

Date: 01st March 2021

NIFTY



Nifty50 continued its losing street for the second consecutive week after forming bearish engulfing candlestick pattern near lifetime high levels on the weekly time frame.

The Benchmark Index is trading near the 50 percent retracement level which is placed at 14514 levels from its previous intermediate low of 13596 levels.

Momentum oscillator RSI (14) has a drift below 70 levels (overbought zone) which negative crossover on the cards and currently reading at 64 levels on the weekly interval.

On the daily chart, INDIA VIX has witnessed a breakout of a rectangle pattern and a rise of almost twenty-six percent from its previous weekly close on the weekly chart. A range breakout in the VIX index indicates a rise in volatility in the further trading sessions.

On the daily chart, Nifty50 has closed below its 21-day exponential moving average.

We expect Nifty to remain volatile for the next week with a bearish tilt in the corner. Support for the Nifty is placed near 14300 levels and resistance is capped near 14900 levels.

BANK NIFTY



Two back-to-back red candles of the weekly chart indicate profit booking is on the cards for the banking index.

As mentioned in the previous week's update bank nifty is likely to witness a throwback towards its horizontal trend line support on the weekly chart.

Two consecutive tall red candles on the weekly chart after registering its lifetime high levels indicates some profit booking or sideways consolidation can be extended in the coming trading session.

Momentum Oscillator RSI (14) has drifted just below 70 levels (overbought zone) with negative crossover on the weekly time frame.

Moreover, prices have closed below their 21-day exponential moving average on a daily scale.

We expect bank nifty to remain volatile for the next week with a bearish tilt in the corner. Support for the Bank Nifty is placed near 33500 levels and resistance is capped near 36000 levels.

Sector Look: NIFTY IT INDEX



For two continuous weeks, the NIFTY IT index witnessed a sharp fall of more than seven percent and closed below 25000 levels on the weekly time frame.

Previous week IT index has formed a bearish engulfing candlestick pattern and closing below the pattern has confirmed the validity of the said pattern.

On the daily time frame, the IT index has closed below its 21 & 50-day exponential moving averages which indicate profit booking can extent in further trading sessions.

Momentum Oscillator RSI (14) has drifted below 70 levels (overbought zone) with negative crossover on the weekly time frame and currently reading near 60 levels.

Furthermore, the index has given a horizontal trend line breakdown on the daily chart and closed below its line of polarity.

On the lower end supports are seen at 23800/23400 on a weekly chart. The higher-end break of 24800 will open the gate for 25400 levels in the coming weeks.

Weekly Stock Idea: BPCL



BPCL on the weekly time frame after a prolonged consolidation has witnessed a Symmetrical triangle pattern breakout and currently trading above its trend line support.

Furthermore, prices have also given inverted head & shoulder pattern breakout and the counter is trading above its neckline on the daily interval.

A recent minor retracement has found support near a 21-day exponential moving average and currently, the price is trading above its 50 & 21-day EMA which is positive for the counter in the near term.

Oscillators like STOCHASTIC and MACD are showing strength in the stock. Besides, the majority of oil and gas stock is showing strength in the smaller time frame charts.

When we observe volume activity there has been above-average volume set up for the past few days. Momentum Oscillator RSI (14) is tangled in a bullish range shift of 50 – 70 levels with positive crossover on a broader time frame.

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



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.](https://www.bonanzaonline.com)