

Date: 22th July 2019

NIFTY



Nifty this week has ended with brutal 1% fall on weekly basis. 177 points fall in benchmark index has witnessed breach of its trend line support on daily chart. On weekly time frame 50 packs has given breakdown of rising channel pattern within the bigger channel pattern. Index closed below is 20 EMA on weekly time frame.

Index filled its runaway gap which was left open during exit poll day. Which breaks the near term support of 11450 on weekly time line. Daily RSI (14) has drift near 40 levels with negative crossover on the cards.

However, overall the sentiments remain negative for now as nifty has breached its crucial support of 11450 which was supported by rising trend line. Drift below 11400 may seen further correction till 11100 in coming trading session. Going forward, resistance is pegged at 11650/11800 levels for coming weeks.

NIFTY BANK



Bank nifty slipped 2.72% for the week and underperformed benchmark nifty for this particular week. In daily chart banking index has breached its rectangle pattern and is currently trading below its trend line. On daily chart banking index has closed below its 50 & 100 DEMA and on weekly chart prices just closed below its 21 WEMA. MACD indicator on weekly chart is in a negative crossover above zero line which suggests early indication of reversal on weekly time frame.

However overall bias remains negative as banking index is under performing benchmark index. Again bank nifty closed below 30000 marks which were acting as a psychological support since past couple of months. Drift below 29500 will make banking index more weak and may push it lower towards 28500 mark. 31000 is acting as a crucial support for near term.

Sector Look: NIFTY FMCG INDEX



NIFTY FMCG Index witnessed a breakdown of its Triangle pattern on weekly chart. Currently prices are trading below its trend line resistance. On daily chart today's candle have engulfed previous eight candles, which shows negative trend in index.

Momentum indicator RSI (14) has drift below 45 levels and is slanting downwards with negative crossover. Index is trading below its 50 & 20 week exponential moving averages on weekly chart.

Based on the above technical set up we can come out with a view that the FMCG sector stocks may show weakness in coming days. On the lower end supports are seen at 28500/27500. On the higher end the index may face resistance at 29500/30000.

Weekly Stock Idea: BHARTIARTL



Stock was trading in a higher high higher low formation since past couple of months which formed a Rising wedge pattern. In weekly price action candle has closed below its trend line support and witnessed Rising Channel Breakdown on daily chart. Currently price has moved below 20 day exponential moving average. RSI (14) has drift below 50 levels with negative crossover and slanting lower.

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

Traders can sell the stocks on rally with a range of 345 – 348 for the target of 326 with a stop loss above 358.



BONANZA PORTFOLIO LTD

Mumbai: Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhatt Road, Goregaon (E) Mumbai – 400063. Tel: 91 22 30863744/30863742

New Delhi: 4353/4C, Madan Mohan Street, Ansari Road, Darya Ganj, New Delhi – 110002. Tel: 91 11 30181290/94 Fax: 91 11 30412657

Disclaimer:

This report, contains information based on research carried by or on behalf of Bonanza Portfolio Limited, is neither advice nor any offer to sell or a solicitation to buy any securities, Further the reader is also advised to exercise restraint in placing any dependence on this report, as the sender, Bonanza Portfolio Limited, neither claims or guarantees the accuracy of any information contained herein nor assumes any responsibility in relation to losses arising from the errors of fact, opinions contained herein or the dependence placed on the same. The situational factors affecting the information herein may change any time due to the volatile market conditions, and may not be accurate, complete or exhaustive, the recipient therefore is advised to use his own discretion and judgment, while entering into any transactions, whatsoever.

Further, please note that Bonanza, its directors employees and associates may have trading or investment positions in the securities mentioned herein.