

Date: 16<sup>TH</sup> DEC 2019

**NIFTY**



Across the board healthy buying lifted equity benchmarks higher by a percent in intraday trade on December 13 on the back of supporting global cues. Benchmark indices continued their upward momentum with Nifty ended above 12080 levels. In weekly chart, a strong bullish candle with 1.39% gains creates shift of momentum for the index. After a weak start a power pack V shape rally has witnessed in nifty increasing optimism among the traders.

On 11 December Nifty fifty has completed a smaller degree Bullish AB =CD Harmonic pattern on daily time line which is well supported with Fibonacci ratio and since then index rebound almost 250 points from its low point.

In weekly interval nifty is still trading in a higher high higher low formation which is involved in a Rising channel pattern. Majority of moving averages are in favour of rising price action which favours bullish nature among the traders. Weekly RSI (14) has given breakout from its downward sloping trendline and currently reading above 60 levels with positive crossover.

In case of any decline, the index will continue to find support around 11,900 - 11800 levels, which coincides with horizontal trendline supports and till will act as line of polarity (resistance will act as support). However a stable move above 12150 levels will invalidate resistance and it will strengthen the index to record new life-time-high till 12400 odd levels.

**BANK NIFTY**



Nifty bank has recovered its previous week losses and closed the index with strong green candle above 32000 with more than 2% gain for the week. Private sector banks were major attraction for this week which shown optimism for the week. After a weak start for the week banking index rebounded almost 1000 points from its weekly low point and shown strong reversal.

Nifty bank has exactly find support near its upward rising trend line connecting to the lows of 19 Sept and 7th Oct. Private Banks are likely to outperform state run banks at current scenario.

Higher high Higher Low formation is well intact on Momentum Oscillator RSI (14) with positive crossover on the cards. MACD is reading above zero line with positive crossover, which is bullish sign.

Bank nifty has witnessed a sweet rally from 28000 to 32150 in previous eight weeks. In the near term, 31000 is an immediate support zone. In any case if there is breach of 31000 on closing basis then we may again visit 30500 levels in coming days. 32500 levels are near term resistance, breach of that level on higher side will open the gate for the new high in banking index.

**Sector Look: NIFTY MIDCAP100**



On the Weekly chart NIFTY MIDCAP100 INDEX has given trend line breakout within a border falling wedge pattern. Prices have completed its through back near the trend line support and are ready to move upside. 50 days simple moving average is acting as a strong support which is placed at 16506.60 on daily time frame. Moreover on weekly time frame, 200 days Exponential moving average is acting as an anchor point which is placed at 16400 level. Overall sentiments looks positive as index has shown strong strength towards upside.

Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover, which is positive for the index. MACD indicator is reading above its line of polarity with positive sentiments.

On the lower end supports are seen at 16500/ 16000 on weekly chart. On the higher end break of 17340 will open the gate for 17790 levels in coming weeks.



**Weekly Stock Idea: DIVISLAB**



After consolidating in a broad range of 1750 - 1500 prices has witnessed a breakout above its “Rectangle Pattern” on weekly time line. On the previous week broader market witnessed profit booking but this counter gave a bullish breakout with above average volume, which indicates optimism towards the prices.

Prices are currently trading above all its major exponential averages (50, 100, and 200). On Momentum Oscillator RSI (14) it has given breakout of downward slanting trend line on weekly chart with positive crossover and currently reading above 60 levels.

MACD on previous two occasions sustained above the line of polarity with positive sentiments which add optimism towards the counter.

Based on the above Technical studies we can come out with a view that the price may move towards higher levels over the short period.

**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.: INM000012306 | NSE CM: INB 230637836 | NSE F&O: INF 230637836 | NSE CDS: INE 230637836 |*

*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*