

Index	CMP	% Chng	S2	S1	P	R1	R2
Nifty	21,571.80	-0.23%	21435	21500	21610	21680	21790
Sensex	71,423.65	-0.36%	70875	71150	71590	71860	72300
Bank Nifty	46,058.20	0.78%	45420	45740	45960	46280	46505



Nifty opened with an upward gap but witnessed selling from the opening tick to end on a negative note. Nifty closed at 21572 on 20th January with a loss of 51 points.

On the daily chart, the index has formed a 'bearish engulfing' candle after facing major resistance near the 21700 levels, indicating profit booking at higher levels. The index closes below 20 SMA (21674) indicating a short-term negative bias, and it will act as crucial resistance. The chart pattern suggests that if Nifty crosses and sustains above 21600 level, it would witness buying, leading the index towards 21700-21800 levels. Important supports for the day are around 21500. However, if the index sustains below 21500, then it may witness profit booking, taking the index towards 21400-21300 levels. Nifty is trading above 50, 100, and 200-day SMAs, indicating a positive bias in the medium term. Nifty continues to remain in an uptrend for the medium term, so buying on dips continues to be our preferred strategy.

The daily strength indicator RSI is moving downwards and is quoting below its reference line, indicating a profit booking..

The trend-deciding level for the day is 21610. If NIFTY trades above this level, then we may witness a further rally up to 21680-21790-21860 levels. However, if NIFTY trades below 21610 levels, then we may see some profit booking initiating in the market, which may correct up to 21500-21435-21325 levels.



Bank Nifty opened with an upward gap and witnessed extreme volatility on either side throughout the day. Bank Nifty closed at 46058 on 20th January with a gain of 357 points.

On the daily chart, the index has formed a bullish candle; however, it remained restricted within the previous session's High-Low range, indicating an absence of strength on either side. The index is moving in a lower top and lower bottom formation on the daily chart, indicating a negative bias. The chart pattern suggests that if Bank Nifty crosses and sustains above the 46200 level, it would witness buying, leading the index towards 46300-46400 levels. Important supports for the day are around 45950. However, if the index sustains below 45950, then it may witness profit booking, taking the index towards 45800-45700 levels. Bank Nifty is trading below the 20 and 50 - day SMA, which is an important short-term moving average, indicating a negative bias in the short term. However, it manages to sustain above the 100 and 200-day SMA, supporting bullish sentiments in the medium to long term. Bank Nifty continues to remain in a downtrend in the short term, so exiting on small pullback rallies continues to be our preferred strategy.

The daily strength indicator RSI continues to remain flat and is below its reference line, indicating the index is taking a pause after a sharp fall.

The trend-deciding level for the day is 45960. If BANK NIFTY trades above this level, then we may witness a further rally up to 46280-46505-46825 levels. However, if BANK NIFTY trades below 45960 levels, then we may see some profit booking initiating in the market, which may correct up to 45740-45420-45195 levels.

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