

SCALPERS

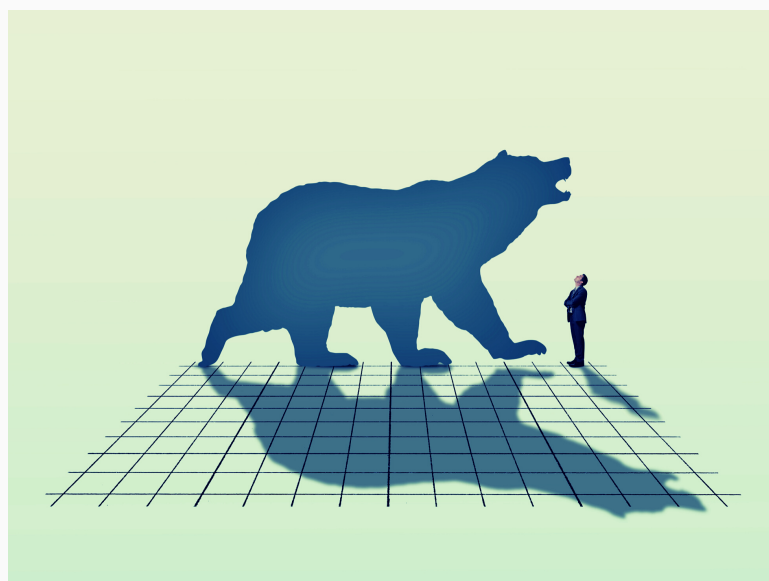
TRADING ACADEMY

MONTHLY NEWSLETTER

-GOMATHI SHANKAR

HIGH AND MIGHTY BEARS!

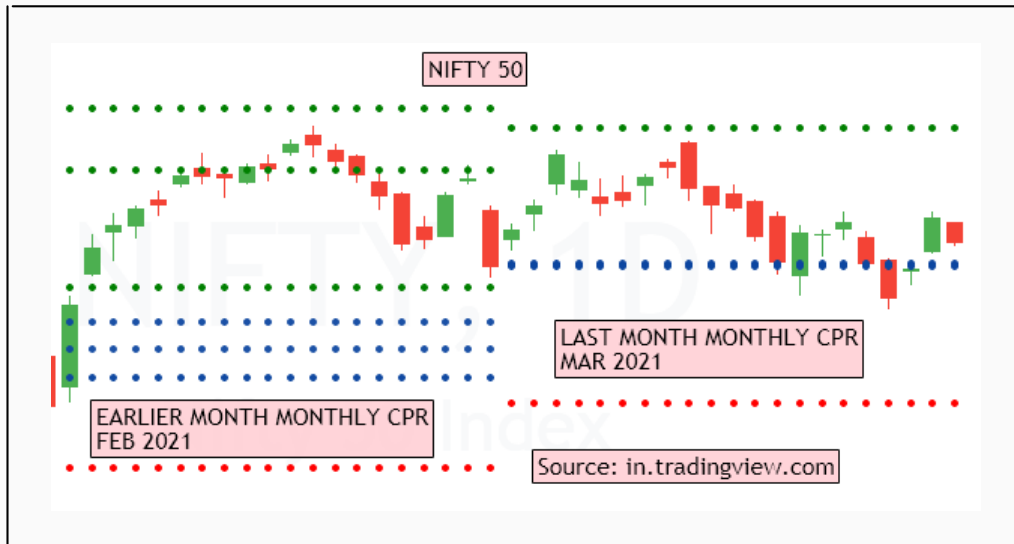
Worries over a second COVID wave and weak global cues dragged the indices over a percent in this month. The weak global cues and fast-spreading second wave of COVID in India may impact the market to remain under pressure in the near term. Foreign investors remained net sellers in the cash segment of the Indian equity markets. FPI poured Rs.22,300 crore this month into Indian equities taking their total inflows to 2753.1 billion as of March 24, 2021.



The December quarter flows of 1449 billion were in fact the highest ever in any quarter. Certainly, any substantial rise in COVID-19 cases can potentially derail the pace of momentum in business activities. Ironically, a sharp rise in new cases in Maharashtra, which contributes over 13 percent to India's GDP and about 20 percent in the country's industrial output, is a matter of worry for now. While it is still premature to predict the quantum of impact on corporate earnings, we believe impact should not be significant. Additionally, a faster vaccination process can be helpful. Execution of budget initiatives and growth targets, a sharp rebound in the dollar index, reversal of interest rate scenario globally and domestically gap in both, would be the biggest threats. While corporate earnings certainly surprised in nine months of FY21, mainly led by a sharp rebound in business activities with phase-wise opening-up of the economy and cost deflations. FY22E is expected to be substantially better than FY21E despite cost inflations and the recent spike in COVID-19 cases. Domestic markets during the fourth week of March witnessed heightened volatility as the bears continued to hold their grip on the benchmark indices. After a swift breathtaking rally from March 2020 lows, it only seems logical that markets witness a healthy correction. The market is likely to remain volatile going ahead due to uncertainty regarding the rising COVID cases and potential lockdowns domestically as well as globally. The threat of a second wave will loom over the markets. Besides, companies will start reporting their Q4FY21 earnings in April, wherein numbers are expected to be decent given the low base from last year.

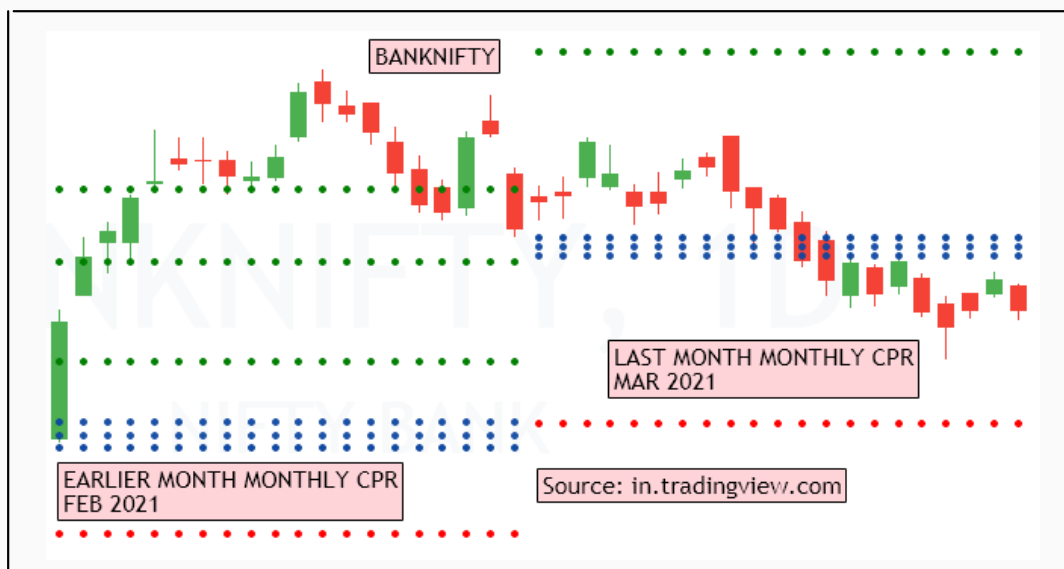
NIFTY - RECAP:

Nifty was having an ascending and narrow CPR in the previous month. The candles opened above CPR and the bulls were ferocious to take the prices higher. On the 1st week of March, it broke our 15001 level and reached R1 by proving that bulls can sustain. Later bears headed up and made a correction till 6.2%. The formation of bearish candle in the weekly chart represents the tug of war between bulls and bears. Though the bears dragged down the prices, bulls struggled to take the prices higher and closed at 14690.70



BANK NIFTY-RECAP:

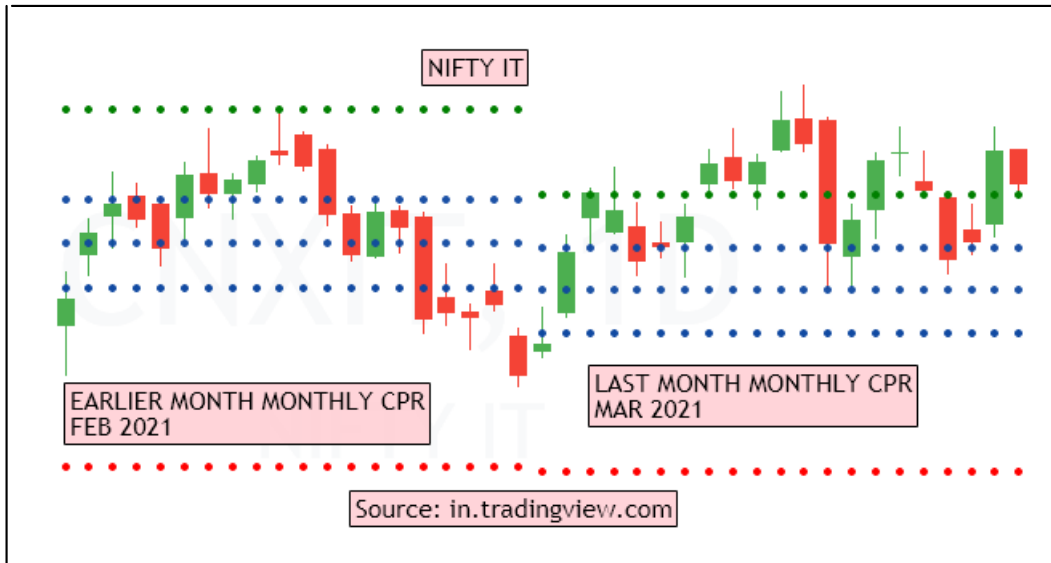
We had an ascending and narrow CPR in bank nifty for the previous month. As we have propounded, the market was bearish. On the 1st week of March, the candles opened and sustained above the CPR. As the bulls were worn out to take the prices higher & the candles stuck between CPR & R1 in the initial weeks of March. Finally from the third week, the bears have taken control after a great struggle and rolled down the market till 8.54%. Bears took the prices down by piercing the CPR and closed at 33303.90



SECTOR WHICH BLASTED LAST MONTH

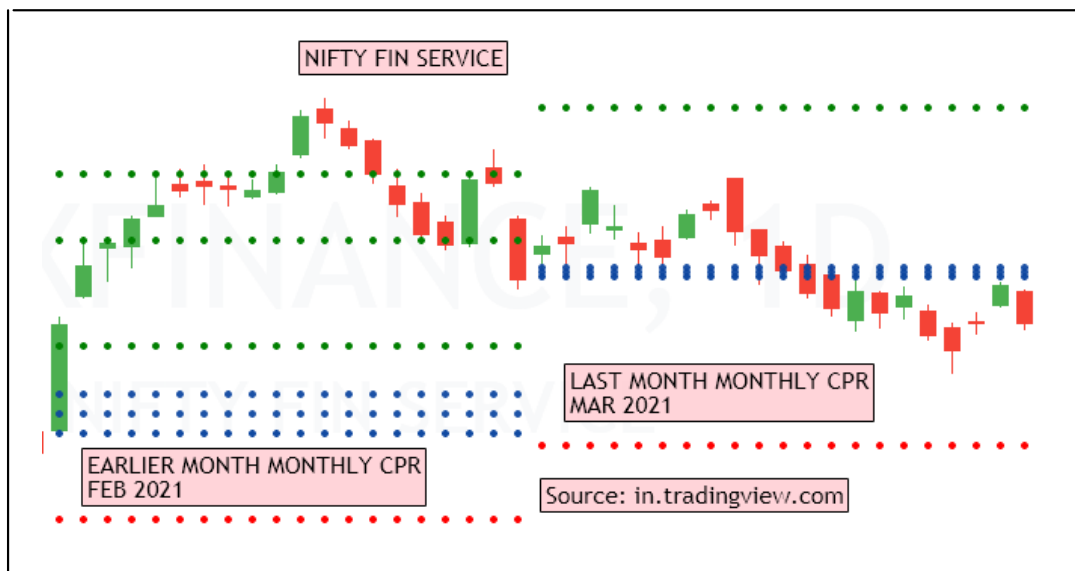
NIFTY IT RECAP:

We have encountered descending and wide CPR in the previous month. The candles were opened exactly at CPR. Initially bulls were not powerful to drag the prices higher. Later, bulls gained some energy by taking support at CPR and took the prices higher by breaking monthly R1. The draconian bulls dragged the prices higher till Monthly CPR R1-R2-50% and made some good rally for 6.39% & closed at 25855



NIFTY FIN SERVICES RECAP:

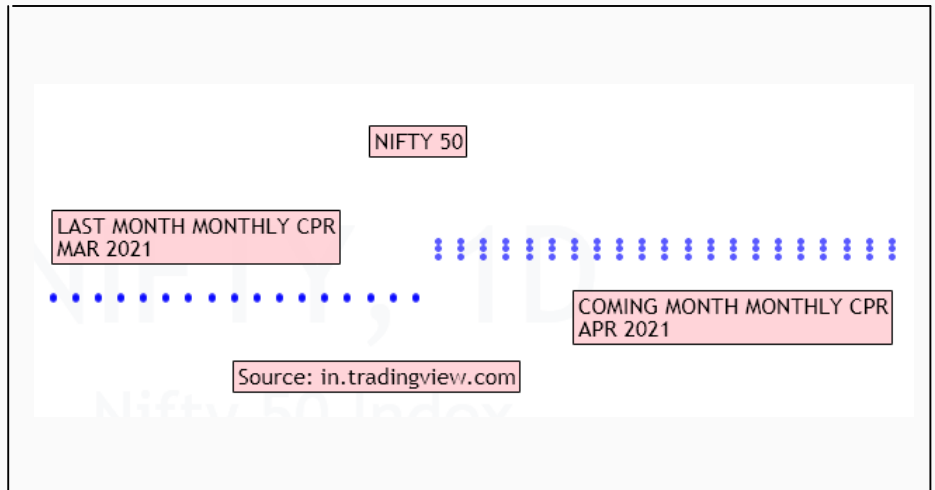
We have experienced ascending and narrow CPR in the past month. The candles were opened above CPR but the bulls were worn out to take the prices higher. Later bears have taken control and dragged down the prices. The formation of bearish candle in the weekly chart confirmed the trend. The indomitable bears pulled down the prices till 2.30% and closed at 15715.60



TRADE PLAN FOR UPCOMING MONTH:

NIFTY 50

SECTOR	NIFTY
CMP	14690.70
CPR RANGE	73.1 pts (0.48%)



CPR LEVELS

TC - 14800.35
PIVOT - 14763.80
BC - 14727.25

OUTLOOK

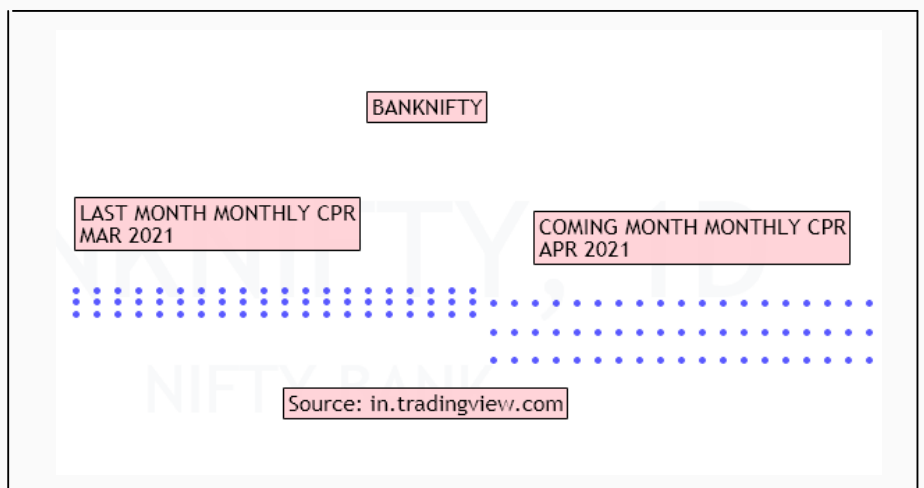
- **Ascending**
- **Medium Sized CPR**
- **Sideways to bearish**

EXPECTATION:

- We have an ascending CPR for this month, which indicates bullishness.
- 1 hour candle close above 15241 will give a rally.
- 15400 would be a strong resistance for bulls.
- Look for short opportunities only below 14185.

BANK NIFTY:

SECTOR	BANK NIFTY
CMP	33303.90
CPR RANGE	768.25 pts (2.16%)



CPR LEVELS

TC - 34456.30
PIVOT - 34072.15
BC - 33688.05

OUTLOOK

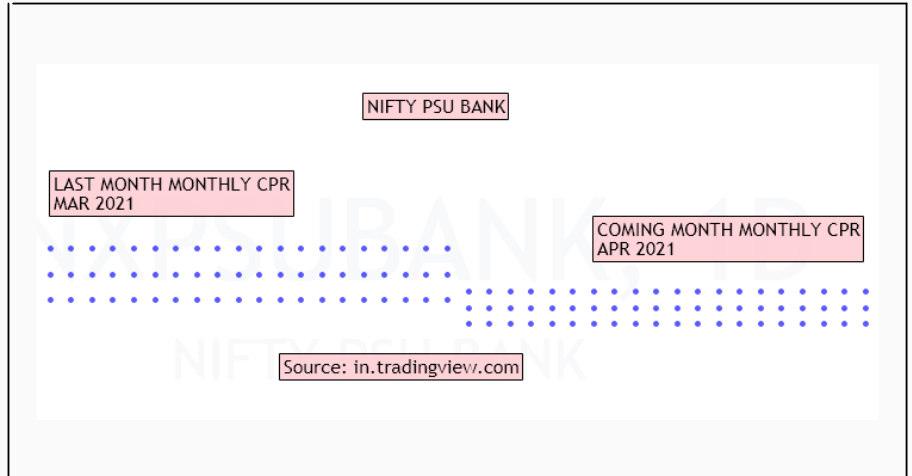
- **Descending & Overlapping**
- **Medium Sized CPR**
- **Sideways to bearish**

EXPECTATION:

- Bulls will take charge if the 1 hour candle closes above 34500.
- 36500 would be a next hurdle for bulls.
- If the free fall continues, the index may bleed till 30000 levels.
- Strong support is at 31647.

**SECTORS LIKELY TO BLAST FOR THE UPCOMING MONTH****NIFTY PSU BANK:**

SECTOR	PSU BANK
CMP	2157.80
CPR RANGE	64.85 pts (2.86%)

**CPR LEVELS**

TC - 2255.05

PIVOT - 2222.65

BC - 2190.20

OUTLOOK

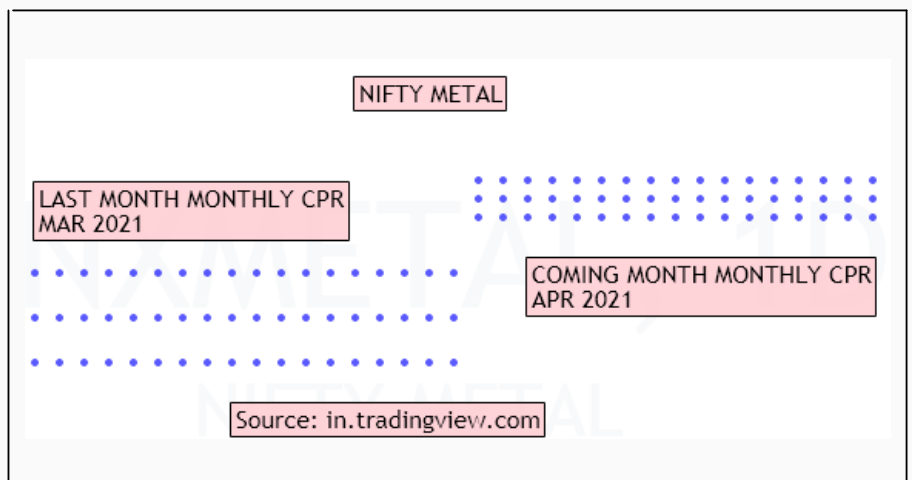
- Descending & Over lapping
- Medium Sized
- Sideways to bearish

EXPECTATION:

- If candle crosses 2255, we may expect a bull rally.
- 2475 seems to be a strong resistance.
- Bears can take control only below 2095.
- 1975 seems to be a strong support.
- Stocks contributing to this sector are SBIN, CANARA BANK.

NIFTY METAL:

SECTOR	NIFTY METAL
CMP	3977.20
CPR RANGE	88.2 pts (2.30%)

**CPR LEVELS**

TC -3933.10

PIVOT - 3889.00

BC - 3844.90

OUTLOOK

- Ascending
- Medium Sized CPR
- Bullish

EXPECTATION:

- 1 hour close above 4055, will leads to a rally.
- 4624 would be a stop for bulls.
- 3750 is a strong support.
- Trust bears only below 3625.
- Major stocks contributing to this sector are TATA STEEL, HINDALCO, JSW STEEL.

Does your patience paid off?

- Always wait for a right opportunity and take wise entries.
- Don't trade with haste. Its not a compulsion to trade daily.
- If there is no right opportunity, then don't watch the market continuously. It may lure you to take wrong trades.
- In such instances, detract your mind. Read trading journals, Watch business channels or even go for a walk or listen to your favorite jazz etc.,
- Maintaining a trading journal too requires passion and patience.
- Remember, "*Patience is the companion of wisdom*".



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

For queries write a mail to: cprbykgs@gmail.com or WhatsApp [+91-730-5432-730](https://wa.me/917305432730).

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