

Index	CMP	% Chng	S2	S1	P	R1	R2
Nifty	21,462.25	-0.51%	21175	21320	21430	21575	21685
Sensex	71,186.86	-0.44%	70315	70750	71100	71535	71885
Bank Nifty	45,713.55	-0.76%	45025	45370	45775	46120	46530



The Nifty opened with a downward gap and traded with extreme volatility on either side, ultimately closing on a negative note. Nifty closed at 21462 on 18th January with a loss of 110 points.

On the daily chart, the index has formed a small bullish candle with shadows on either side, representing extreme volatility and indecisiveness among participants regarding the direction. The index should sustain above the 20 SMA (21645) for a reversal, which acts as a crucial resistance on an immediate basis. The chart pattern suggests that if Nifty crosses and sustains above the 21550 level, it would witness buying, leading the index towards 21650-21700 levels. Important supports for the day are around 21400. However, if the index sustains below 21400, then it may witness profit booking, taking the index towards 21300-21200 levels. Nifty is trading above the 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 has turned negative from the overbought territory and is below its reference line, indicating a profit booking

The trend-deciding level for the day is 21430. If NIFTY trades above this level, then we may witness a further rally up to 21575-21685-21825 levels. However, if NIFTY trades below 21430 levels, then we may see some profit booking initiating in the market, which may correct up to 21320-21175-21065 levels. Please check grammar, and don't put commas in numbers.



Bank Nifty opened sharply lower with a downward gap and extended buying momentum in the first half; however, we witnessed profit booking in the later half of the day. Bank Nifty closed at 45714 on 18th January with a loss of 351 points.

On the daily chart the index has formed a small Bullish candle with upper shadow indicating selling pressure as well as resistance at higher levels. The index should sustain above the 50 SMA (46304) for a reversal, which acts as a crucial resistance on an immediate basis. The chart pattern suggests that if Bank Nifty crosses and sustains above the 45900 level, it would witness buying, leading the index towards 46000-46200 levels. Important supports for the day are around 46000. However, if the index sustains below 45500, then it may witness profit booking, taking the index towards 45400-45300 levels. Bank Nifty is sustaining above its 100, and 200-day SMA, signalling bullish sentiments in the near term. Bank Nifty continues to remain in an uptrend in the medium and long term, so buying on dips continues to be our preferred strategy.

The daily strength indicator RSI has turned negative from the overbought territory and is below its reference line, indicating a profit booking.

The trend-deciding level for the day is 45775. If BANK NIFTY trades above this level, then we may witness a further rally up to 46120-46530-46875 levels. However, if BANK NIFTY trades below 45775 levels, then we may see some profit booking initiating in the market, which may correct up to 45370-45025-44615 levels.

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