

Date: 04th OCT 2021

NIFTY



Nifty50 was trading in a rising channel formation since 28th July and registered its lifetime high of 17947.65 on 24th Sept and has given a return of 15 percent in just three months. Benchmark index on 30th Sept has broken the lower band of the rising channel pattern and has witnessed a breakdown of a rising channel pattern on the daily time frame.

Prices have breached their upward rising trend line but have taken strong support at the 21-day exponential moving average and acted as an anchor point for the index. Prices started with a negative note for the October month expiry and closed below its important support levels of 17600 levels.

On the weekly chart, prices have formed a bearish dark cloud cover candlestick pattern and prices have slipped almost two percent from its previous week's closing. On the indicator front, daily RSI is at 58 and has shown a bearish divergence with negative crossover, where the price had made higher highs but RSI made a lower high.

For September month we saw an outperformance from the Nifty Media & Nifty Realty index with a gain of more than 30% on the monthly closing basis.

As of now, there is no indication of Nifty sliding below the 17200 – 17000 levels, but you never know how global development pan out. The resistance is pegged at 18000 levels.

BANK NIFTY



Bank Nifty after forming a bearish engulfing candlestick pattern on 28th Sept witnessed a steep fall of about 1400 points from its all-time high levels.

The banking index was trading in a rising channel pattern for the past one month with a higher high higher bottom formation on the daily interval. Prices have opened near the lower band of the pattern on 01st Oct but were able to recover from the lower levels and hence prices were able to close just near the lower band of the pattern.

On the weekly chart banking index has also formed a bearish engulfing candlestick pattern and it will be important to watch if prices give a bearish confirmation in the next trading week.

Momentum oscillator RSI (14) has just closed near 50 levels with negative crossover after registering a negative divergence on the daily interval. The MACD indicator has also given an early indication of a trend reversal by closing below its signal line.

Currently, the Banking index is trading above its Parabolic SAR indicator on the weekly chart which is placed near 36500 levels. Major resistance is placed near 38000 levels & on the downside; if prices break below 36500 then we may test 35800 levels.

Sector Look: NIFTY CPSE INDEX



NIFTY CPSE Index has been constructed to facilitate Government of India's initiative to disinvest some of its stake in Central Public Sector Enterprises (CPSEs) through ETF route. The index comprises of select 10 CPSEs.

Currently the index is trading near its all time high levels at 2367 and is on the verge of a breakout. The constituents of the index are as follows NTPC Ltd, Power Grid Corporation of India Ltd, Oil & Natural Gas Corporation Ltd, Coal India Ltd, Bharat Electronics Ltd, NMDC Ltd, Oil India Ltd, NHPC Ltd, NBCC (India) Ltd, SJVN Ltd.

On the daily charts, the index is well above its 21 Days EMA which is placed at 2190 and will act as a crucial support. The price is making a higher highs higher low formation and is likely to continue the pattern. Important support zone for the index is at 2090-2140 whereas the index is currently at its supply zone levels of 2320-2400. RSI on daily timeframe are at overbought levels showing a reading of 78 , hence some profit booking can be seen in upcoming trading sessions. Overall the setup looks promising and investors/traders can definitely see some traction and bet their money on the index constituents.

If the index is able to surpass its supply levels, we may see 2505 to 2660 levels as per Fibonacci extension targets.

Weekly Stock Idea: NATIONAL ALUMINIUM



The stock is making higher high and higher low price formation since December 2020 onwards and is poised to continue with this trend. On the weekly charts, the stock has made a cup pattern and is on the verge of a 3 year breakout with huge volumes.

The stock is a beneficiary of rising aluminium prices and has the potential to reach new highs in near future. On the moving averages front, the stock hasn't breached its 20 Weekly EMA ever since the formation started which means that the trend is very strong.

On the RSI front, the weekly RSI is at 61 which mean that the stock hasn't reached overbought levels and has more room for upside. ADX which tells us the strength in the trend has cooled off for the time being after some amount of profit booking was witnessed in the previous month. Currently it is showing a reading of 34. Historically it is seen that 45-48 levels of ADX is the highest for the stock and it tends to retrace back after reaching such high value. Overall the structure looks bullish and has the potential to give upto 10% returns in the upcoming trading sessions.

Technical Research Analyst**Mr. Rohan Patil****Mr. Harsh Parekh****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.](https://www.bonanzaonline.com)