

Date: 23rd AUG 2021

NIFTY



It was a very volatile week where Nifty traded with a mixed bagged and registered its lifetime high of 16701.85 levels on 18th Aug and formed a bearish dark cloud cover candlestick pattern during the closing and continued its selling and confirmed the bearish pattern setup by closing below the bearish dark cloud cover pattern in its next trading session.

We are also approaching the 20th anniversary of the Taliban's removal from power in Afghanistan at the hands of US-led coalition forces. Now that the Taliban has again prevailed, we should consider whether its victory over the world's most powerful military and the largest economy will have any implications for the dollar and its role in the world.

The Benchmark index has formed a bearish harami candlestick pattern in the weekly time frame at the all-time high levels, the bearish pattern will be confirmed when the prices will close below the harami pattern. Momentum oscillator RSI (14) has dropped sharply from its overbought levels and currently reading at 65 levels with bearish crossover on the daily interval.

The immediate support for the Nifty is placed near 16200 levels and resistance is pegged near 16700 levels.

BANK NIFTY



Bank Nifty has witnessed an upward rising trend line breakdown on 20th Aug on the daily time frame. On the weekly chart prices has drift for more than three percent and has closed below its trend line support.

Prices have made a multiple attempt to break the resistance levels placed at 36300 – 36400 levels but were unable to breach the upper band of the horizontal trend line on the daily scale. Prices have drift below its 21 & 50 day exponential moving averages on the daily interval.

Bank Nifty has continuously underperformed the Benchmark index on all the time frames which is visible of relative strength (RS) indicator. Majority of the indicators & oscillator has indicated a negative trend for the banking index.

Banking index has filled its runaway gap which was created on 4th Aug due to a gap up opening. Currently prices are trading in the middle of the rectangle pattern and the lower band of the pattern is supported with a 100- day exponential moving average.

The immediate support for the Bank Nifty is placed near 34400 levels and resistance is pegged near 36200 levels.

Sector Look: NIFTY FMCG INDEX



Nifty FMCG on the weekly timeframe has given an Ascending wedge pattern breakout. Currently the index is trading at 38443 levels well above its 21 day Weekly EMA which is placed at 35719.

The index is trading in an uncharted territory and based on Fibonacci extensions, next targets are placed at 39730 odd levels. On the indicator front, Weekly RSI is showing a reading of 73.7 and the momentum is likely to continue. Weekly ADX is at 27.4 and is rising which shows the strength of the trend is strong.

On price action front, Nifty FMCG has been making a higher top higher bottom formation since the beginning March 2020 lows and is likely to follow the same. Prices are trading above their all the major exponential moving averages on the daily as well as the weekly time frames.

FMCG index is outperforming the benchmark index since last couple of months which is visible in the relative strength chart. Important supports are placed at 36700-37000 zones and resistance is placed near 39200 – 39500 levels.

Weekly Stock Idea: AUROPHARMA



On the daily chart AUROPHARMA has completed '**Bullish Crab Harmonic pattern**'; the coordinates of which are:

XA leg is from 797.30 to 1063.90

AB from 1063.90 to 917.75 (which is 61.80% of XA leg),

BC leg is from 917.75 to 1013 (which is 61.80% of the AB leg) and

CD leg is 1013 to 681.05 (which is 361.80% projection of BC leg & 161.80% retracement of XA leg).

Momentum oscillator RSI (14) has reached near extreme oversold level (10) and a sharp bounce back from the current level cannot be ruled out.

Volume activity has increased significantly from the past few trading session indicates accumulation phase in the oversold conditions.

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

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.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)