Market Views for the Week 03 Aug- 07 Aug 26-Venkat's Blog

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

NIFTY

(Chart image source: TradingView.com)

The Nifty Index made a smart comeback to reclaim the crucial 24200-300 zone and back again in its previous range of 24K-24400. There has been on and off triggers in the US-Iran conflict causing anxiety on closure of the strait of Hormuz and triggers on oil prices. Index closed around the top of the weekly range giving a kind of feeling that the market seem to ignore the changes in the geo-political risk factors. The sentiments appear to be turning cautiously positive.

A few observations from the weekly charts are:

- The index moved in a range of 538 points between 23891- 24426
- Market sentiments turning cautiously positive

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 24K-24800

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 higher high
- Index may find supports at 24240**, 24120***, 24030 and the index could face resistances at 24520***,24640**, 24720***
- The Index had seen multiple gaps on either direction of its journey.
- The levels were repeatedly mentioned in the previous blogs and will be inserted when relevant
  - 23984- 24176– Gap created on 29th Jul 26

US Markets

- The DJI Index halts its gradual decline by posting small gains during the week
- DJI made a bullish candle with a higher low and higher high
- The present set-up suggests that the Index is caught between 51500 and 53500
- It made a tweezer bottom and can take it as strong intermediary support for another attempt towards ATH
- The oscillators are stretched and showing signs of reversal
- We can expect a consolidation in the range of 51500-53500
- A daily close outside the range will attract stops and could trigger 500-700 points move in the direction of breach

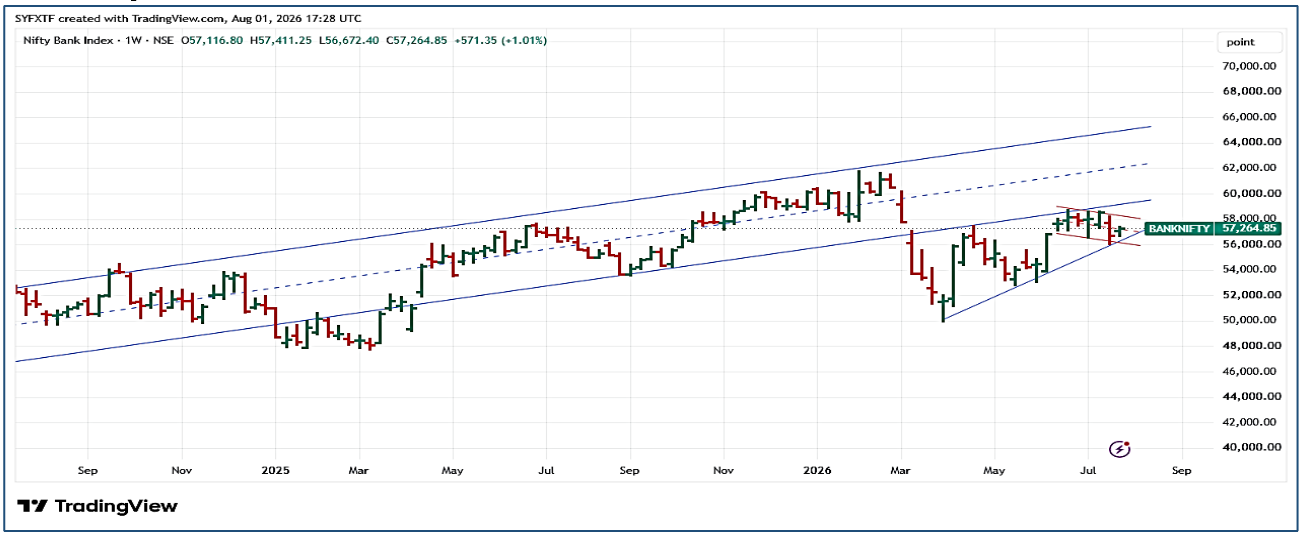
Final Note

- The Index closed well above the 55 DMA at 23880 and far below the 200 DMA at 24779
- We may see a possible consolidation between 24K and 24800

- A few additional Observations:
- Index just managed to close above the MBB on weekly for the past 5 weeks after a fall during Jan-Feb 26 and is closer to the Mid BB on the monthly which is a positive sign
- Present set-up suggests that the Bulls regained control and we may see the selling pressure to ease for a decent consolidation between 24K & 24800
- Any decline below 24K is seen as an opportunity to initiate fresh longs
- Index regaining and closing well above the crucial zone of 24180-250 is a positive sign
- Fresh escalations and spike in crude prices could be a dampener for the momentum
- The Index heavy weights are showing signs of recovery which could help the Index scale higher level irrespective of the other factors
- Option open interest could drive the market
- Index is expected to find major resistance around 24600-700 zone and if we see a daily close above 24600 we may see quick spike towards 24800
- The index has been making alternate bullish and bearish candles for the past 4-5 weeks. However, the weekly candle appears strong indicating chances of attempting 200 DMA
- The Investors need to follow prudent risk management measures to protect their capital

#Stay Safe

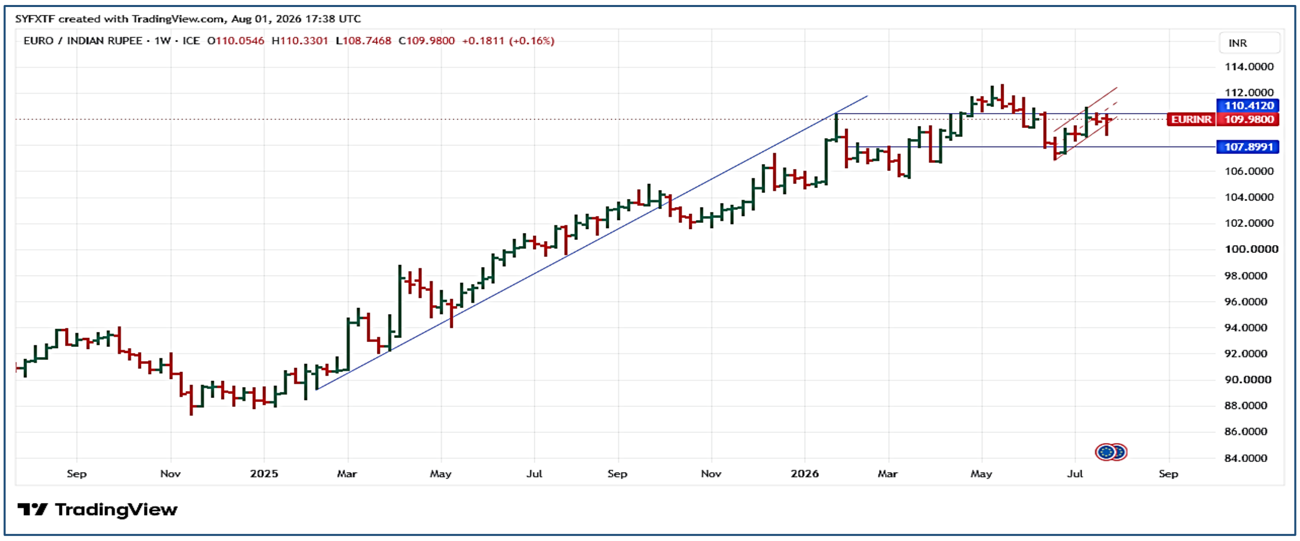
Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty appear to withstand the selling which happened during the previous week. There exists a key support around 56000-300 zone which is expected to hold. A failure there would mean the Bank Nifty is heading towards 55500-800. During the week it made a made a tiny bullish inside candle with higher low and lower high. We may see selling pressure to continue till we see a daily close above 58K. Bank Nifty remained in a range of 739 points viz. between 56672 & 57411. The oscillators in different time frames are showing mixed signals. Expected range for the week is 56K-58K with a neutral bias. A daily close outside the range would trigger at least 500-700 points move in the direction of breach.

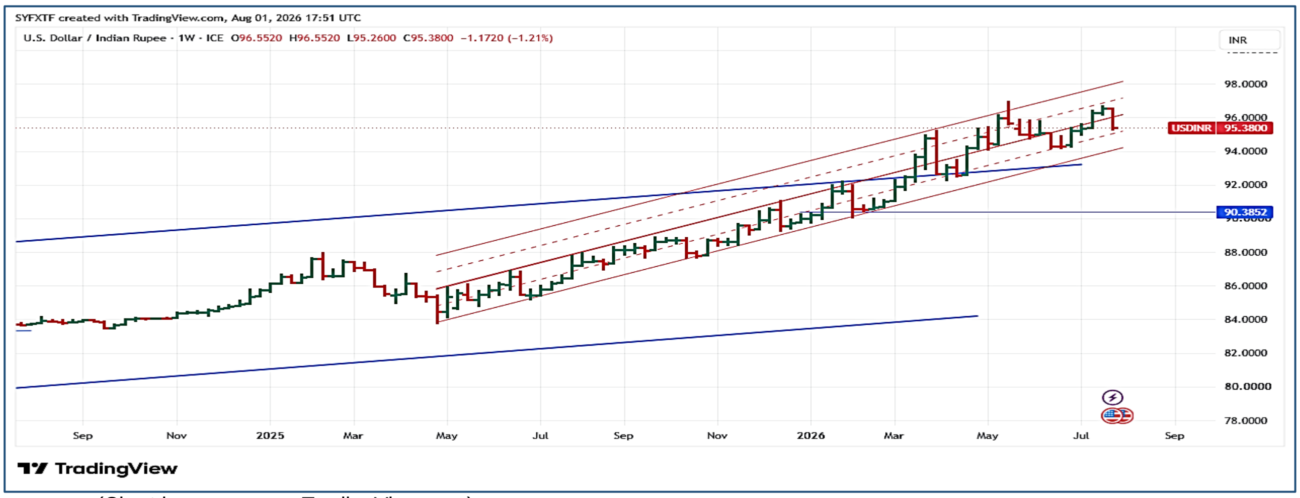
EURINR



(Chart image source TradingView.com)

The currency pair gradually recovered through the week. However, it faced sharp selling in the first half of the final session and managed to recover part of the losses and closed with a higher price band reclaiming the crucial 109.40-60 one. During the week the currency pair made a bearish inside candle with a lower low and lower high. The currency pair moved in a range of 110.33-108.74. The current set-up suggests that the currency pair is likely to consolidate in the range of 108.80-110.80. Breach of the range would trigger a 50-70 pips move in the direction of the breach.

USDINR



(Chart image source: TradingView.com)

The currency pair saw sharp gains aided by inflows, CB selling and quick cooling-off in crude price. It closed below the crucial 95.75-95.80 range which triggered panic buying buy importers during the previous weeks. The currency pair made a bearish candle with lower low and lower high. In case there is a spike in oil prices due to renewed escalations in the gulf region the pressure on currency pair is expected to continue.

A few observations
a) Expect the range of 94.70 -96.30 would hold for the week
b) Vols seen cooling
A few more observations:

- The currency pair is likely to attract sellers on a spike closer to previous peak
- The two-way move is likely to continue
- We can expect 94.70-96.30 range with volatile moves
- Only a daily close below 94.70 will help the pair to attempt lower levels and price stability
- Fresh escalations and changes in Geo-political risk and any sharp spike in higher oil prices would impact negatively

Gold

The precious metal continued to consolidate in a narrow range. It made a tiny bearish candle with higher low and higher high and there seems definite demand below 4K. There could be an intermediary reversal of the trend. However, the zone between 4375-4430 will continue to be seen as a hurdle. There seems a definite shift in the overall outlook. It appears that the aggressive purchases by the Central Banks have slowed down causing mismatch in the demand and supply. The precious metal is below the Mid BB in the weekly timeframe for the fourteenth consecutive week. The current set-up suggests that the precious metal may consolidate between 3800-4200 and there could be choppy moves within this range. Technically it has to have a holy dip below 4K and test the point of 3880 from where the major up move happened. A daily close above 4200 would trigger a spike towards 4330 in a quick move.

Silver

Silver seem to find a base closer to 55 levels and there may be some more grinding between 55 & 63. For now, the levels between 60 & 63 will a supply zone. The metal is caught between multiple moving averages and could see choppy moves in the range. The present set-up suggests that the metal is likely to trade in the range of 55-62. The volatility is likely to continue. Next couple of weeks would throw better picture on the future direction and the target. A daily close above 63 would signify the change in stance for an intermediary pullback towards 67 and similarly a daily close below 54 would make the metal drift towards 48 from where it gathered momentum to hit the ATH of 120.

Crypto

The crypto assets continue with a narrow range consolidation. During the week it made a bearish candle with lower and lower high. The Crypto assets failed to trigger higher in spite of some favorable factors. Only a strong single day move of 5% can alter the course of the oscillators and help gain momentum for higher levels. It is expected to consolidate with +/- 5-7% of current levels with a negative bias.

Crude

The crude prices continue to create jitters due the renewed escalations between US-Iran. A break and a weekly closing above 82 signify risk of further spike in prices. A cross-over above 89 would trigger more pain an there is a risk of re-visit to 96 levels. We are once again entering in to a turbulent time. There could be shocks and the resultant volatility for some more time. Only a daily close below 78 would help seeing lower levels. With the given Geo-political scenario, we can assume that the crude prices may consolidate between 79 & 91.

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