

ET GRAPHICS

TECHNICAL VIEWS

# Avoid Aggressive Bets as Markets may See Volatility Spike

Technical analysts advise avoiding aggressive bets until global market conditions stabilise. If Nifty stays below 24,800 and VIX remains above 14.5%, a correction is likely, with key support at 24,540 and 24,210. Stocks like Nykaa, HDFC Bank, Sun Pharma, TCS, GAIL, Adani Ports, ITC, Chambal Fertilisers, KNR Construction, Oil India, and CESC look promising, according to technical charts.



**SAMEET CHAVAN**  
HEAD RESEARCH - TECHNICAL AND DERIVATIVES, ANGEL ONE

**Where is Nifty headed this week?**

There have been insignificant alterations to the price action for Nifty, though the overall market breadth turned a bit exhaustive, indicating a sign of caution. From a technical standpoint, the Nifty index continues to maintain a position above all its major EMAs, with robust nearby support identified around 24,600-24,500. Also, till Nifty remains above this level, there shouldn't be any significant cause for concern. However, the bearish gap on the daily chart, around 24,850-25,950, is likely

to act as intermediate resistance, followed by the psychological mark of 25,000 in the near term. Moreover, a sustained breakthrough beyond this level is anticipated to catalyse the next series of rallies in the benchmark.

**What should investors do?**

Nykaa has come out of its multi-month congestion zone with sizable volumes. We recommend buying for a target of ₹222 with a strict stop loss of ₹189. Among auto stocks, M&M has confirmed an 'Upward Sloping Trendline' on the daily chart. Momentum traders can look to short for a target of ₹2,670 with a stop loss at ₹2,805.

**DHARMESH SHAH**  
HEAD OF TECHNICALS, ICICI SECURITIES

**Where is Nifty headed this week?**

We expect the index to consolidate in 24,000-25,000 range. Last week's subdued activity amid overbought conditions signifies a pause in the upward momentum. Further, negative divergence on the weekly stochastic oscillator suggests a temporary breather in the coming week.

**What should investors do?**

In a structural bull market, secondary corrections are a

common phenomenon. Thus, an extended breather from here on cannot be ruled out. However, investors should focus on quality stocks with strong earnings. Strong support is at 24,000. IT, oil & gas, pharma, FMCG, and power are expected to do well. Among large-cap stocks, we prefer HDFC Bank, Sun Pharma, TCS, GAIL, Adani Ports, NTPC, ITC, and Coal India looks good for 5-7%. Among mid-caps, HPCL, Chambal Fertilisers, KNR Construction, Oil India, CESC, Bank of Maharashtra, JSW Energy, ABFRL look good for 10-12% gains.

**RAHUL SHARMA**  
HEAD TECHNICAL & DERIVATIVES, JM FINANCIAL SERVICES

**Where is Nifty headed this week?**

Nifty put-call ratio fell from 1.29 on Thursday to 0.91 on Friday, and Nifty Futures basis turned negative by 6 points. FII's remain long in index futures with 1.45 lakh contracts, whereas DII's and retail investors hold short positions of 90,000 and 49,000 contracts, respectively. The market is currently facing multiple challenges, including a crash in Japanese markets, disappointing US job data, and worsening geopolitical tensions. Traders are

advised to avoid aggressive bets until conditions stabilise. Nifty remains bearish below 24,800, with potential further weakness if the VIX stays above 14.5%. Key support levels are 24,540 and 24,210, while resistance levels are 24,851 and 24,956.

**What should investors do?**

Consider buying Nifty 24,000 puts (at ₹137.85) with an August 29 expiry to hedge against potential market shocks or breakdowns, benefiting from a rising VIX scenario. Buy Sun Pharma at current levels, target ₹1,800 and ₹1,825, with a stop loss at ₹1,680.