

Market Views for the Week 04 May– 08 May 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 in a narrower range compared to the previous weeks, thereby making a bearish candle for the week. Still there seems no clarity on the agreement between the US-Iran and the crude price remains elevated causing global concerns on the inflation outlook. The current mood of the market appears to be neutral. Any change in the geo-political scenario would impact the sentiments. Much depends on the outcome of the peace/ceasefire talks resulting agreement between US-Iran-Israel.

A few observations from the weekly charts are:

- The index moved in a range of 538 points between 24334- 23796
- Market sentiments turning neutral

Expected scenarios for the ensuing week

- Index likely to consolidate in the range of 23600-24600

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 bearish bullish candle with a lower low and lower high
- Index may find supports at 23820***, 23680**, 23520*** and the index could face resistances at ,24220**,24360***,24520
- The Index had seen multiple gaps on either direction of its journey.
- 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
 - 23123-23855 - Created on 8th April 26

US Markets

- The DJI Index for the second consecutive week seen consolidating at a higher range
- DJI made a bullish candle, with a lower low and higher high
- While the momentum and the current scenario favours continuation of this rally, any setback in the peace talks would hamper the sentiments
- Weekly close above the MBB at 48365 is positive. However, the Index has to clear the hurdle around the 50K to attempt the previous ATH
- The oscillators are turning positive
- Any pullback towards 48300 would attract buying interest and we can expect a consolidation in the range of 48500-50750
- 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 below to the 55 DMA at 24293 and closed below the 200 DMA at 25101. Rejection at the 55 DMA and closing lower is a negative sign and things may have to wait till the war clouds to clear
- We may see a possible consolidation between 23600 and 24600

A few additional Observations:

- Index seems hold the trend line support starting from June 24 from where it is bouncing sharply for the third time
- Index is still below the MBB on monthly after a year is seen as negative (Last seen below MBB was in Feb-Mar 25)
- Markets will witness the struggle between the bulls and bears for the control. We may see a decent consolidation between 23600 & 24600. However, the Index has to close above 24300 for further gains. Similarly, the support at 23800 is crucial. A break and daily close below 23800 could lead to accelerated selling and could be supported by value buyers
- While the risk associated with the Geo-political scenario seem to cool down, the situation is still uncertain and the volatility could resurface anytime
- The Investors need to follow prudent risk management measures to protect their capital
- Q4 results and progress on Extended cease fire without any traces of US-Iran talks or agreement is a cause of concern

#Stay Safe

Bank Nifty:



(Chart image source: TradingView.com)

The Bank Nifty was under pressure and ended lower making a bearish candle with lower low and lower high. Bank Nifty remained in a range of 2034 points viz. between 56474 & 54440. The support around 54200-350 is crucial. The oscillators in different time frames are showing mixed signals. The upside remains capped at 57K. Daily close below 54200 would open the downside towards re-test of 53K. The Index can continue bullish momentum if we see a daily close above 57K. Expected range for the week is 53300- 56200 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 continues to its momentum and makes a fresh ATH. Need to be aware of the fact that the currency pair has a tendency to scale a new highs flowed by a sharp selling. It made a bullish candle with a higher low and higher high. The currency pair moved in a range of 110.18-111.69. The current set-up suggests that the currency pair may consolidate in the range of 109.40-111.90 before finding further direction. Any breach of the range would lead to 70-100 pips move.

USDINR



(Chart image source: TradingView.com)

The currency pair made a strong move after crossing the ascending channel top as it did during the second week of Mar 26 and closed higher. The currency pair is likely to continue to face pressure due to deadlock in the US-Iran talks. Any dip in price is seen as opportunity for the importers to hedge and also the Oil import related demand continues to hold the currency pair from softening.

A few observations

- Expect the range of 93.60 -95.80 would hold for the week
- Vols seen spiking again

A few more observations:

- The currency pair is likely to attract sellers on a spike near the previous ATH
- The two-way move is likely to continue
- We can expect 93.60-95.80 range with volatile moves
- Only a daily close below 93.50 will help the pair to attempt price stability
- Further escalations and changes in Geo-political risk and any sharp spike in higher oil prices would impact negatively

Gold

The precious metal re-tested the support zone at 4500 and ended lower than previous week. The zone between 4800 & 4900 is still a major hurdle. It appears that the aggressive purchases by the Central Banks have slowed down causing mismatch in the demand and supply. There seems a definite shift in the overall outlook. There may not be violent move unless a fresh Geo-political risk arises. The precious metal is hovering around the Mid BB in the weekly timeframe. The current set-up suggests that the precious metal may consolidate between 4500-4865 and there could be choppy moves within this range. A daily close below 4500 would open the downside risk towards 4150.

Silver

Silver saw a consolidation between 70 & 77. The upside resistance at 83 is crucial and appears strong. The metal is caught between multiple moving averages and could make see choppy moves in the range. The present set-up suggests that the metal is likely to trade in the range of 70-80. 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 posted considerable gains during the month of April and recovered most of the losses made in the sell-off during Feb 26. During the week it made a small bullish candle with higher low and higher high. However, the Crypto assets seem to face hurdles around the Feb 26 high. A sharp gain of 3-5% from here would make the Crypto assets break-out of the range and attract fresh buying interests. It is expected to consolidate with +/- 7-10% of current levels with a neutral bias. If it fails to clear the hurdle we may see fresh selling happening sooner.

Crude

The crude prices remained elevated. Only a positive outcome on the agreement between US-Iran & Israel would ease the situation. The uncertainties continue due to closure of Strait of Hormuz there by the disrupting Oil supply. We are in for turbulent times if the settlements do not happen quickly. Expected range for the week 95-115. We can expect a bit of relief with lower levels only if we see a daily close below 95.

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