

# SCALPERS

## TRADING ACADEMY

### MONTHLY NEWSLETTER

-GOMATHI SHANKAR

#### **THE DOOM AND BOOM OF BULLS AND BEARS**

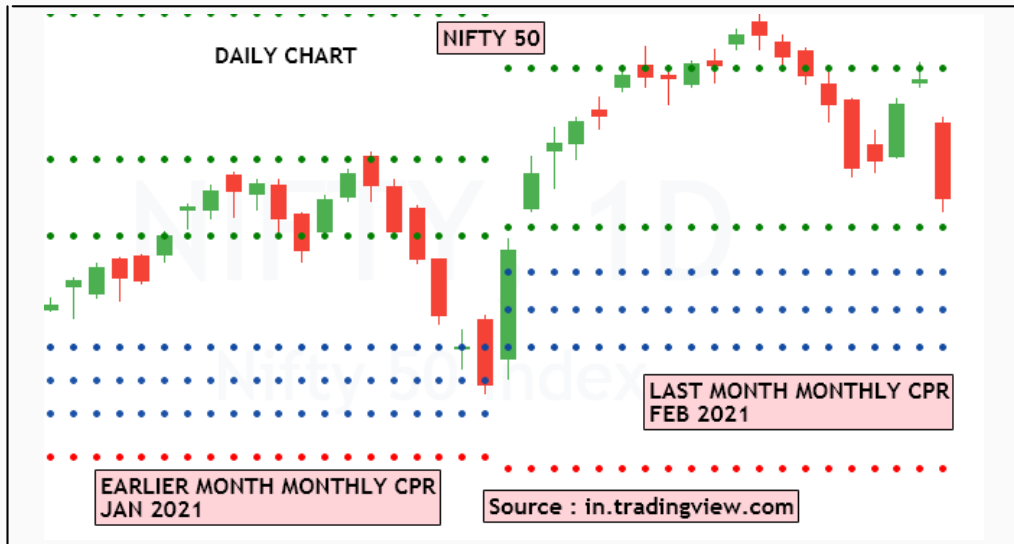
The economy grew at 4.1 percent pace, which is slightly faster. Indian economy is out of recession. The focus on increased spending on the infrastructure sector could have a multiplier effect on the economy. Higher yields reflect increasing optimism about global economic recovery. Yet, the fear of rising inflation could pose a dilemma to the Central Bank. The pandemic remains a trigger for the pharma sector.



After the corona virus outbreak, Pharma companies witnessed increased demand. The positive stance can be retained in this sector, as the government has also extended some schemes in the pharma sector. Accelerated vaccine distribution and the influx of new government stimulus efforts could lift growth in the current quarter. India's rice output is also expected to increase this year. The rally seen in equities and commodities in the last few months has been driven by huge monetary inflow by major central banks. The pro-growth budget that focuses on 35 percent increase in capital expenditure for FY22 will further support the economic revival and thus pushing up corporate earnings. Expecting a massive rise in Real estate, Automobiles, Metals and Cement sectors. There are many positives for the financial sector. Sectorally, the action was seen in metals and power indices. Sell off was seen in IT, Auto, Bank and finance. Bigger impact of rising bond yield is visible in banking sectors. Mid and small cap sectors have seen less fall. The market will react to this positive GDP data for this current quarter. The frontline indices have fallen by more than 3.75 percent as a result of a riot of sell off happening in the domestic markets. It was a bad start for the March series. Rising inflationary expectations and the rising yields have a potential to affect the equity sentiment and equity markets. After a sharp rise for several months in the market, the correction was warranted. Such ebbs and corrections will provide opportunities for the investors. The Budget announcements and the accommodative stance of the RBI could fuel growth in the coming quarters.

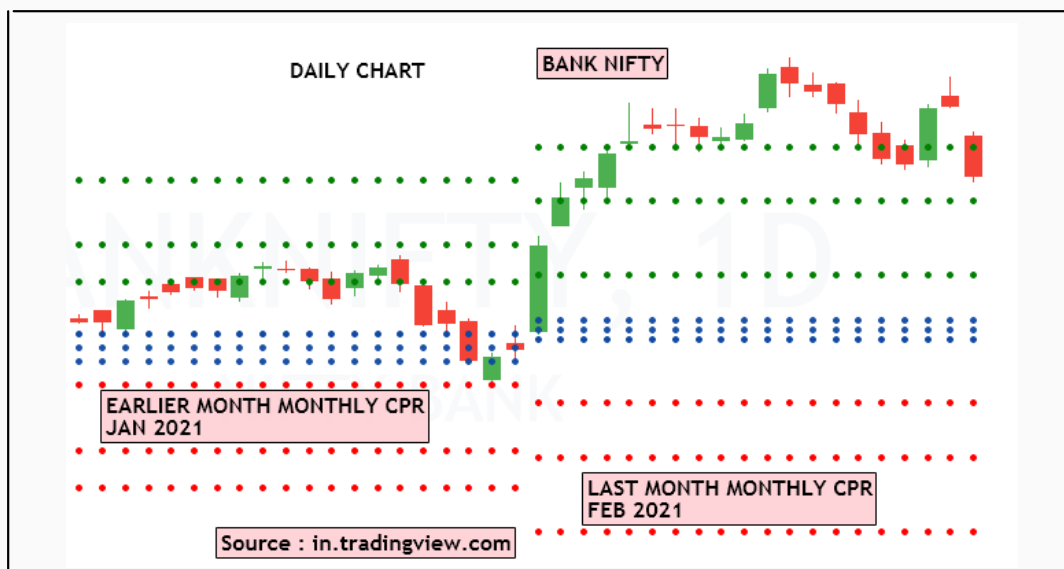
## **NIFTY - RECAP:**

Nifty was having overlapping & medium sized CPR in the previous month. The candles opened exactly at CPR and initially the bulls were ferocious to take the prices higher and hooked all time high. From the beginning of FEB 2021, the bulls have taken the charge and dragged the price higher and higher and made fresh all time high at 15431. After a long run towards monthly CPR R2-R3 50 %, bulls have fainted. The formation of bearish candles in the weekly chart indicates that the sleeping bears were aroused. Though the bulls were in charge, all of a sudden the drowsy bears managed to take the prices down and made a healthy correction around 6.36% from 52 week high and closed at 14529.15



## **BANK NIFTY-RECAP:**

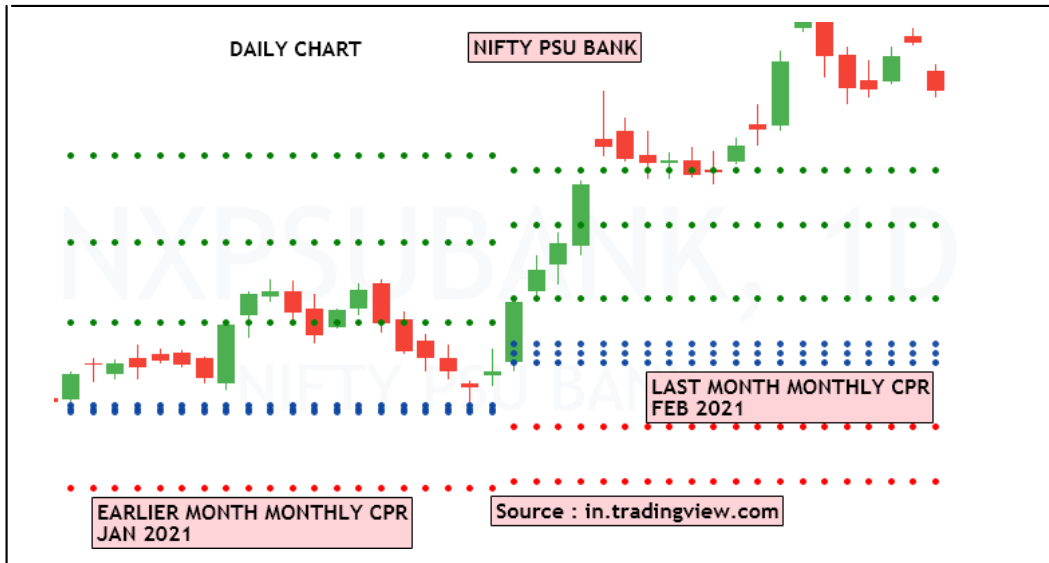
We had an overlapping and medium sized CPR in bank nifty for the previous month. On the 1st week of FEB, the candles opened exactly at CPR and sustained above the CPR. As the bears looked worn out, bulls rioted and dragged the prices up till monthly CPR R3-R4 50% & made a hike at 37708. The formation of doji candle in the second week represents the tug of war between bulls and bears. Though bulls managed to sustain as bears were enfeebled. Bulls were on rampage on this month and closed at 34803.60



## **SECTOR WHICH BLASTED LAST MONTH**

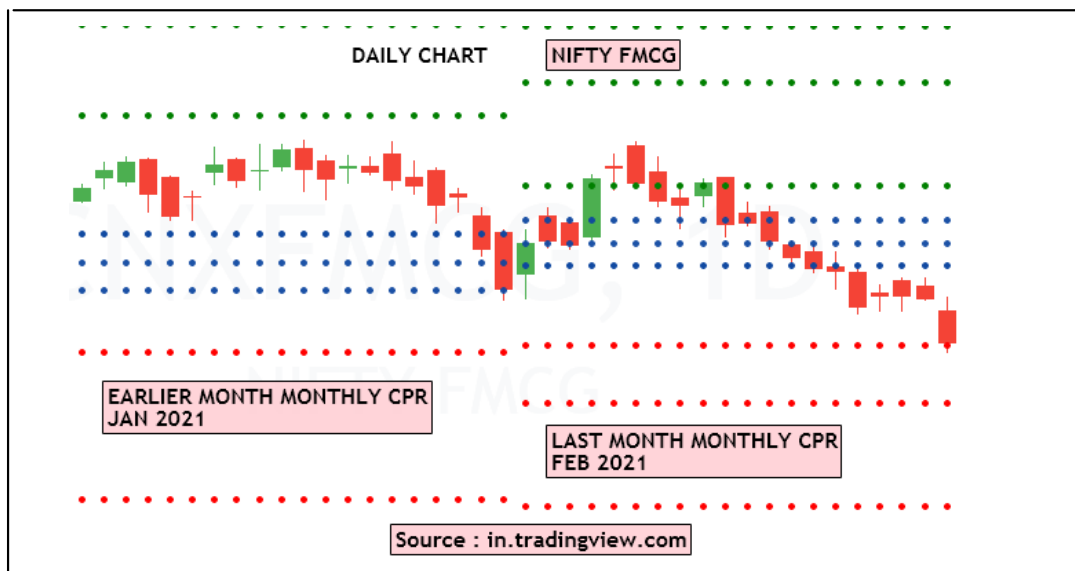
### **NIFTY PSU BANK RECAP:**

We have encountered ascending and narrow CPR in the previous month. The candles exactly opened at CPR and sustained above CPR. As there was a narrow CPR, from the first week of Feb the bulls were on a rampage and the bears had no power to drag the prices down. The draconian bulls have taken the prices higher till Monthly CPR R3-R4 50% and made an overarching rally for 31.88%. After a strong show, on the weekly chart CNX PSU BANK was closed with a bearish candle in the last week which indicates the initiation of retracement.



### **NIFTY FMCG RECAP:**

We have experienced ascending, overlapping & medium sized CPR in the past month. The candles were opened exactly at CPR, but bulls showed no energy to drag the prices higher in the first week of Feb. Then the indomitable bears have taken control from the strong resistance level 34985 and declined heavily till 7.36%. The resilient bears breached CPR then reached S1 and closed at 32443.15



**TRADE PLAN FOR UPCOMING MONTH:**

**NIFTY 50**

<b>SECTOR</b>	<b>NIFTY</b>
<b>CMP</b>	<b>14529.15</b>
<b>CPR RANGE</b>	<b>26.50 pts (0.18%)</b>

**CPR LEVELS**

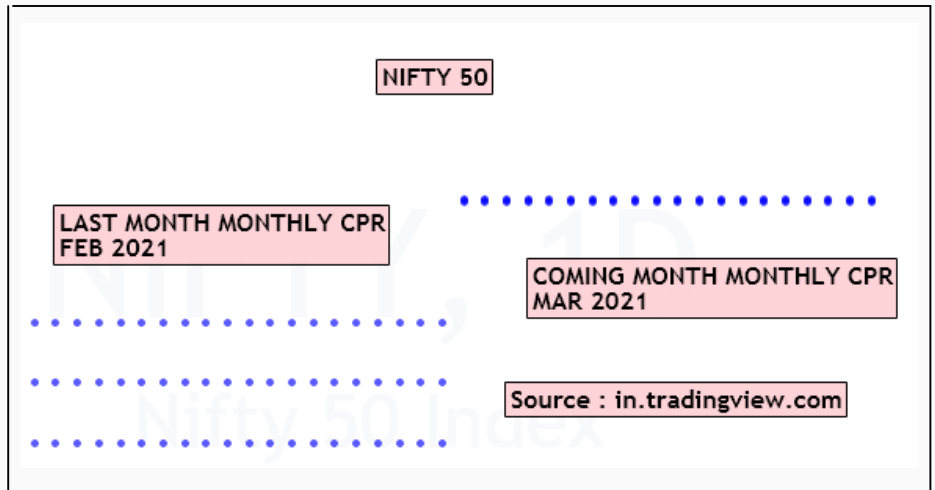
**TC** - 14546.75

**PIVOT** - 14540.90

**BC** - 14535.00

**OUTLOOK**

- **Ascending**
- **Narrow CPR**
- **Bullish**



**EXPECTATION:**

- Nifty is in critical stage, breaking 15001 level will lead to a rally.
- 16310 would be a next hurdle for bulls.
- Bears are seems to be exhausted.
- We can look for short opportunities if the candle closed below 13597.

**BANK NIFTY:**

<b>SECTOR</b>	<b>BANK NIFTY</b>
<b>CMP</b>	<b>34803.6</b>
<b>CPR RANGE</b>	<b>324.40 pts (0.94%)</b>

**CPR LEVELS**

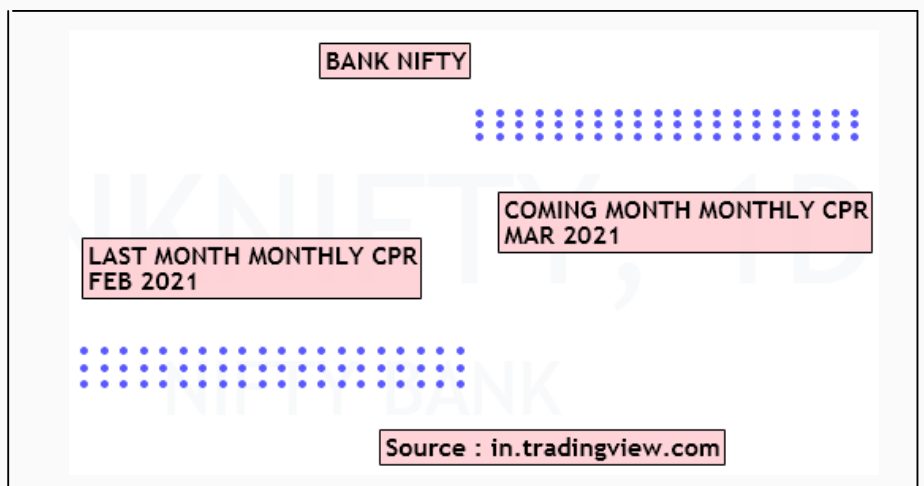
**TC** - 34638.25

**PIVOT** - 34472.95

**BC** - 34307.60

**OUTLOOK**

- **Ascending**
- **Narrow CPR**
- **Bearish**



**EXPECTATION:**

- Bulls are seems to be enervated.
- Bulls will survive if candles close above 37709.
- One hour candle close below 32750 will give a further fall.
- 31237 would be a stop for bears.

## SECTORS LIKELY TO BLAST FOR THE UPCOMING MONTH

### NIFTY IT:

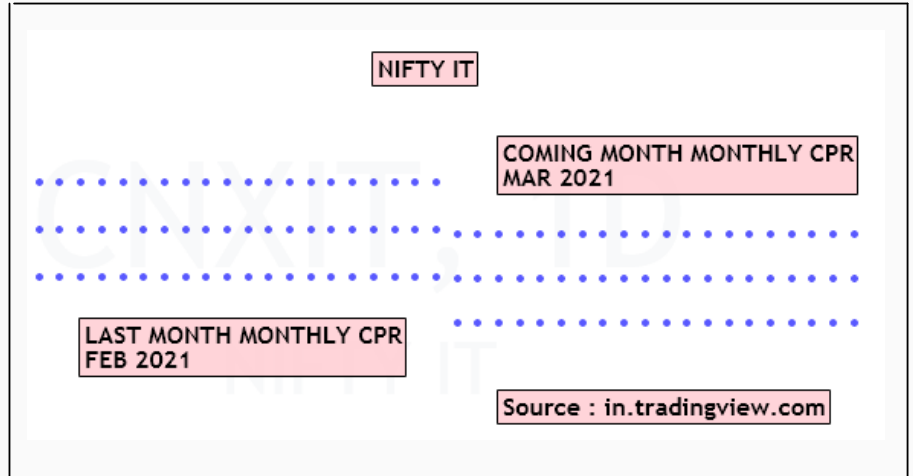
SECTOR	NIFTY IT
CMP	24301.45
CPR RANGE	696.55 (2.75%)

#### CPR LEVELS

TC - 25333.95  
PIVOT - 24989.75  
BC - 24645.60

#### OUTLOOK

- Descending
- Overlapping
- Wide CPR
- Bearish



#### EXPECTATION:

- If the free fall continues, the sector may bleed till 22010.
- 24295 seems to be a strong support.
- Bulls have a chance if the candle closes above 26447.
- 25265 is the strong resistance level.
- Major stocks contributing this sector are INFY, TCS.

### NIFTY FIN SERVICES:

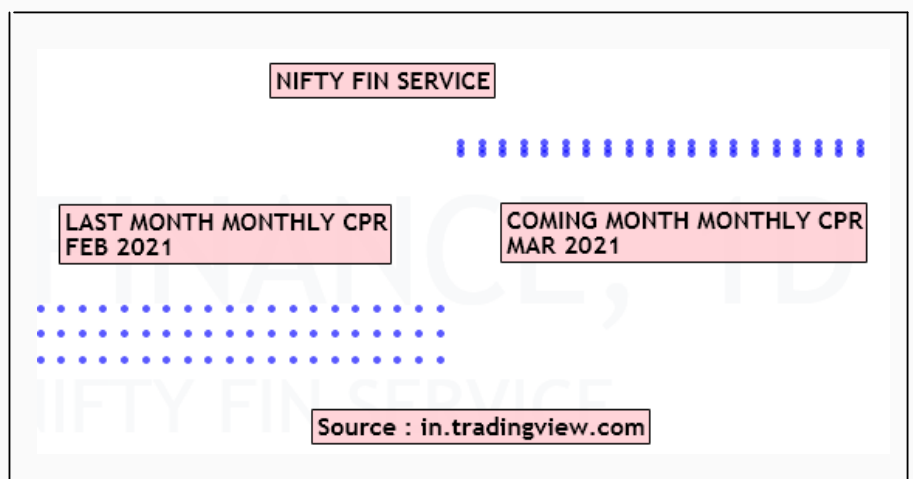
SECTOR	NIFTY FIN SERVICE
CMP	16085.25
CPR RANGE	83.45 pts (0.52%)

#### CPR LEVELS

TC - 16193.55  
PIVOT - 16157.45  
BC - 16121.35

#### OUTLOOK

- Ascending
- Narrow CPR
- Bullish



#### EXPECTATION:

- In this sector, 17083 is acting as a strong resistance.
- We may expect a bull rally once the candles crossed.
- We can consider bears if the candles closed below 15114.
- 14433 is a strong support
- Major stocks contributing to this sector are BAJFINANCE, HDFCBANK.



## TIPS TO IMPROVE YOUR TRADING PSYCHOLOGY

- Strictly follow 2% risk per day on your deployed capital.
- You can either risk 2% in 1 trade or 1% each in 2 trades.
- If your capital is less than 1 lakh maintaining a proper 2% risk per day will become a trouble.
- In that case, try not to lose more than Rs.1000/- per day including all charges and brokerage.
- It's mandatory to do EOD chart analysis to select high probable stock for the next trading session before the market opens
- Do not focus more than 2 to 4 charts in a single day.



## THE CEO'S MESSAGE

BY GOMATHI SHANKAR

In creating this newsletter, it'll be helpful to keep in mind that the focus should be towards my followers more than anything. While it's an opportunity for my students as well to hear from me to understand markets in different perspectives to broaden and awaken their trading knowledge.

*"Together we grow, as a price action trading community".*

## **DISCLAIMER**

Views, Ideas, Recommendations expressed in this weekly newsletter is purely for **educational purposes** only. Investment/Trading in securities Market is subject to **market risk**, past performance is not a guarantee of future performance. The risk of loss in trading and investment in Securities markets including Equities, Derivatives, Commodity and Currency can be substantial. These are leveraged products that carry a substantial risk of loss up to your invested capital and may not be suitable for everyone. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. Please ensure that you understand fully the risks involved and do invest money according to your risk bearing capacity. Scalpers Trading Academy LLP or any of its associated websites does not guarantee any returns in any of its products or services. Investment/Trading in markets is subject to market risk. Hence, Scalpers trading Academy LLP or any of its associated websites are not liable for any losses in any case. All our services are non-refundable.

## **CONTACT US**

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