

# Weekly Market Outlook

Nov 11, 2024 thru Nov 15, 2024

Milan Vaishnav, CMT, MSTA



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# Week Ahead: NIFTY Likely To Stay Sluggish; Multiple Resistances Are Nestled In This Zone

The markets continued to stay tentative over the past five days while continuing to trade with a weak undertone. The Nifty digested the reaction to the US election outcome. There were two days of a strong technical rebound; this was sold into subsequently which kept Nifty in a broadly defined range. The trading range was wider; the Nifty oscillated in a 721-point range. Volatility cooled off; the India VIX declined by 6.95% to 14.47 through the week. Following a ranged trade with a weak underlying bias, the headline index closed with a net weekly loss of (-156.15) points or (-0.64%).



The markets are not out of the woods as yet from a technical perspective. The Nifty has violated the 20-week MA which currently stands at 24775. This level also coincides with an extended trendline which initially acted as a support but now acts as a resistance. Below this point, there are other several resistance levels as well. The 100-day MA is placed at 24709 and a short-term 20-day MA is placed at 24486. All these combined, the Nifty has created a 250-point resistance zone between 24500-24750 levels. This would mean that all technical rebounds will start facing turbulence the moment the index hits this zone. The resistance levels have been dragged lower. On the downside, major pattern support exists at 23800; if this is violated, it will make the markets weaker than what they are today. This keeps the Nifty in a broad, but well-defined trading zone.

**Monday is likely to see a quiet start to the week. The levels of 24300 and 24485 are likely to act as probable resistance points for Nifty. The supports come in at 23960 and 23800 levels. The trading range is likely to stay wider than usual.**

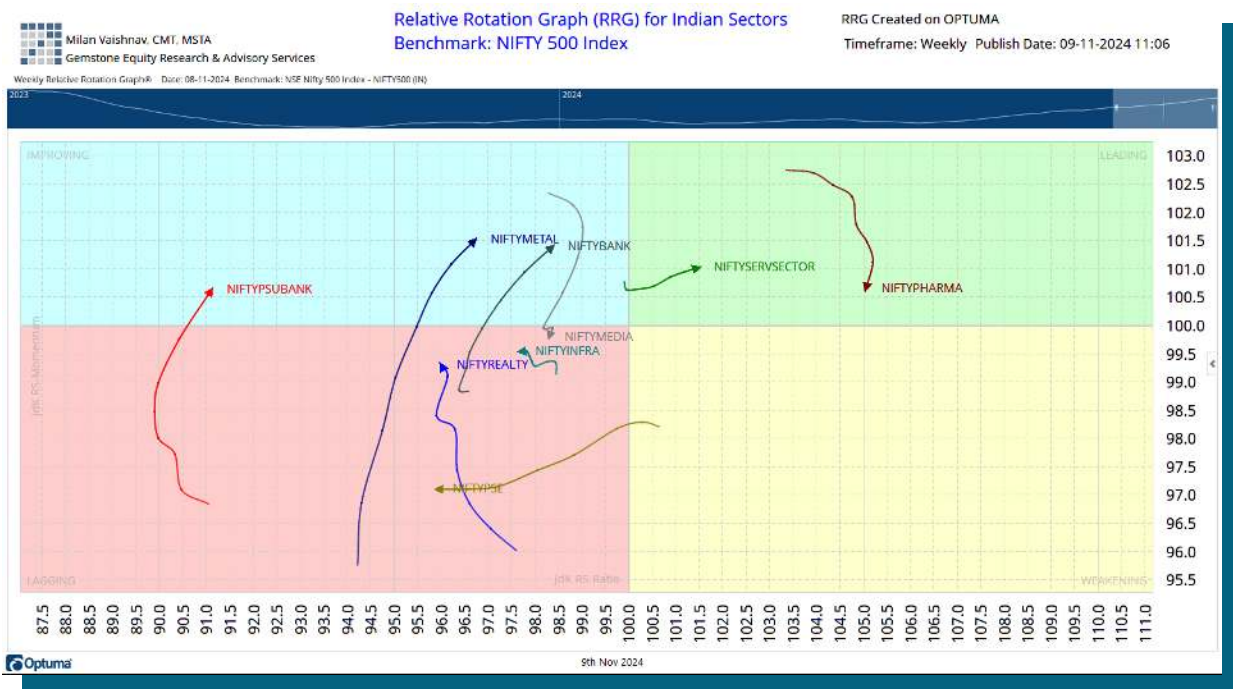
The weekly RSI stands at 49.50; it stays neutral and does not show any divergence against the price. The weekly MACD is bearish and stays below its signal line.

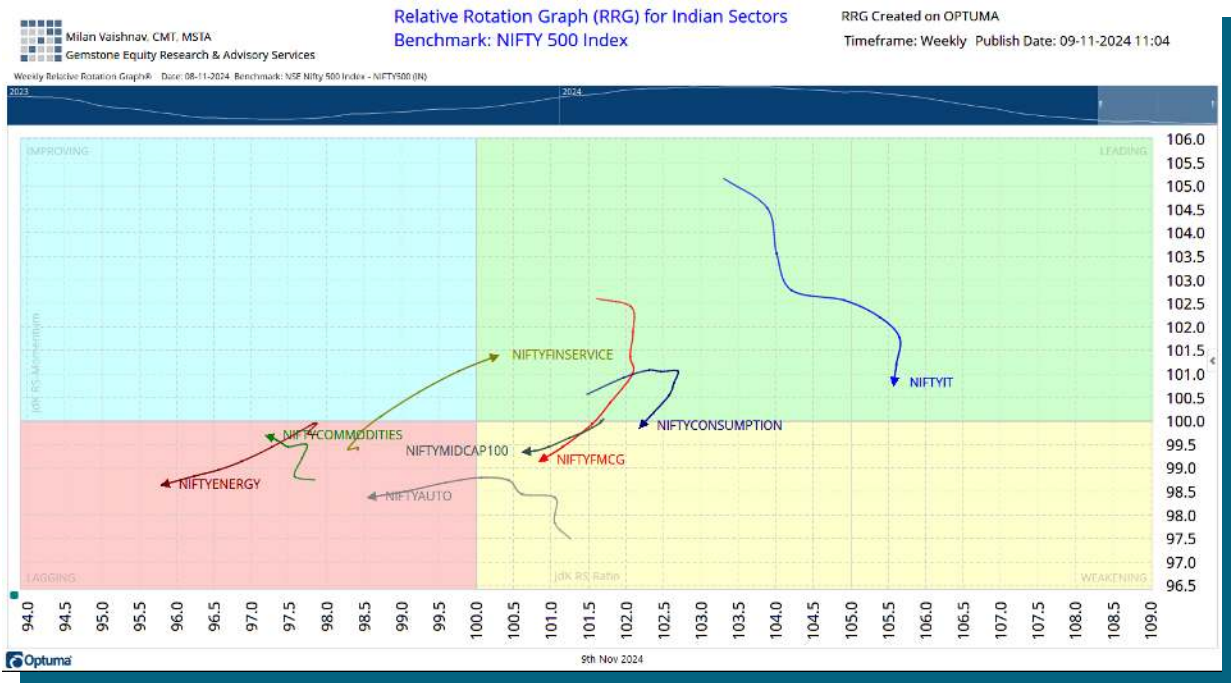
The pattern analysis of the weekly charts suggests that the Nifty remains in a corrective downward trajectory. The recent downward move has also dragged the resistance levels lower for the Index. Presently, the markets have multiple resistance levels nestled in the zone of 24500-24750. With the immediate pattern support existing at 23800, the Nifty remains in this wide but well-defined trading zone.



All and all, the markets are likely to see intermittent technical rebounds over the coming days. However, it would be important to be mindful of the fact that a sustained rally is unlikely so long as Nifty does not move past the 24500-24750 zone. Until this zone is taken out, Nifty is unlikely to see any runaway rally. Therefore, during all such technical rebounds, as and when they occur, it would be crucially important to mindfully protect the gains at higher levels. Rather than giving such rebounds a mindless chase, it would be necessary to vigilantly guard positions at higher levels. The markets remain susceptible to selling pressure at higher levels. A cautious outlook is advised for the coming week.

*In our look at Relative Rotation Graphs®, we compared various sectors against CNX500 (NIFTY 500 Index), which represents over 95% of the free float market cap of all the stocks listed*





Relative Rotation Graphs (RRG) show that the Financial Services index has rolled inside the leading quadrant. The Nifty IT, Services Sector, and the Pharma indices are also inside the leading quadrant. These groups are likely to continue to relatively outperform the broader Nifty 500 Index.

The Nifty Consumption index has rolled inside the weakening quadrant. Besides this, the FMCG and the MidCap 100 indices are also inside the weakening quadrant and may continue giving up on their relative performance.

The Nifty Auto, Commodities, Energy, Media, Infrastructure, Realty, and PSE indices are inside the lagging quadrant. These groups may relatively underperform the broader markets.

The PSU Bank Index has rolled inside the improving quadrant. The Nifty Metal and the Nifty Bank Index are also inside the improving quadrant. They may continue bettering their relative performance against the broader markets.

**Important Note:** RRG™ charts show the relative strength and momentum of a group of stocks. In the above Chart, they show relative performance against NIFTY500 Index (Broader Markets) and should not be used directly as buy or sell signals.

## Milan Vaishnav, CMT, MSTA

Consulting Technical Analyst | Member: (CMT Association, USA | CSTA, Canada | STA, UK) | (Research Analyst, SEBI Reg. No. INH000003341)

