

Date: 18<sup>th</sup> JULY 2022

## NIFTY



Nifty50 for this particular week traded in steps formation where it was continuously witnessing a lower close and was trading below its 50 – day exponential moving average on the daily time frame.

Just like in the previous four occasions prices retraced its gap either partially or fully and then begin its lower high lower bottom trend on the daily time frame. The index has formed a small upward rising channel on the daily chart and prices are currently trading near the lower band of the pattern which is placed at 15950 – 15900 levels.

This week the Benchmark index has formed a bearish harami candle stick pattern on the weekly chart. And the closing below the bearish pattern in the coming weeks will be the added advantage to the pattern. The momentum oscillator RSI (14) on the daily chart has formed a double top formation near 60 levels and has currently hooked down near 50 levels.

Nifty faced a strong resistance near 16300 levels and witnessed a profit booked near a prior trend line resistance. In case prices break above 16300 levels then strong momentum can be seen in the prices towards 16500 levels. The immediate support for the Nifty is placed near 15800 and below that 15550 will act as a major support for the Nifty.

**BANK NIFTY**



The Bank Nifty after forming a bearish ABCD harmonic pattern in the previous week prices were trading in a bearish tone for the entire week and closed below its 100 - day exponential moving average on the daily scale. The upside gap which was formed on 7th July has partially filled on the daily chart.

This week the Banking index has formed a bearish harami candle stick pattern on the weekly chart. And the closing below the bearish pattern in the coming weeks will be the added advantage to the pattern. The inside bar on the weekly chart suggests decrease in volatility. The prices have taken resistance near the downward sloping trend line which is formed near 35400 levels on the weekly chart.

The Bank Nifty was not able to cross its previous intermediate high of 36083 levels and the momentum oscillator RSI (14) on the daily chart has formed a double top formation near 65 levels and has currently hooked down near 50 levels.

Bank Nifty faced a strong resistance near 35300 levels and witnessed a profit booked near a prior trend line resistance. In case prices break above 35300 levels then strong momentum can be seen in the prices towards 36500 levels. The immediate support for the Bank Nifty is placed near 34300 and below that 33800 will act as a major support for the Bank Nifty.

**Sector Look: NIFTY PSU BANK INDEX**



Nifty PSU Bank index is trading in a rectangle pattern from last more than 8 months and is consistently taking support near the lower band of the pattern on the weekly chart. From the past three weeks prices are finding support near the lower band of the pattern and showing the signs of revival.

The Index was trading in a higher high higher bottom formation and post that prices are consolidating without disturbing the long term view of the index. The PSU Bank Index is taking a strong support near the 200 - week exponential moving average which is placed at 3655 levels.

Positive divergence is spotted in momentum oscillator RSI (14) on the weekly time frame near 40 levels. Moreover the prices have formed a bullish engulfing candle stick pattern near trend line support on the weekly chart.

The support for the Nifty PSU index is placed near 3655 and if prices break this level then there will be a breakdown in the index. The immediate resistance is capped near 3900 and above that 3972 where 21 WEMA is placed.

**Weekly Stock Idea: INDUSTOWER**



The prices were consolidating within the levels of 205 – 220 levels from past more than three months and have formed an accumulation pattern near the lower levels.

INDUSTOWER on the daily chart has given an inverse head & shoulder pattern on the daily chart above 220 levels on 12<sup>th</sup> July. Post breakout prices consolidated for two days and gain resume its uptrend.

Stock is trading above its 21, 50 & 100- day exponential moving averages on daily time frame, which is positive for the prices in the to the short to midterm.

The momentum oscillator RSI (14) on the daily chart is reading in a higher low formation and has closed above 65 levels with positive crossover.





## Weekly Market Strategy

Technical Research Analyst

Mr. Rohan Patil

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

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*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*

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