

SCALPERS

TRADING ACADEMY

MONTHLY NEWSLETTER

-GOMATHI SHANKAR

HARDY BULLS!

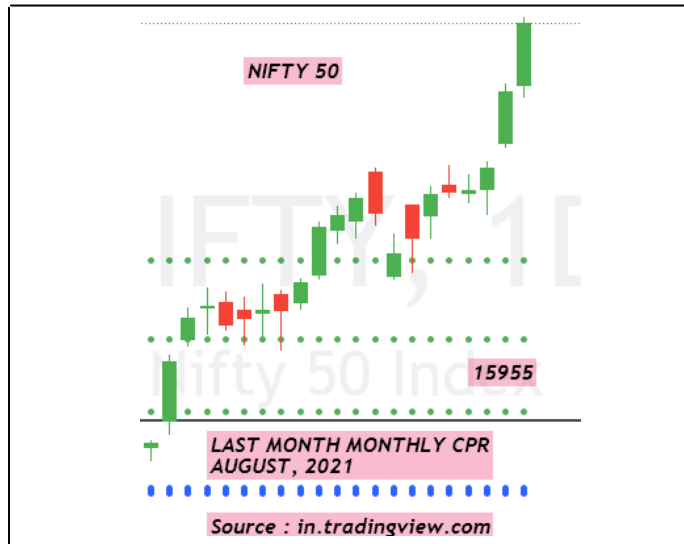
It was a historic month for the market as the bulls took the Nifty above 17,153 and the Sensex above 58,000 for the first time, clocking the best weekly gain in seven months. The ferocious rally can be attributed to positive global cues, strong FII flows and a weak dollar. The market has delivered healthy returns since the month of August, gaining 10 percent, but the broader markets outpaced frontliners with the BSE Midcap index rising 5.6 percent and Smallcap index up 2 percent.



The market witnessed bouts of volatility during the session amid mixed global cues but optimism around strong macroeconomic numbers helped the market remain in the green territory. The strong positive sentiments can be attributed to hopes pinned to sustained improvement in aggregate public health, pick up in retail mobility, consumption-led recovery in trade and the promising corporate earnings story. While such a bull rally often surprises on the upside, there are tail risks that the market is cognizant. We have observed a tremendous flow of funds from all around the globe coming in India which has fueled the rally that we have witnessed in the past few months. The improving coronavirus situation, the GDP number indicating a continuing revival in economic activity, the increased confidence in facing a possible third wave, the stress on universal vaccination, and indications from Jackson Hole address by the Fed chief that tapering off may start as early as later this year but rate hikes may happen much later next year are the factors supporting the rally. While the short-term trend remains positive, some profit-booking could be in the offing as traders may prefer to book some profits near the 17,500 resistance level. However, valuations are also moving beyond comfort zones and hence could lead to bouts of profit-booking and an increase in volatility. Large caps offer a better margin of safety in the current environment and could continue to remain in focus in the near term as well. Domestically, economic data such as manufacturing output and industrial production could drive investor sentiment next month.

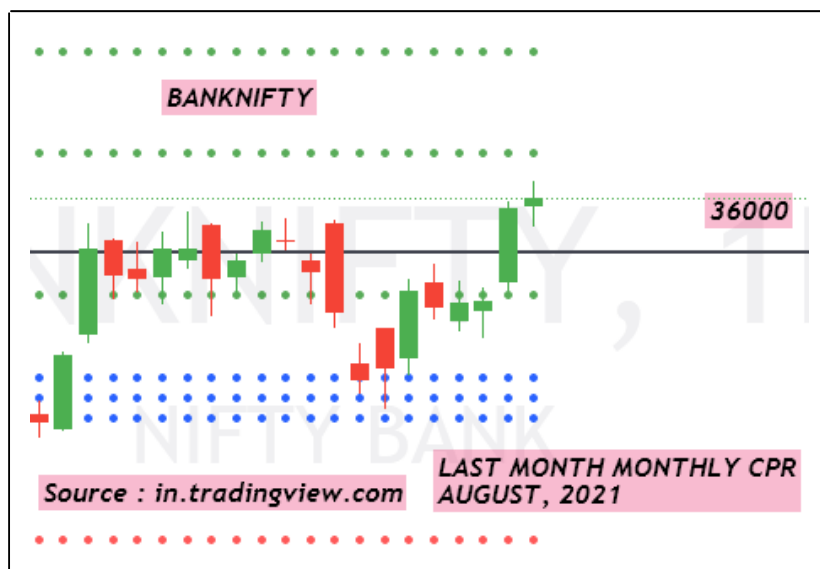
NIFTY - RECAP:

Nifty was having ascending & narrow CPR in the previous month. We have mentioned 15955 strong resistance. The daily candle closed above 15955 on the very first day. Then the market made an amazing rally till R4 level and marked an all time high of 17153.50 & closed at 17132.20.



BANK NIFTY - RECAP:

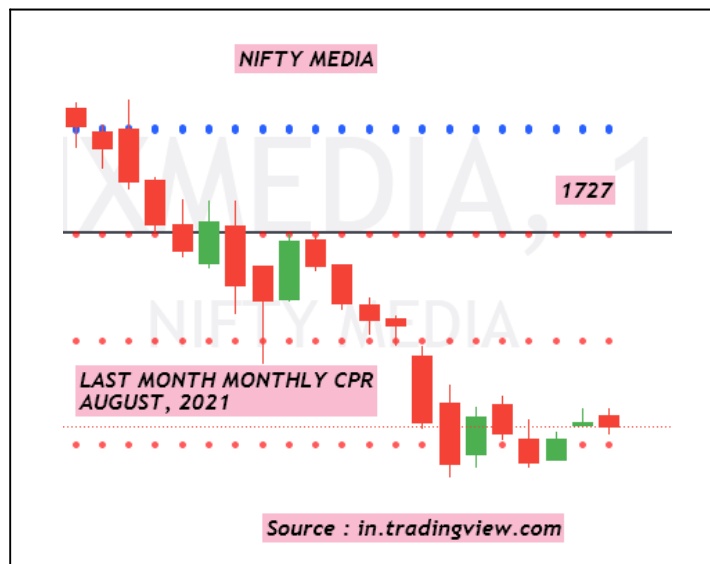
We had an outside and medium-sized CPR in bank nifty for the previous month. The candles opened inside CPR and broke our resistance level 36000 but immediately reversed back which proved that the bulls were feeble. Though the bulls have dragged the price till 36552 and closed at 36424.60.



SECTOR WHICH BLASTED LAST MONTH

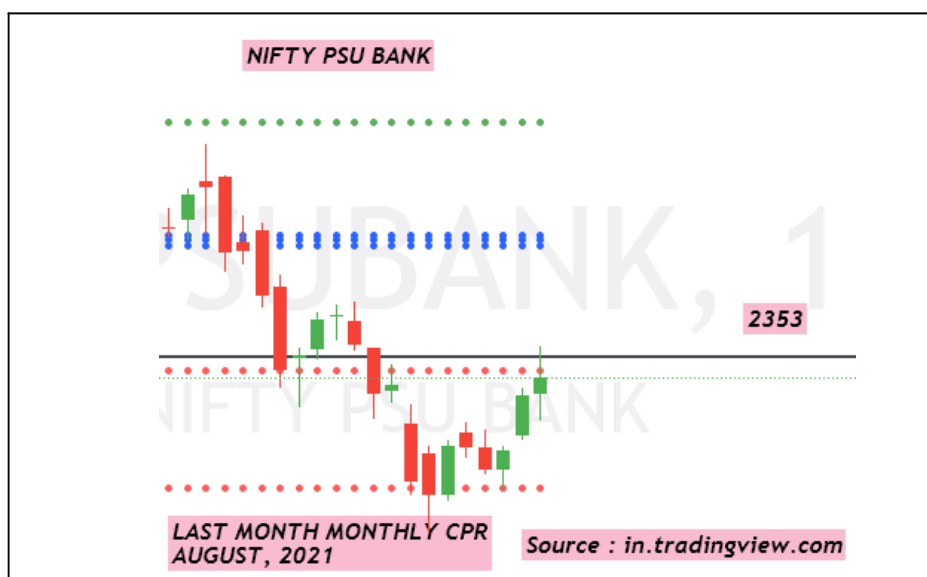
NIFTY MEDIA RECAP:

We have encountered descending and narrow CPR in the previous month. The market was opened inside CPR and broke our support level 1727 and made a further fall till S3. Bears gained their energy below 1727 and dragged the prices till 1569 and closed at 1601.65.



NIFTY PSU BANK RECAP:

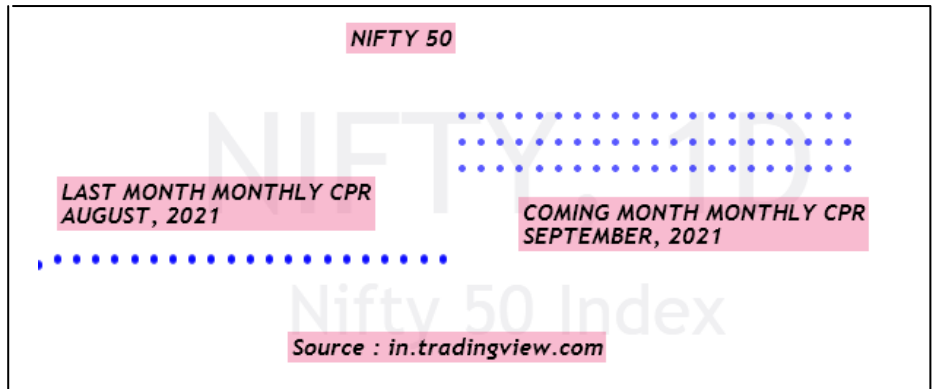
We have experienced an inside & narrow CPR in the past month. The candles opened above CPR and broke our support level 2353. As expected, bears became powerful below our support level 2353 and made a rally till S2 and closed at 2335.10.



TRADE PLAN FOR UPCOMING MONTH:

NIFTY 50

SECTOR	NIFTY
CMP	17132.20
CPR RANGE	425.4 pts (2.84%)



CPR LEVELS

TC - 16919.50

PIVOT - 16706.80

BC - 16494.10

OUTLOOK

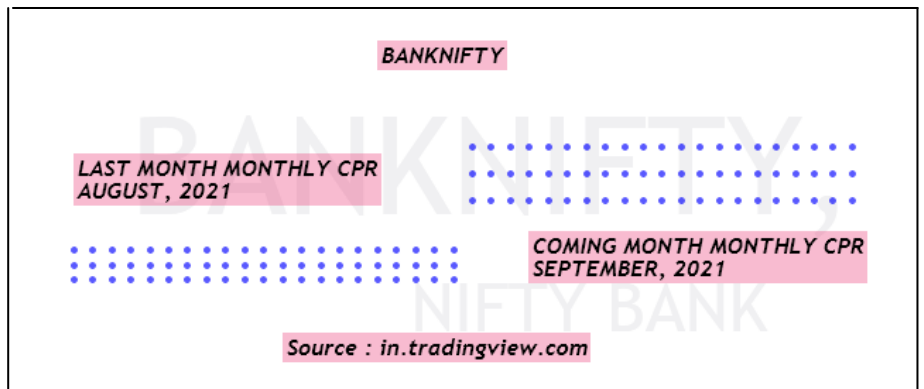
- **Ascending**
- **Medium-Sized CPR**
- **Bullish**

EXPECTATION:

- Ascending and narrow CPR indicates bullishness in the capital index.
- Nifty was hovering around all time high of 17153.50.
- 17500 would be the tough resistance for bulls to cross. Daily candle close above this level will lead to fresh highs.
- Strong support is at 16700. Hence, Trust the bears only below this important level..

BANK NIFTY:

SECTOR	BANK NIFTY
CMP	36424.60
CPR RANGE	569.35 pts (1.60%)



CPR LEVELS

TC - 36139.90

PIVOT - 35855.20

BC - 35570.55

OUTLOOK

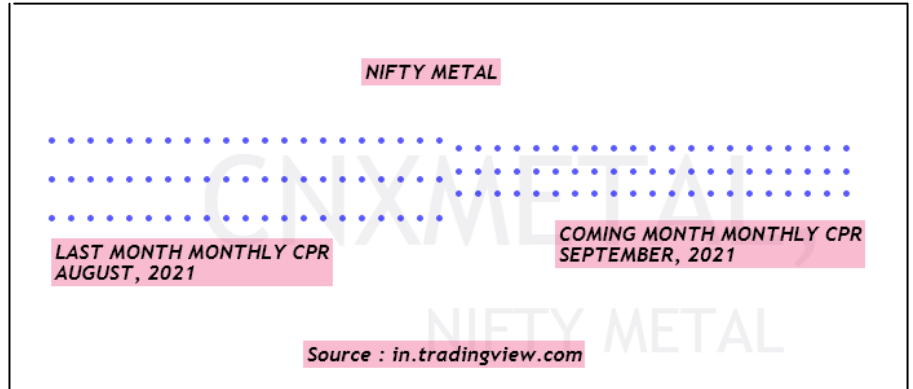
- **Ascending CPR**
- **Medium-Sized CPR**
- **Bullish**

EXPECTATION:

- Wild index is having ascending and medium-sized CPR for the upcoming month.
- Strong resistance zones at 36500 and 37000. Daily candle close above this level may lead to a rally.
- 35000 would be a strong support.
- If 35000 level is breached we may expect a further fall.

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

SECTOR	NIFTY METAL
CMP	5714.60
CPR RANGE	107.05 Pts (1.89%)

**CPR LEVELS**

TC - 5661.10
 PIVOT - 5607.55
 BC - 5554.05

OUTLOOK

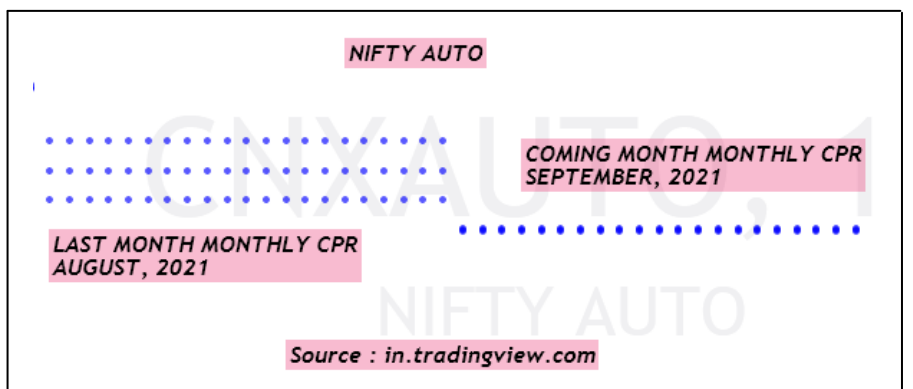
- Inside CPR
- Medium-Sized CPR
- Bullish

EXPECTATION:

- Inside and medium sized CPR indicates a trending move in the upcoming month.
- 5888 is a tough resistance for bulls to cross, hence bulls may take charge above this level.
- 5295 is a strong support, a candle close below this level will lead to further fall.
- Major stocks contributing this sector are TATA STEEL, HINDALCO, JSW STEEL.

NIFTY AUTO:

SECTOR	NIFTY AUTO
CMP	10034.45
CPR RANGE	14.55 pts (0.22%)

**CPR LEVELS**

TC - 10056.30
 PIVOT - 10049.00
 BC - 10041.75

OUTLOOK

- Descending CPR
- Narrow CPR
- Breakout decides the direction

EXPECTATION:

- Though descending and narrow CPR indicates bearishness in this sector, trust the bears only below 9725.
- Tough resistance at 10400, hence bulls may take off the rally above this level.
- Upcoming support at 9725. Bears become strong if candle closed below this level.
- Top stocks contributing to this sector are MATUTI SUZUKI, M&M, TATA MOTORS.

Will the chaos in afghanistan affect the stock market?

- *Taliban fighters have taken over the presidential palace in Kabul after a stunning blitz across afghanistan.*
- *Also US president Biden announced that US troops would leave afghanistan.*
- *Though Talibans reclaimed power, stock market seemingly hasn't reacted to those tragic events in Kabul.*
- *Generally military conflict or attacks don't have much impact on stocks and even if they do, the sentiment is usually short-lived.*
- *There is no factor that negatively affects the financial markets like the uncertainty of investors.*
- *Still market making new highs and bulls are in control. No weakness is experienced yet.*



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

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