



Gateway to your Financial Goals

Weekly Outlook—7th April—13th April 2024



**Is Nifty Heading
Towards 24,000?**

NIFTY OUTLOOK



The Indian stock market witnessed significant movements in the Nifty index this week, as it surged to achieve fresh all-time highs, only to end the week with a doji candlestick pattern, signifying indecision among traders. Amidst this volatility, the daily charts revealed a series of five tight closes, indicative of a narrow trading range and potential consolidation.

A notable technical pattern observed this week was the emergence of a VCP (Volatility Contraction Pattern) on 75-minute charts, suggesting a period of price stabilization followed by a potential breakout. Investors are advised to remain vigilant and capitalize on buying opportunities, particularly on dips towards support levels identified at 22,400 and 22,350 for the week ahead.

However, market participants should also be prepared to initiate buy positions upon a breakout above the psychological resistance level of 22,550. Should the index breach this crucial barrier, the next set of targets lie in the range of 22,700 to 22,750.

Option data analysis further corroborates the bullish sentiment, with a notable tug of war observed at the 22,500 level between call writers and put writers. This battle of opposing forces reflects the uncertainty prevailing in the market, as both sides seek to exert dominance.

In conclusion, while the Nifty's journey to new all-time highs is undoubtedly remarkable, traders must exercise caution and remain adaptable to market dynamics. As the tug of war between bulls and bears intensifies, it becomes imperative for investors to navigate through these fluctuations with prudence and strategy, keeping a keen eye on key support and resistance levels for potential trading opportunities in the week ahead.



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BANK NIFTY OUTLOOK



Bank Nifty has demonstrated robust bullish momentum this week, manifesting significant breakthroughs across various timeframes. On the weekly chart, a wide bullish candle has emerged, marking the end of a lower high lower low series and signaling a potential reversal of the preceding downtrend. This development is further corroborated by the daily chart, where Bank Nifty has decisively broken out of a triangular pattern and closed above the March high, indicating a substantial bullish trend reversal.

With its sights set on all-time highs, the next logical target for Bank Nifty is positioned at 48,636.45. Any retracements towards the 48,100 level offer opportune moments for investors to enter long positions, while a buy-on-breakout strategy can be employed above the 48,650 mark, with ambitious targets set at 50,000.

Within the Bank Nifty components, HDFC Bank emerges as a standout performer. Recently, the stock experienced a notable 40-day cup and handle breakout, closing a significant gap at 1,530 and exhibiting strong upward momentum towards the 1,700 milestone. Investors keen on capitalizing on the broader bullish sentiment within the banking sector may find HDFC Bank an attractive addition to their portfolios, leveraging its upward trajectory amidst the favorable market conditions. As Bank Nifty continues to chart new territories, strategic positioning and prudent risk management remain key considerations for investors navigating this dynamic landscape.



WEALTH BAGGER STOCK PICKS FOR THE WEEK





Indostar has formed an impressive 83-week long saucer pattern, resembling a VCP pattern, indicative of a potential breakout. Volume activity during the base period has significantly dried up, while the right side exhibits extreme tightness. The recent breakout above 225 on substantial volumes presents a compelling opportunity. Investors may consider buying on dips to 225 or a breakout above 250, targeting 325 with a stop loss at 195 on a closing basis. This pattern suggests bullish momentum, offering potential for significant upward movement in the stock.

ASAL

Automotive Stampings and Assemblies Limited



ASAL exhibits promising chart patterns across multiple timeframes, with a 24-bar saucer pattern observed on the monthly charts and a 104-bar cup and handle formation on the weekly charts. The recent price action is particularly noteworthy, with last week's wide range bullish candle closing near its highs, indicating strong bullish sentiment. ASAL is poised for a potential breakout above the 720 level. Investors may consider initiating long positions above 720, with a closing stop below 620, targeting a substantial upside towards 1120.

SAFARI

safari



Safari Industries India Ltd. (SAFARI) demonstrates an imminent breakout potential on the weekly charts, nearing the upper boundary of a 25-bar falling channel at 2055. Last week's notable price action included a wide range bullish candle accompanied by a surge in volume, indicative of a breakout from the preceding week's inside bar pattern. Investors are advised to consider initiating long positions above 2055, targeting 2450, with a closing stop-loss below 1950 to manage risk effectively. This breakout scenario presents an attractive opportunity for potential gains in SAFARI as it charts its path towards higher price levels.

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