

Market Views for the Week 16 Mar 26– 20 Mar 26-Venkat's Blog

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

NIFTY



(Chart image source: TradingView.com)

The Nifty Index remained vulnerable all through the week in-line with the global markets. None of the previous supports could hold as there was panic selling. The dynamic shift in the geo-political risk and the flare-up in oil price have deeply impact the sentiments. Whenever the Nifty Index attempted pull back it faced stronger sell-off. The key resistance one to watch would be 23650-23770. The downside hope remains around the 23K below which there would be even more selling.

A few observations from the weekly charts are:

- The index moved in a range of 1191 points between 24303- 23112
- Market sentiments remains negative
- Option expiry and impact of US-Iran conflict will decide on the direction of market
- Oscillators in different timeframes are showing negative signal

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 22700-23600

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Additional interesting observations

- Nifty made a second consecutive bearish candle with a lower low and lower high
- Index may find supports at 23030***, 22890***, 22690 and the index could face resistances at 23320***, 23480**, 23630***
- There were multiple gaps created during this dream run.
- The levels were repeatedly mentioned in the previous blogs. Just a week back many Gaps created during Feb-Mar 25 appeared far away yet the accelerated fall filled a couple of gaps
 - 22828-23368- *Huge Gap Created on 15th April 25 (under risk)*
 - 23851-23949- *Gap created on 21st Apr 25 (Filled)*
 - 24008-24420- *Gap created on 12th May 25(Filled)*

US Markets

- The DJI Index made a valiant attempt to scale back the 48300 zone and failed and it moved lower as expected on the back drop of changes in the geo-political risks
- DJI made a second consecutive bearish candle with a lower low and lower high
- The weekly close is suggestive of upside seems capped at around 47700-800
- The oscillators are turning negative, and expect every spike higher will be sold-off
- The risk of a sharp move towards 45600 or even towards 44500 seems higher given the developments
- We can expect a consolidation in the range of 45600-47700
- 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 25444 and below the 200 DMA at 25317
- We may see a possible consolidation between 22700 and 23600

A few additional Observations:

- Index faced selling pressure on every spike as the US-Iran conflict continues without a solution in sight and the risk of further spike in crude prices poses major threat
- Index is at another crucial support zone. Key levels to watch are 22890 followed by 22700 on the downside and 23320 followed by 23600 on the upside
- Daily close below 23K would trigger more stops which can take the Index to 22700 which is possibly a last line of hope
- Index below the MBB on monthly after a year (Last seen below MBB was in Feb-Mar 25) is negative. A sharp rebound only can save which seems remote for now, given the global scenario
- With Volatility expected to spike higher, 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 remained vulnerable all through the week. A couple of weeks changed the outlook completely. As noted in the previous blog, the Bank Nifty opened with a gap and also broke the long term channel support at 56400-500 range. This break accelerated the selling below April 25 break-out levels. Bank Nifty remained in a range of 3422 points viz. between 57097 & 53675 and made third consecutive bearish candle with a lower low and lower high. The oscillators in different time frames are turning negative. The hurdle on account of the long-term ascending channel bottom is at 56405 which would act as primary resistance. Till we see a daily close above this we may see a consolidation at a lower range. The upside seems capped at 56.5K and expected to remain soft. Expected range for the week is 52- 55K with a negative 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 another bearish candle with a lower low and higher. It broke the support at 106.40 and closed lower. As expected the pair moved lower towards 105.58 on breach of support at 106.10. The currency pair moved in a narrow range of 107.23-105.58. The formation suggests that the upside remains capped at 107 and the currency pair may consolidate in the range of 104.15-106.70. 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 continued to attract demand owing to the spike in oil price and anticipated impact on the economy. It scaled a new ATH. The currency pair is moving in an ascending channel with top at 93.10 and the lower end of the channel is at 91.10 with a mid-range at 92.10. Exporters who felt missing out the previous opportunity are expected to hedge on any spike higher, thereby providing supply. The import demand continues to hold the currency pair at elevated levels.

A few observations

- Expect the range of 92.10 -93.10 would hold for the week
- Vols seen spiking

A few more observations:

- The currency pair is likely to make a new ATH
- Trigger and a daily close above 93.10 would make the currency pair volatile
- The two-way move is likely to continue
- The expectation of consolidation at a lower range is possible only if we see a close below 90.50 which seems relatively less likely at this juncture
- At best we can expect 92.10-93.10 range with volatile moves
- Geo-political risk will add to the pressure along with higher oil prices

Gold

The precious metal remained volatile and yet could not penetrate the previous week's opening level of 5300 and got sold-off. The precious metal seems to show signs of retreat. It has closed around a crucial support level. However, the upside appears to be capped around 5200 and is expected to test the support at 4800 a fracture there could easily trigger stops and could swiftly move towards 4600. On the contrary, if we see a daily close above 5200 there could be another spike higher. In which case also scaling the previous peak appear to be difficult. The geo-political risk even if not favoring sharp gain it would resist the slide. Aggressive purchases by the Central Banks keep the prices elevated. Expected range 4800-5200 and there could be choppy moves within this range.

Silver

Silver reversed from 90.00 and remained under pressure for the rest of the week. It could not cross the 100 mark and it is close to the support at 77 followed by 72 from where it bounced back earlier occasions. The present set-up suggests that the metal is likely to trade in the range of 67-85 with volatile moves. The volatility is likely to continue. Next couple of weeks would throw better picture on the future direction and the target.

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Crypto

The crypto assets seem to make a base around the current levels and are likely to gain in the coming weeks though it continued to remain in a comparatively narrow range. It made a small bullish candle with higher low and higher high. The Crypto assets are at another crucial support zone and further sell-off would make things ugly as the outlook remains neutral. Only a sharp 15% gain would tilt the balance towards positive outlook. It would continue to trade with higher volatility. It is expected to consolidate with +/- 10-12% of current levels with a neutral bias. It remains to be seen if the crypto assets would consolidate around current levels or melt down further.

Crude

The crude prices spiked to a high of 120(not clear on how much was traded at these levels) with another gap-up opening at 98 as against the previous week's closing of 91. As has been constantly highlighted in the previous blogs for the past couple of months the worst feared break-out has happened. This move seems similar to the move which happened during the initial phases of the Russia-Ukraine conflict. Currently the crude has reached the levels of June 22. The outlook appears very volatile and uncertain given the supply chain bottlenecks. Though the closing was around the opening level, the risk continues to remain elevated. If the resolution is delayed, we are in for a C(Rude shock). Another trigger above 103 would easily take the prices to 111. The crude price is likely to escalate further towards 105+. Expected range for the week 93-115. Only a daily close below 92 could give some relief.

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