

Weekly Outlook: 29th Dec 2024 — 4th Jan 2025



2024: DONE AND DUSTED

NIFTY OUTLOOK



NIFTY Shows Indecision Amid Market Tug-of-War: Key Levels to Watch

The NIFTY index closed the week at 23,813.40, registering a 0.96% gain from last week's close. Despite the uptick, the weekly chart signals sideways-to-reversal patterns, reflecting market indecision. While the index holds above critical support levels, hinting at a potential trend reversal, traders remain cautious.

This week's small-bodied bullish candle, with upper and lower wicks, underscores a tug-ofwar between buyers and sellers, with neither gaining a decisive edge. A breakout above the key 24,200 level could reignite bullish momentum, attracting fresh buying interest and paving the way for gains toward 24,500 and 25,000.

On the technical front, NIFTY trades below its 20-day EMA, suggesting possible downside testing toward the 50-day EMA. The RSI at 46.74 reflects weakened momentum, pointing to a need for sustained buying to overcome resistance.

Support lies at 23,700 and 23,500, offering strong buying opportunities, while resistance remains at 24,000 and 24,200. India VIX fell 5.68% to 13.2375, signaling reduced volatility. Options data reveals significant call writing at 24,000 and 24,200, marking resistance, while heavy put open interest at 23,500 confirms robust support.

A sustained break above 24,200 could shift the tide, setting the stage for a bullish trend reversal.



BANK NIFTY OUTLOOK



BANKNIFTY Faces Selling Pressure: Key Levels and Strategy Ahead

The BANKNIFTY index ended the week at 51,311.30, up 1.09% from last week. Despite the gain, the weekly chart signals sideways to bearish patterns, with the index struggling to sustain higher levels—a potential indicator of a trend reversal.

A small-bodied bullish candle with a higher wick formed this week, highlighting market indecision and selling pressure at elevated levels. This pattern reflects waning bullish sentiment, suggesting a likelihood of continued bearish pressure. Traders are advised to adopt a "sell on rise" strategy while the index stays below the critical 52,000 mark, with downside targets at 50,700 and 50,200.

Technically, BANKNIFTY has closed below its 20-day EMA, pointing to potential downside testing at the 50-day EMA. The RSI stands at 50.33, signaling declining momentum. Resistance is strong in the 51,500–51,800 zone, while key support lies at 51,000 and 50,500, as highlighted by open interest in the derivatives market.

For this week's expiry, private-sector ICICIBANK shows strength, while public-sector CANBK and SBIN hint at reversal potential from lower levels.

Amid market volatility, a cautious approach is essential. Traders should maintain strict stop-loss levels and avoid overnight longs, with a trading range likely to remain between 50,500 and 52,000.





POWER PLAY STOCK PICKS FOR THE WEEK



NAVKAR CORPORATION





Navkar Corporation stock has been consolidating for the past 86 days, forming a solid base that aligns with a cup-and-handle pattern. This classic bullish setup indicates a potential upward breakout, signaling renewed buying interest.

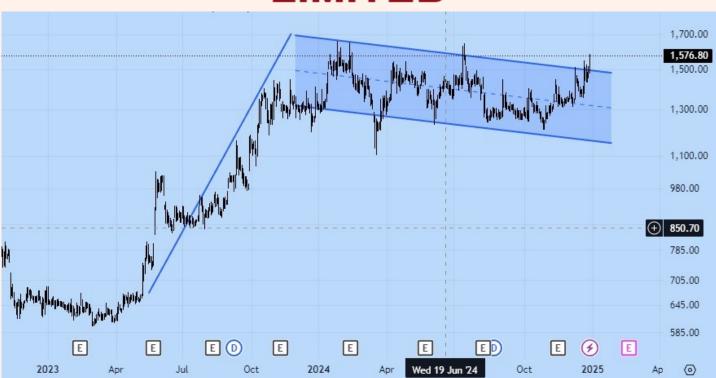
The breakout level is identified at 165, which, if sustained, could pave the way for a strong rally. A prudent stop-loss is recommended below 150 to mitigate downside risks. Upon confirmation of the breakout, the stock has the potential to achieve a target of 200 in the coming sessions.

The cup-and-handle pattern reflects accumulation by market participants, and the breakout above ₹165 would further validate this bullish outlook. Traders and investors should monitor volume closely, as an increase in trading activity on the breakout would strengthen the case for further upward movement. Disciplined risk management and market vigilance are essential to capitalize on this opportunity effectively.



MAZDA LIMITED





Mazda Ltd. stock has been consolidating for an extended period of 397 days, forming a robust base indicative of a pole-and-flag pattern. This technical pattern, known for its bullish implications, suggests the potential for a significant upward move.

The breakout level is identified at 1,590, signaling a shift in momentum once this level is breached. A disciplined stop-loss is recommended below 1,480 to manage downside risk effectively. With the breakout, the stock is well-positioned to target 1,900 in the coming sessions, offering a favorable risk-to-reward ratio for traders and investors.

The long base period emphasizes strong accumulation, further validating the reliability of this breakout. Volume expansion on the breakout will serve as a key confirmation, strengthening the bullish outlook. Investors are advised to track market conditions and maintain disciplined risk management to capitalize on this potential move.



APOLLO HOSPITAL





Apollo Hospitals stock has been consolidating over the past 212 days, forming a strong base indicative of a classic cup-and-handle pattern. This technical setup is considered bullish and signals potential upward momentum. The breakout point is identified at ₹7,260, with a stop-loss placed below ₹7,180 to manage risk effectively.

With the breakout above ₹7,260, the stock is poised to target levels of ₹7,500 in the upcoming sessions, as the pattern suggests renewed buying interest. The long base further strengthens the reliability of this breakout, indicating sustained accumulation by market participants. Traders and investors may find this a favorable opportunity to capitalize on the momentum while adhering to disciplined risk management.

Market conditions and volume confirmation will play a key role in validating the breakout. Monitoring these factors closely can help in achieving the projected targets effectively.



LUPIN



Lupin's stock is currently exhibiting a strong bullish setup, forming a classic pole and flag pattern. This pattern typically signals a continuation of the prevailing uptrend, supported by robust volumes. Last week, the stock confirmed a breakout above the crucial resistance level of ₹2230, indicating renewed buying momentum.

The immediate support is seen at ₹2160, which serves as the stop-loss level for traders. As long as the stock remains above this level, the bullish sentiment is likely to persist. The breakout suggests an upside potential with a near-term target of ₹2400, aligning with the pattern's projected move.

Traders should watch for sustained volume during pullbacks and maintain caution if the stock dips below ₹2160. Overall, Lupin appears well-positioned for further upside, making it an attractive short-to-medium-term opportunity.





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