

# SCALPERS

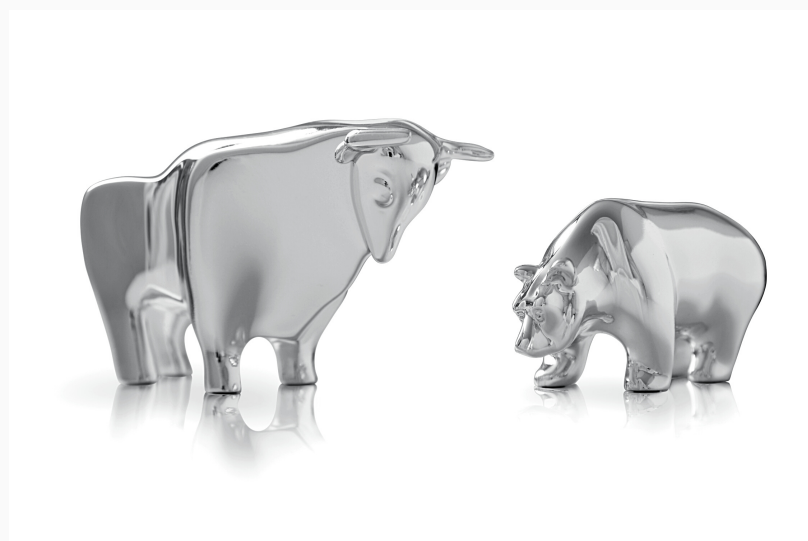
## TRADING ACADEMY

### MONTHLY NEWSLETTER

-GOMATHI SHANKAR

#### **BULLS SCUFFLES WITH BEARS**

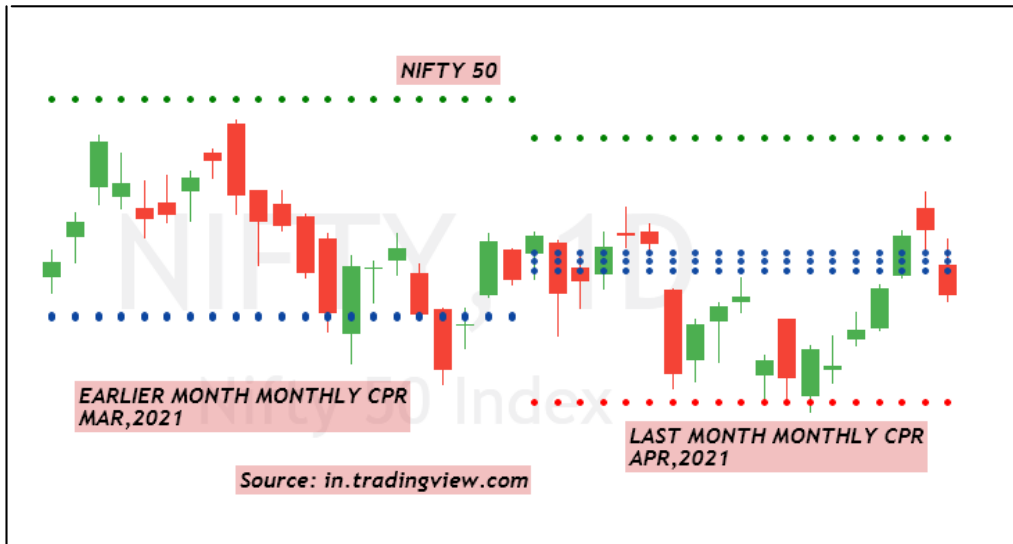
Indian market witnessed a volatile month. The April series was full of roller coaster rides for the trades as the market initially started with a positive bias, but due to the rise in COVID-19 cases all over the country, some pressure was seen at higher levels and resultant lockdown-like restrictions in various states of India weighed on investor sentiment during the week ended April 23.



At the broader level, markets are likely to be volatile but investors are now adopting a stock-specific strategy by allocating funds to fundamentally strong stocks with growth prospects. The rupee has already lost 2.6 percent against the dollar so far this month, putting it on the cusp of marking its worst month, since the pandemic hit the country early last year. Rising cases have been one of the main factors behind the recent fall in the rupee, but the RBI's decision to commit to large bond purchases has added to downside momentum. On the sectoral indices front, except for some selling pressure in the PSU Banking space, all major sectoral indices ended April series in the positive territory. Among them, metal and pharma indices witnessed a massive rally of 30.58% and 12.54% respectively. Positive results from major stocks like TCS, Infosys, Wipro, HDFC Bank & ICICI Bank added hope to grow and created a buy-side for the market saving it from a further major fall. Traditionally, large-caps tend to outshine small-and-mid-caps during market correction as investors believe that big companies are a better place for safe return. As the threat of extended lockdown creates some amount of uncertainty about earning recovery, midcaps and smallcaps may underperform in the near term. However, any sharp correction in quality midcaps should be bought out as prospects of earnings recovery still looks to be bright. Multiple factors underpin the optimism despite more than 360,000 new cases in 24 hours on Wednesday. India's economy is slowing down but less harshly than during last year's lockdown. Stable global cues, strong March quarter results from India Inc and expansion of the vaccination drive to include people above 18 years and the possibility of the second wave peaking in May-June helped the sentiment.

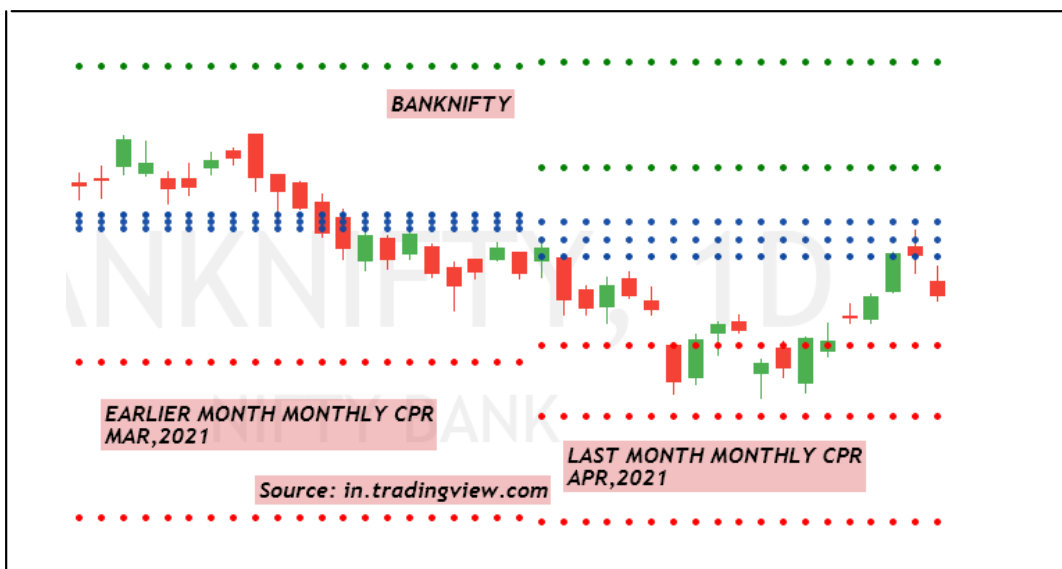
**NIFTY - RECAP:**

Nifty was having ascending & medium sized CPR of range about 73.1 points in the previous month. As we have propounded in the last monthly newsletter, the market was completely inside our levels 14185 and 15241. On the very first trading session, it opened exactly at CPR and then stumbled between our levels. Both bulls and bears had a tough war and finally closed at 14631.10



**BANK NIFTY-RECAP:**

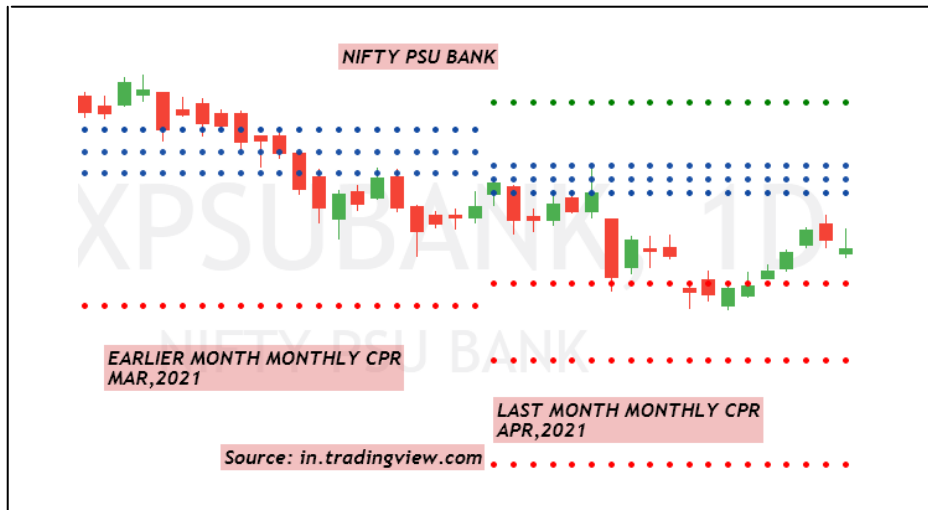
We had an overlapping and medium sized CPR of range about 768.25 points in bank nifty for the previous month. On the 1st week of APR , the candles opened exactly at CPR and dragged down the prices and then retracted back till CPR. As we have mentioned earlier, the market was inside our levels 34500 & 30000 and closed at 32781.80.



**SECTOR WHICH BLASTED LAST MONTH**

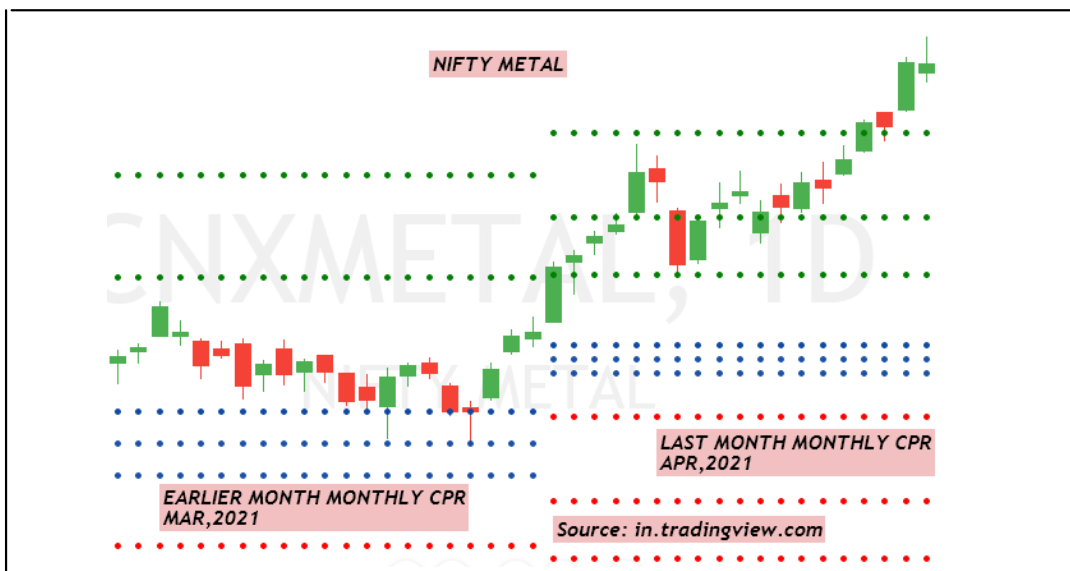
**NIFTY PSU BANK RECAP:**

We have encountered descending and medium sized CPR of range about 64.85 points in the previous month. The candles exactly opened at CPR and sustained below CPR. As there was a descending CPR, from the first week of APR the bears were on a rampage and the bulls had no power to drag the prices higher. Bears have taken control and reached till R1-R2 50% and closed at 2055.25.



**NIFTY METAL RECAP:**

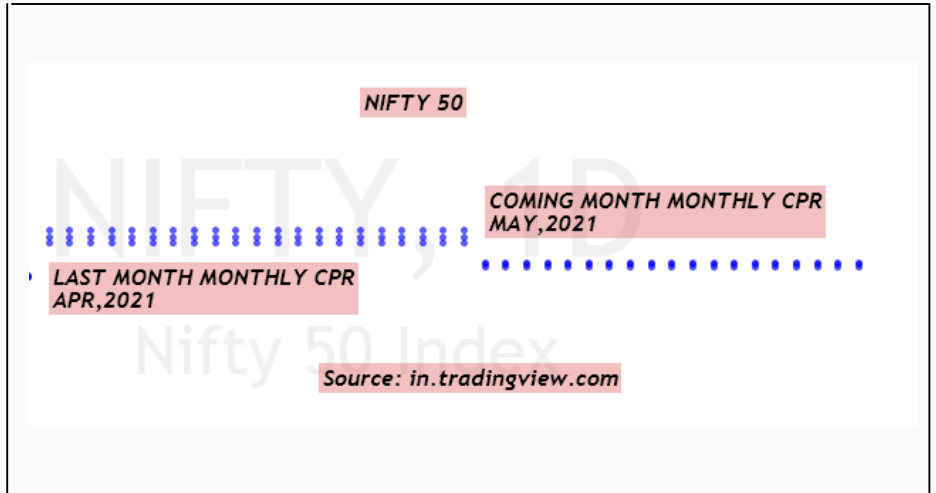
We have experienced ascending & medium sized CPR of range about 88.2 points in the past month. As we have discussed earlier, candles closed above our level 4055 on the 1st week of APR and then made an amazing rally till R3-R4 50%. The candles opened and sustained above CPR, which proved the power of bulls and closed at 4847.95.



**TRADE PLAN FOR UPCOMING MONTH:**

**NIFTY 50**

|                  |                           |
|------------------|---------------------------|
| <b>SECTOR</b>    | <b>NIFTY</b>              |
| <b>CMP</b>       | <b>14631.10</b>           |
| <b>CPR RANGE</b> | <b>22.1 pts<br/>0.20%</b> |



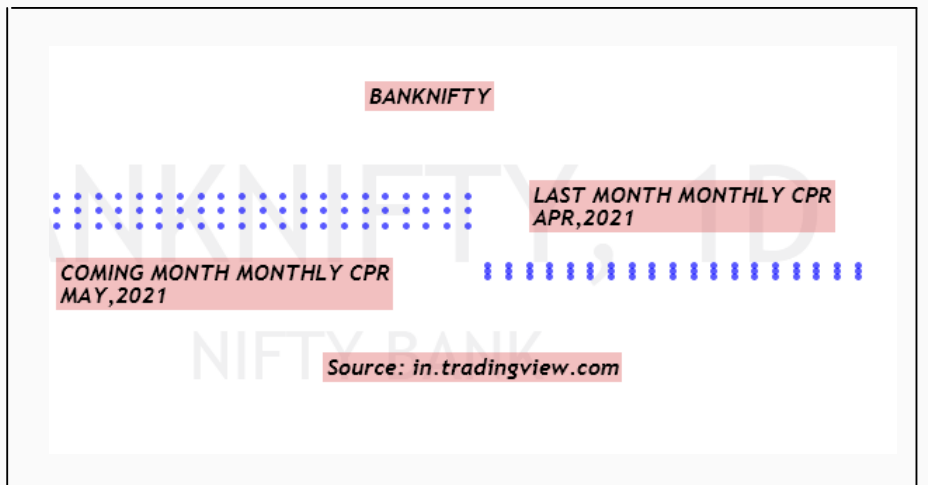
|   |                   |
|---|-------------------|
| <b><u>CPR LEVELS</u></b>  |                   |
| <b>TC</b>   | <b>- 14620.00</b> |
| <b>PIVOT</b>  | <b>- 14608.95</b> |
| <b>BC</b>   | <b>- 14597.90</b> |
| <b><u>OUTLOOK</u></b>   |                   |
| <ul style="list-style-type: none"> <li>• <b>Descending</b></li> <li>• <b>Very Narrow CPR</b></li> <li>• <b>Sideways to bearish</b></li> </ul> |                   |

**EXPECTATION:**

- We have a descending and very narrow CPR for this month, which indicates bearishness.
- 1 hour candle close below 14200 will give a rally.
- We can trust the bulls only above 15000.
- If the free fall continues, it may reach till 13700.

**BANK NIFTY:**

|                  |                            |
|------------------|----------------------------|
| <b>SECTOR</b>    | <b>BANK NIFTY</b>          |
| <b>CMP</b>       | <b>32781.80</b>            |
| <b>CPR RANGE</b> | <b>290.3 pts<br/>0.94%</b> |



|  |                   |
|--|-------------------|
| <b><u>CPR LEVELS</u></b>   |                   |
| <b>TC</b>  | <b>- 32636.65</b> |
| <b>PIVOT</b>   | <b>- 32491.50</b> |
| <b>BC</b>  | <b>- 32346.35</b> |
| <b><u>OUTLOOK</u></b>  |                   |
| <ul style="list-style-type: none"> <li>• <b>Descending</b></li> <li>• <b>Medium Sized CPR</b></li> <li>• <b>Sideways to bearish</b></li> </ul> |                   |

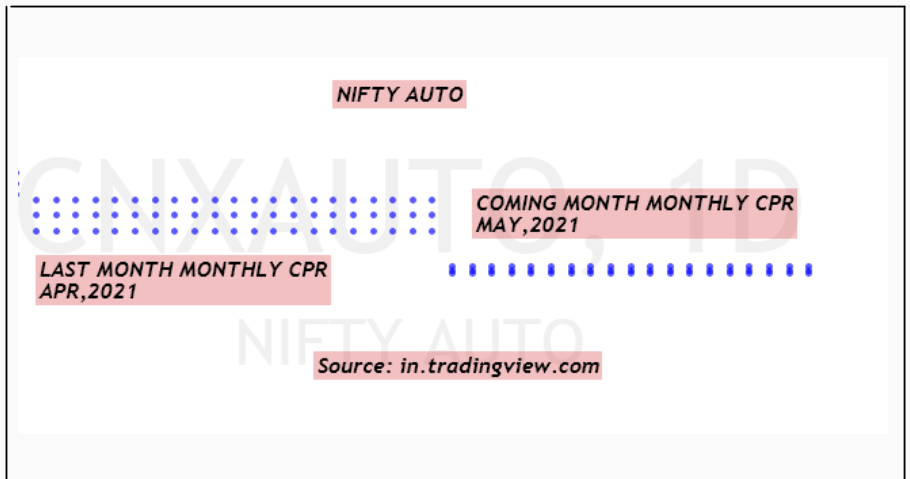
**EXPECTATION:**

- Bulls will take charge if the 1 hour candle closes above 33200.
- 33950 would be a next hurdle for bulls.
- If 32300 is broken, we may expect a great fall.
- Upcoming supports 32300 and 31700.

**SECTORS LIKELY TO BLAST FOR THE UPCOMING MONTH****NIFTY AUTO:**

|           |                    |
|-----------|--------------------|
| SECTOR    | NIFTY AUTO         |
| CMP       | 9640.85            |
| CPR RANGE | 48.95 pts<br>0.40% |

|  |           |
|--|-----------|
| <b><u>CPR LEVELS</u></b>   |           |
| TC   | - 9714.25 |
| PIVOT  | - 9689.80 |
| BC   | - 9665.30 |
| <b><u>OUTLOOK</u></b>  |           |
| <ul style="list-style-type: none"> <li>• Descending</li> <li>• Very Narrow CPR</li> <li>• Bearish</li> </ul> |           |

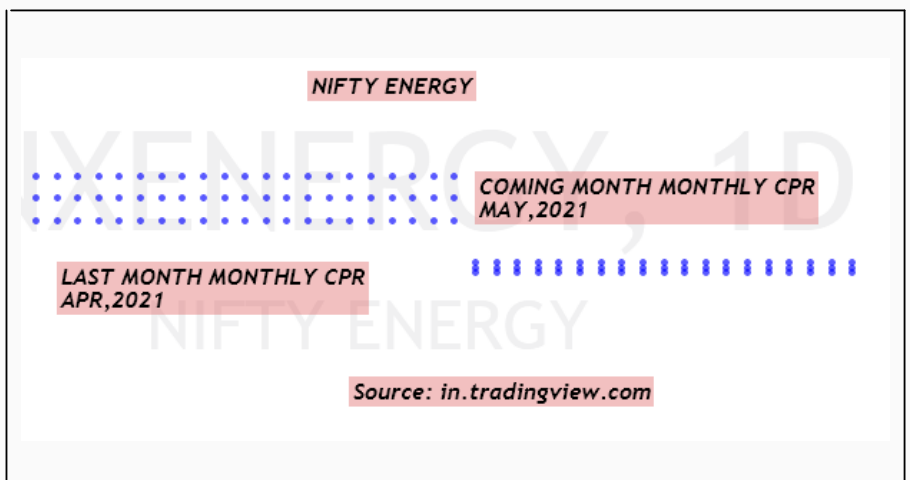
**EXPECTATION:**

- If candle crosses 9999, we may expect bulls to take charge.
- 1035 seems to be a strong resistance.
- 9363 would be a strong support.
- We may expect a bear rally below 9363.
- Stocks contributing to this sector are MARUTI SUZUKI, M\_M.

**NIFTY ENERGY:**

|           |                     |
|-----------|---------------------|
| SECTOR    | NIFTY ENERGY        |
| CMP       | 18031.10            |
| CPR RANGE | 119.15 pts<br>0.85% |

|   |            |
|---|------------|
| <b><u>CPR LEVELS</u></b>  |            |
| TC  | - 17971.10 |
| PIVOT   | - 17911.15 |
| BC  | - 17851.15 |
| <b><u>OUTLOOK</u></b>   |            |
| <ul style="list-style-type: none"> <li>• Descending</li> <li>• Narrow CPR</li> <li>• Sideways to bearish</li> </ul> |            |

**EXPECTATION:**

- Trust the bulls only above 18662.
- 17277 seems to be a strong support.
- Expecting this sector be in a range of 18622 and 17279.
- Major stocks contributing to this sector are RELIANCE, NTPC, POWERGRID.

## Impacts of COVID-19 second wave in Indian market

- The second wave of Covid-19 is vigorously spreading across the country and state after state is announcing lock down restrictions.
- As the wave spreads, the Indian economy is likely to see contraction in this quarter.
- It may create impact on sectors like auto, financials, aviation, tour and travels, hotels etc.,
- Sectors like Pharma, FMCG, oil, telecom will gain from this pandemic situation.
- The impact of second wave of Covid-19 is quite harmless than the first wave in markets.
- Benchmark indices have shed around 3-4% so far this month, compared to the 20% fall in March 2020.



## 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.

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