

Twitter Thread by Gautam Mazumdar

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Weekend review of Nifty

Last week I had anticipated 10320 to 10335 might bring in supply. My view in previous week was some selling was expected in the course of the week. Being vindicated by market gives me immense pleasure and satisfaction.

The three trends analysis

Primary: Down

Intermediate term: Up. The trend will turn down only if lower high lower low sequence is formed in daily charts by close. As of now it is premature to say previous upside trend has reversed.

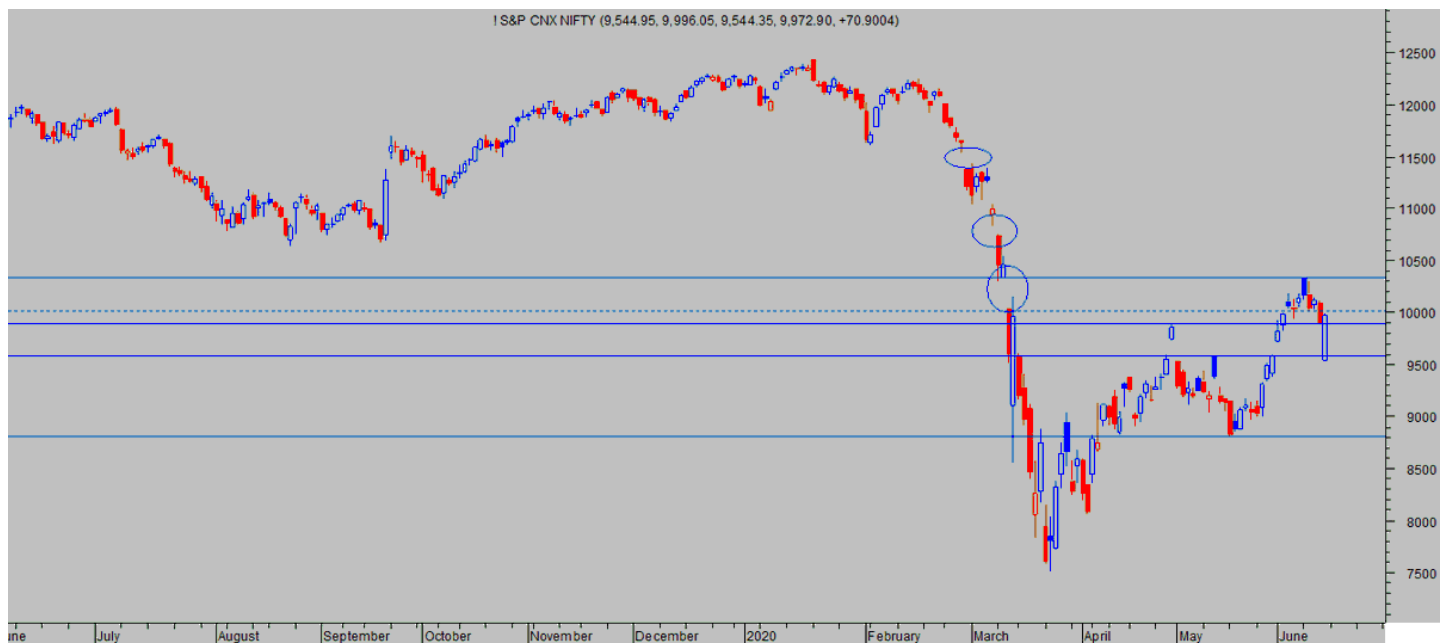


.....(This is as per Dow theory, whose major drawback is signal generated is too late)

Short term: Up : The short term uptrend which began after lower opening on Friday is still up. It takes a small swing for itself to turn down....

..... As of now move below 9894 will disturb the trend. (13 SMA often provides vital clue on it. It is presently placed at 9894
Supports & Resistances

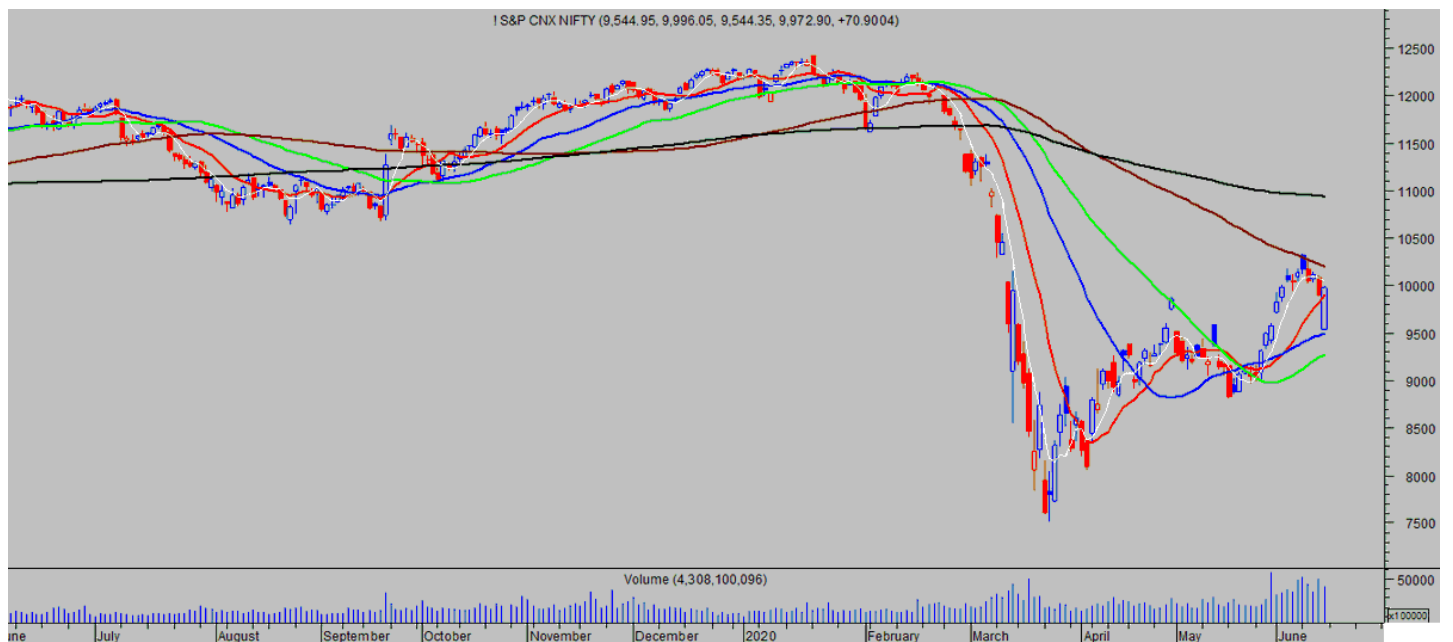
Major swing high/ swing low nearby are at 9544(Friday's low)---9889--- 10000---10333---clusters at 10585 to 10670



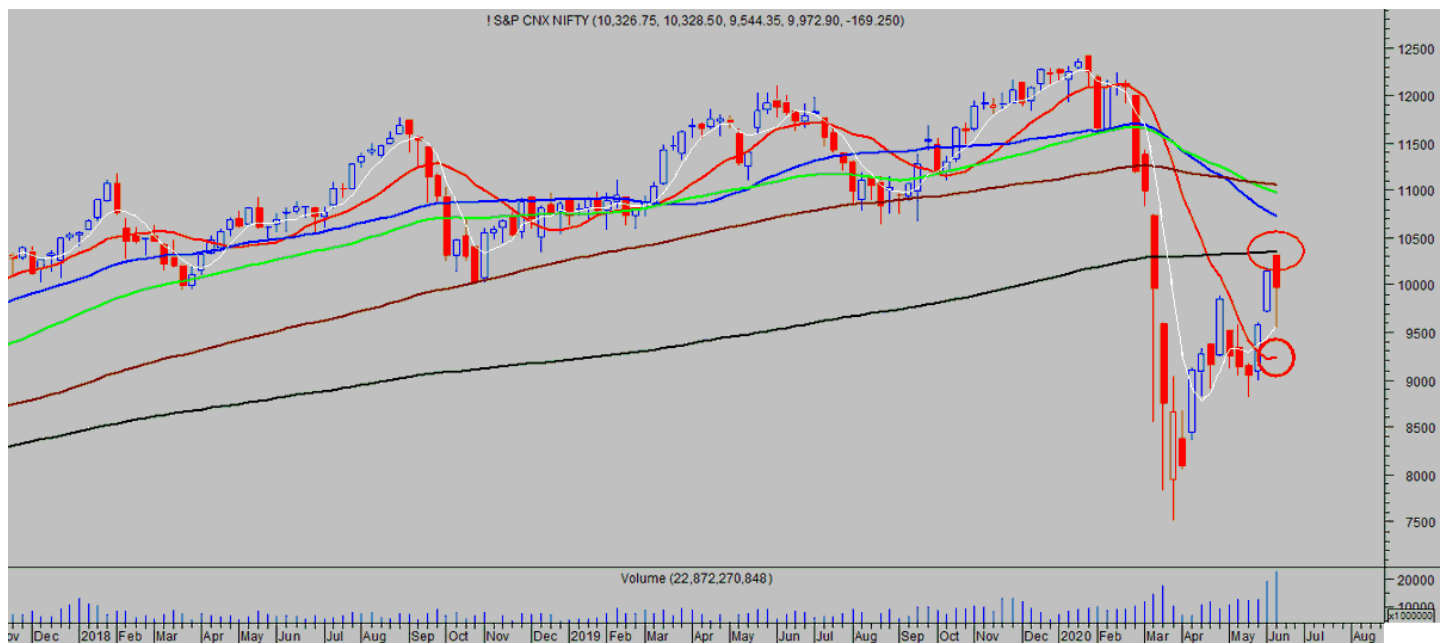
Unfilled gaps are visible at 10751 to 10827 on higher side. Two other gaps one on lower side the other on higher side was filled by the index previous week.

Previous week the price with respect to moving averages had deviated too much.....

..... I had mentioned it in my review. Due to price correction the anomaly has reduced in major way
 On daily charts the values are 5 (White 10041) 13 (red 9894) 30 (blue 9491) 50 (green 9271) 100 (brown 10206) and 200 (black 10940).

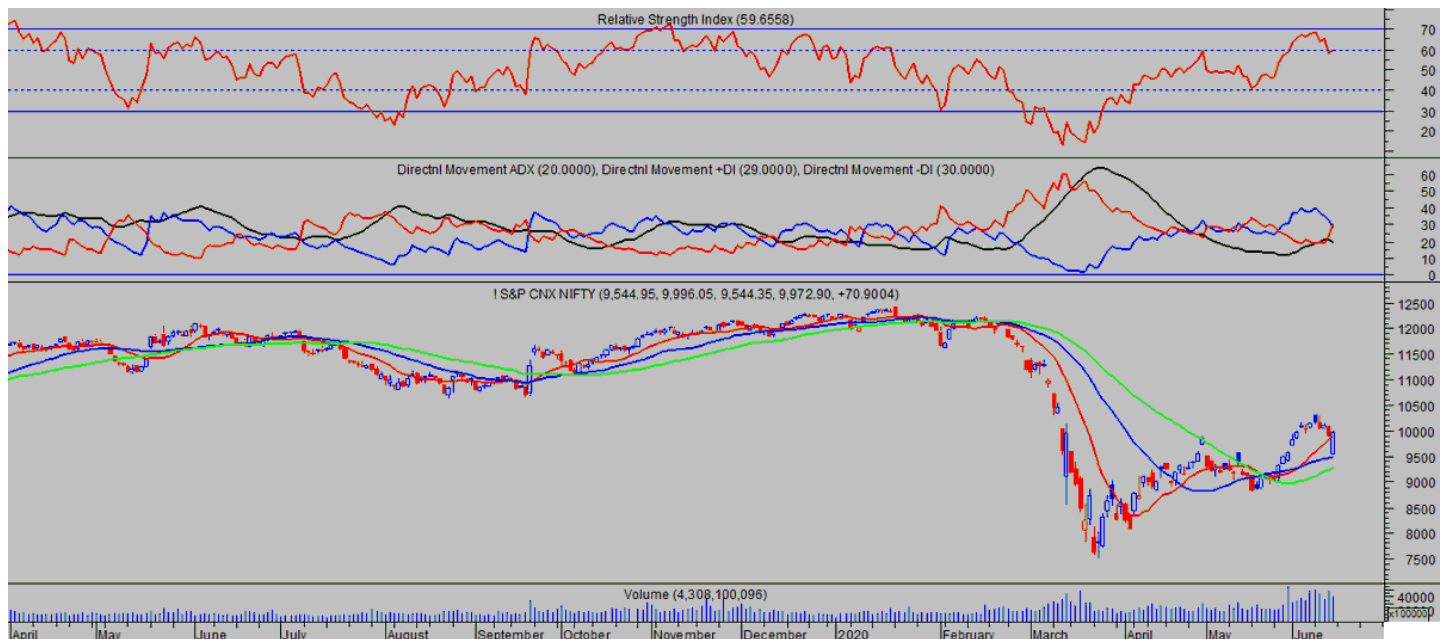


On weekly charts the values are 5 (White 9574) 13 (red 9231) 30 (blue 10722) 50 (green 10980) 100(brown 11066) and 200 (black 10358).



RSI (14) Daily ... Last week I mentioned “During bear market, an indicator rarely moves inside and stays there for a prolonged period. IF the present rally is a bear market rally the indicator is likely to show topping out signal in the coming week.”

.....It happened exactly as anticipated. The indicator has significantly cooled off from there. It is at 60 zone. In order to show strength this zone should not be violated. On the upside my view remains the same.



Can we infer the movement as that there is a high possibility that in case of upside move in index, the indicator may start exhibiting negative divergence. Hell no! We should not check it that way. Instead we will think of crossing the bridge when it comes.

RSI (14) Weekly is near the equilibrium line. This indicator too will give us vital clues in next couple of weeks of things to come.

RSI (14) 60 Min chart... This is quite interesting. It has crossed over a downward sloping trendline.....

Nifty 50, India, NSE:NSEI, 60

..... The projection of the breakout comes to slightly less than 70. It is presently at 48.

ADX (14) Daily: Strong indication that a trading market is on.

In 60 min chart ADX: As I write the report, is indicating trading market.

Open interest interpretation: Last five trading days has not seen much of open interest change. This is an indication that the ongoing move during the time period is corrective in nature.

DATE	Security Name	CLOSE	CHANGE IN		
			PRICE	CC	% CHANGE IN OI
6-1-2020	! S&P CNX NIFTY	9826.15	245.85	51.05	3.26
6-2-2020	! S&P CNX NIFTY	9979.10	152.95	19.00	6.99
6-3-2020	! S&P CNX NIFTY	10061.55	82.45	26.40	0.78
6-4-2020	! S&P CNX NIFTY	10029.10	(32.45)	(21.70)	(6.36)
6-5-2020	! S&P CNX NIFTY	10142.15	113.05	14.80	3.94
6-8-2020	! S&P CNX NIFTY	10167.45	25.30	(5.45)	1.44
6-9-2020	! S&P CNX NIFTY	10046.65	(120.80)	(10.55)	(0.24)
6-10-2020	! S&P CNX NIFTY	10116.15	69.50	15.20	0.06
6-11-2020	! S&P CNX NIFTY	9902.00	(214.15)	(10.00)	4.25
6-12-2020	! S&P CNX NIFTY	9972.90	70.90	(10.10)	(0.99)

Put Call Ratio: The ratio was stagnant at 1.53---1.59 two weeks ahead. In the ongoing fall it corrected to 1.20 and bounced in a healthy manner and is presently at 1.47. The previous range can again become an obstacle.

Date	CLOSE	OI put	OI Call	Put Call ratio	On expiry days ex-expired
06-01-2020	9827	57500950	37505400	1.53	
06-02-2020	9979	62831875	39493500	1.59	
06-03-2020	10061	68836075	43176075	1.59	
06-04-2020	10029	79333750	58176000	1.36	1.52
06-05-2020	10142	60787375	40395525	1.50	
06-08-2020	10167	65852650	48210975	1.37	
06-09-2020	10046	68207650	56651175	1.20	
06-10-2020	10116	72294925	53351100	1.36	
06-11-2020	9902	73153225	70552950	1.04	1.4
06-12-2020	9972	69095500	46961850	1.47	

Conclusion: Bhaiya, galti karney se maar maat dena. The data point in derivative is pointing that there might be a pullback on the upside.....

However it is unlikely to remain and stay above 10335 if any rally commences.

On lower side 9880---9900 zone is crucial. One should abandon bullish view if this is violated again. On the silver side one may enter long with a stop below the zone.

Overall on the charts, it appears that any major rally has a high probability of getting terminated and that might be for a significant period of time. In other words the next downside move can begin from slightly higher levels from here.

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You may visit the page <https://t.co/bys5nZW3MY> where you will get the link to purchase videos on

1. Moving averages
2. Support resistance (contains a detailed commentary on open interest interpretation)
3. ADX

Watch them compare them with my studies and you grow up. It will be my pleasure to help you out in case of any clarifications.