov 24 break-out levels. There are chances of a deeper sell-off if it breaches the Oct 24 peak. It is expected to consolidate with +/- 7-10% of current levels with a negative bias. The monthly closing indicates continuing trouble.

Crude

The crude prices remained triggered higher on account of the changing dynamics of the geo-political risks and the tensions in the middle east. The crude prices surged sharper after many months which is seen as negative. We are at another crucial pivot point and if the daily closing is above 67 we may see another spike towards 70+ levels. Overall picture for now is that the price range is 52-82 with a pivot at 67. The uncertainties on the future oil supply from Venezuela and escalating geo-political risks could trigger a sharp spike.

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