

Date: 21st FEBRUARY 2022

NIFTY



Benchmark index started the week with a massive three percent fall and as the week progressed index covered majority of its losses and closed with a half percent loss on the weekly closing basis. From the last four weeks prices are trading between the ranges of 16800 – 17500 levels and whenever the prices dips near 16800 levels we witnessed a strong support and a rebound in the prices.

Prices are continuously closing above its 61.80 percent Fibonacci retracement on the weekly chart and it is acting as an anchor point for the index. Momentum oscillator RSI (14) has formed a double bottom formation on the weekly chart and the oscillator is hovering above 50 levels from last four weeks without giving any clue of the further momentum in the prices.

On the daily time frame Nifty50 has closed below all its important exponential moving averages and due to the high volatility, prices are swinging like a pendulum without indicating a strong directional bias.

From here on 16800 levels will act as immediate support for the Nifty50 and if prices slip below this level then 16500 will be the next support zone for the index. The upper band is capped near 17650 levels for the time being.

BANK NIFTY



Bank Nifty is underperforming the benchmark index on the week on week basis and has closed below 38000 with a loss of more than two percent.

The prices have closed marginally below their shorter degree upward slanting trend line on the weekly interval which is negative for the prices. Technically prices have formed an inverse wedge pattern on the weekly chart and if the banking index closed below the said pattern then a severe sell-off can be witnessed in the banking space.

On the daily interval prices have formed a bearish head & shoulder pattern and the neckline of the pattern is placed near 37000 levels. Prices are hovering within the band of 21 & 50-day exponential moving average with super volatility.

The momentum oscillator RSI (14) has formed a double top pattern near 58 levels and has also given a negative crossover on the weekly time frame. The support for the banking index is placed near its previous resistance zone at 37000 levels and if a price breaks below this level then we may expect a strong round of selling, where else the upper band is capped near 38600 levels.

Sector Look: NIFTY SMALL CAP 100 INDEX



Index has been witnessing a correction phase since mid of January 2022 and has given a bearish signal by giving a negative crossover of 21 & 50 day EMA. Currently it is trading near its 200 day EMA which is placed at 10,300 levels. Moreover a Bearish Head and shoulder pattern is also witnessed, the breakdown of which is below 10,200 levels.

An upward sloping trend-line breakdown is visible which is extended from March 2020 lows. Important supports of the index lies near its 50 week EMA placed near 10,040 whereas on the upside the index can face resistance at 10,600-10,900 levels. On weekly charts it has formed a doji candle indicating a pause in the trend. A pullback cannot be ruled out which can extend till 10900 odd levels.

On the indicator front, Weekly RSI is forming a lower high lower low formation and Weekly MACD too is showing weakness. Weekly ADX which shows the strength of the trend has also started to give an uptick showing a reading of 20.49 with negative DMI moving up gradually.

Weekly Stock Idea: EVEREST INDUSTRIES



The stock has witnessed a fresh breakout on the weekly charts and has reached its all time high level. A bullish momentum is seen as per price action with more than average volumes participation. The stock has already rallied around 20% in this week so a pullback can be seen as traders can start booking profits. It is currently trading above all its major moving averages.

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

The MACD indicator is reading above its centreline with a positive crossover above its signal line. Momentum oscillator RSI (14) is hovering above 60 levels which indicates positive momentum will like to continue ahead.

Important supports are placed near 640 levels which was the previous all time high level. The stock took nearly 3 yrs to breakout and a fresh rally can resume taking the stock to new highs. As per Fibonacci extension, the next probable targets are 785 and 900 respectively.



Weekly Market Strategy

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. INH100001666

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.](#)