kotak Securities

Market Weekly

PRIVATE CLIENT GROUP

JANUARY 12, 2025

NIFTY: 25683

Range	:	25600-25900
Resistance	:	25750-25850-25900-26000
Support	:	25600-25550-25500-25300

BANK NIFTY: 59251

Range	:	59000-59500
Resistance	:	59400-59500-59650
Support	:	59000-58850-58600

Simple Moving Average (SMA) - NIFTY

10 Days	20 Days	100 Days	200 Days
26015	26030	25540	24930

Simple Moving Average (SMA) – Bank Nifty

20 Days	50 Days	100 Days	200 Days
59630	59410	57350	55850

Nifty Short Term Trend

Up (Down below 25300 on a closing basis)

Nifty Medium Term Trend

Up (Down below 24300 on a closing basis)

Nifty Long Term Trend

Up (Down below 21600) on a weekly closing basis)

Blue color: means heading upward as compare to previous close. Red color: means sloping downward as compare to previous close.

Market Analysis

Weekly outlook on Nifty/Sensex and Bank Nifty

In the last week, the benchmark indices corrected sharply. The Nifty ended 2.37 percent lower, while the Sensex was down by 2185 points. Among sectors, the Defence index gained 1.30 percent, whereas India Tourism, Oil & Gas, and Energy indices shed over 5 percent. During the week, the market slipped below the 20-day SMA (Simple Moving Average), and post-breakdown selling pressure intensified. Technically, on weekly charts, it has formed a long bearish candle and is comfortably trading below short-term averages, which is largely negative.

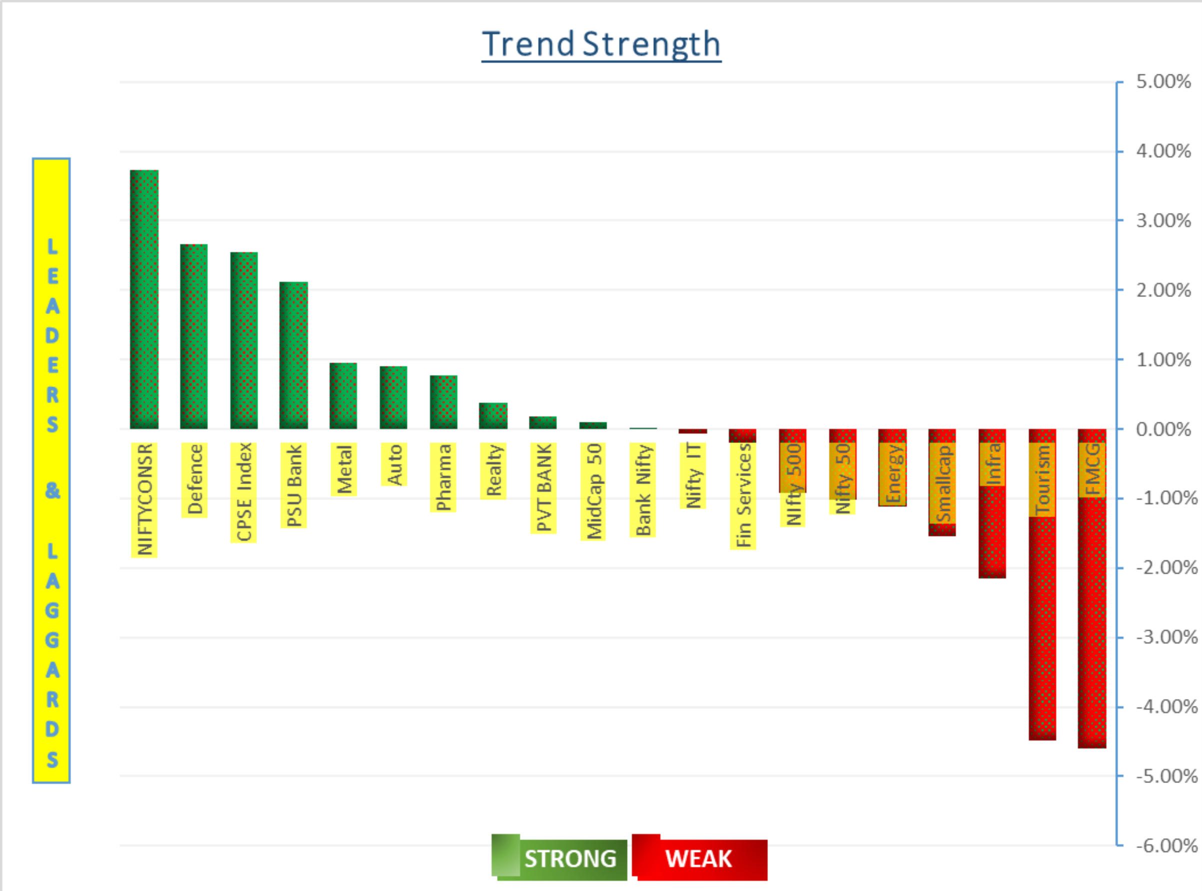
We are of the view that as long as the market trades below the 50-day SMA or 26,000/84900, the weak formation is likely to continue. On the downside, 25,600/83700 would act as an immediate support zone. Below this level, selling pressure is likely to accelerate. Further below, the market could slip to 25,400–25,300/83100-82800. On the upside, above 25,750/84200, we could see a quick pullback up to 25,850–25,900/84500-84700.

For Bank Nifty, the 20-day SMA at 59,500 would act as a key level for traders. Below this, the correction wave is likely to continue until 58,800–58,500. Conversely, above 59,500, it could bounce back up to 59,800–59,000.

The strategy should be to reduce weak long positions between 25950 and 26050 levels.

Please scroll down the page to know the sectoral trends and strengths.

Trend Strength



(It is completely based on technical analysis)

1. Uptrend:
Consider focusing on the **top 5 highest-ranking sectors** for your investments.
These sectors exhibit strength and positive momentum, making them attractive for long positions.
Investors can ride the upward wave by allocating capital to these outperforming sectors.

2. Downtrend:
Caution is necessary. \\
Sectors on a downward trajectory are unfavorable for investments.
Patience is tested as these sectors may continue to decline.
Avoid allocating significant resources to sectors experiencing prolonged weakness.

3. Performers:
Performers fall into two categories:
Top Outperformers: These sectors consistently excel, showing sustained strength/Trend.
Top Underperformers: These sectors consistently lag behind, demonstrating persistent weakness.
Understanding the relative performance of sectors helps investors make informed decisions.
Keep an eye on both extremes-the highest and lowest performers-for potential opportunities or risks.
Remember, market dynamics change, so regular assessment and adaptation are crucial

NIFTY DAILY CHART

RATING SCALE (PRIVATE CLIENT GROUP)

BUY – A condition that indicates a good time to buy a stock. The exact circumstances of the signal will be determined by the indicator that an analyst is using.

SELL – A condition that indicates a good time to sell a stock. The exact circumstances of the signal will be determined by the indicator that an analyst is using.

Stop Loss Order – An instruction to the broker to buy or sell stock when it trades beyond a specified price. They serve to either protect your profits or limit your losses.

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