

Date: 26<sup>th</sup> Oct 2020

## NIFTY



It was a clueless week for the benchmark index where it traded in a very tight range of 200 points with no specific direction.

Nifty is hovering near 88.60 percent retracement from its high of 12430 to its low of 7511.10 levels. Index neglected its bearish engulfing pattern of 4th Sept and continued its higher high formation on a weekly time line.

As the market is approaching near 12000 mark with just 430 points away from its lifetime high, volatility will tighten its grip and we can witness high wave candle which normally swings both the way.

India VIX is a club within a rectangle pattern on the daily chart and on a verge of a breakout above 24 levels which will spike volatility in coming trading sessions.

All-up moves will keep the market in a defined range and will remain vulnerable to sell off at a higher level.

Current chart formation suggests nifty may find major support at around 11700 - 11650 levels which are well supported with a 21-day exponential moving average. However, on the higher side, the index will continue to face hurdles around the 12050 - 12100 level.

## BANK NIFTY



For this particular week, Banking Index outperformed the Nifty50 where both private and state run banks outperform equally.

A gap up opening at on start of the week was well defended by the bank nifty and never retested its runaway gap on the daily time frame. Weekly formation suggests prices are trading in the higher low formation and once the Banking Index crosses above 25250 levels higher high will be confirmed.

Bank Nifty has broken out from the flag pattern on the daily chart, which indicates the fresh buying momentum in the banking space.

Oscillators and momentum Indicators like RSI and MACD are showing strength in the banking index on the weekly as well as daily charts. Bank Nifty is trading above its 20, 50, and 100 exponential moving averages on a daily interval which is a bullish sign for the prices.

Going forward, the major support zone will be near 23670- 23500 levels and the upside is likely to cap near 25250 levels. Once Bank Nifty broke its resistance of 25250 level, a quick rally of 1000 – 1500 points will be served on the plate.

## Sector Look: NIFTY AUTO INDEX



NIFTY AUTO INDEX has closed 1.07% higher 8094.60 level on the weekly time frame. Index has witnessed breakout of its downward sloping trend line and prices are firmly holding the support near the trend line that is formed at around 7398 on weekly time frame.

On the weekly time frame, 100 week simple moving average is acting as a support that is placed at around 7654.45 level.

Currently stock is trading above all the major simple moving average on the weekly timeline.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame. RSI (14) is reading near to 61 on a weekly timeline.

On the higher end resistance is seen at the 8260/8460 level on the weekly chart. On the lower end support for the coming weeks is seen 7780/7650 levels.

## Weekly Stock Idea: OFSS



On a weekly chart after prolonged consolidation prices have broken its trend line resistance and currently trading above the same. The stock witnessed a sharp up move from the support level of 2700 with broad-based momentum across the stocks.

After forming a strong base around Rs 2700, the stock has given a stellar move over the past couple of months along with the broader market recovery.

The stock has closed 2.97% higher at 3367.70 level on the weekly chart. The stock has formed bullish candle on weekly time frame.

The strong reversal in Momentum oscillator RSI (14) from 30 level has set up a V shape reversal and currently reading near 54 level with positive crossover on a monthly interval.

On the higher end resistance is seen at the 3640/3950 level on the weekly chart. On the lower end support for the coming weeks is seen 2880/2700 levels.



# Weekly Market Strategy

## Technical Research Analyst

Mr. Rohan Patil,

Mrs. Pooja Jain

### **Disclosure:**

Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. Bonanza Portfolio Ltd is responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. Bonanza Portfolio Ltd or its associates or Analyst or his relatives may or may not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No.INM000012306

### **Disclaimer:**

This research report has been published by Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of Bonanza portfolio Ltd shall be liable. Research report may differ between Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the subject company or third party in connection with the research report

*Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>*

SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186



2018 [Bonanza Portfolio Ltd.](#)