

Date: 26th Aug 2019

NIFTY



Benchmark index have broke its rising trendline support and closed below its trendline on weekly interval. Rising channel pattern breakdown is visible on weekly chart which calls for negative momentum in coming weeks. However 100 EMA is placed at 10800 level which will act a near term support for benchmark index.

Technically nifty has given breakdown of negative pattern on weekly chart which is well followed by momentum oscillator RSI (14) which is hovering near 40 levels. A positive divergence on daily chart is spotted in RSI which opens the gate for the minor pullback in coming sessions.

It's better to stick with a quality stocks which are less venerable to fall as index still shows weakness. On lower side small support will be seen near to 11000-10800 range, where else intermediate support is seen at 10600 - 10500. On break of the same Nifty may rest last support level of 10400. Resistance is seen at 11100 & 11250 for the coming week.

NIFTY BANK



Banking index on weekly interval has made a first lower low since its all time high level of 31783.60 levels. Two hefty red candles on monthly interval clearly indicate bearish momentum could continue in banking sector. Currently bank nifty is trading in band of 50 and 100 EMA which is placed at 28500 (50EMA) and 26850 (100EMA).

Any uptick in prices should be considered for selling as overall trends remains negative for the banking index in coming sessions. Banking index faces stiff resistance at 28500 which is supported by 50 EMA on weekly chart. On lower side small support will be seen near to 27500 - 26800 range. On break of the same banking index may rest last support level of 26000. Intermediate Resistance is seen at 29000 & 29500 for the coming week.

Sector Look: NIFTY PSUBK INDEX



NIFTY PSUBK INDEX after a prolong consolidation has given a breakdown below its horizontal trendline support on weekly interval. Index is currently sustaining well below its all the major exponential moving averages.

Momentum indicator RSI (14) is reading near 30 levels with negative crossover. MACD indicator is reading well below its line of polarity on weekly chart.

Based on the above technical set up we can come out with a view that any uptick in prices should be considered for selling as overall trends remains negative for the NIFTY PSUBK index in coming sessions. On the lower end supports are seen at 2200/2100. On the higher end the index may face resistance at 2700/2850 levels.

Weekly Stock Idea: NIITTECH



On the Weekly chart NIITTECH has witnessed breakout of “Symmetrical Triangle Pattern”. After a prolong consolidation Stock has given breakout above its falling trendline resistance on daily time frame, which shows optimism in the current price movement.

Stock is sailing above its major exponential moving averages on weekly time frame. Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover. Currently MACD indicator is reading above the line of polarity. Moreover stock is outperforming the benchmark index since past couple of months. Nifty IT index is out performing benchmark index on relative basis. Based on the above Technical studies we can come out with a view that the price may move towards higher levels over the short period. On the lower end supports are seen at 1350/1320, on the higher end the stock may face resistance at 1425/1440 levels.

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.