

Date: 27<sup>th</sup> Aug 2018

## NIFTY



The benchmark index has closed with a positive for the fifth consecutive weeks. On the weekly chart a small green candle has formed. No trend reversal is visible on the chart. Overall, the index has continued its run within the rising channel which is expected to continue till there is a breakdown below the channel.

Momentum indicator, RSI (14) is in bearish divergence which suggests strength index has not been making new highs along with the index.

The trend is upward as no significant reversal is visible on the chart. On the higher end upper band of the rising channel is likely to act as resistance for the rising price which is currently pegged 11660. On the lower end immediate support seen at previous swing high of 11500. Any dip towards 11500 is likely to be bought for an upside movement towards 11660 - 11700.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
NIFTY	11557.10	11300	11410	11500	11660	11700	11800	Positive

## NIFTY BANK



Bank Nifty index has been consolidating for the last four weeks as the index remained in the range of 27700 and 28350. On the weekly chart, a dark cloud cover is visible which suggests waning bullishness in the banking space.

On a smaller degree view we can observe that the index has given a rising trend line breakdown which supports a reversal of the previous rally. Also, a double top is visible on the daily time frame. On the lower end previous swing low may act as support for the falling index; a decisive break down below the swing low may induce a strong downside in the banking space.

Daily strength index RSI (14) has been in a bearish crossover and falling which suggest the bearish momentum in the days to come.

The trend is expected to remain bearish as long as the index trades below 28100. On the lower end Bank Nifty may fall towards 27700; sustained trades below 27700 may trigger a correction towards 27450. On the other hand 28100 may act as crucial resistance for the week.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
BANK NIFTY	27834.70	27250	27500	27700	28200	28400	28600	Positive

**Sector Look: NIFTY FINANCIAL SERVICES**



On the daily chart the nifty financial services index has given breakdown below its rising channel pattern at 11592.15 which is bearish in nature. This type of contention, when occur near top results a steep correction in price is seen as follow up price action. Furthermore bearish belt hold candlestick pattern is visible in daily time frame.

Daily RSI (14) is in bearish crossover and has breached its trend line support which indicates further downside in price.

Technically, the index is losing momentum and volume is also on decline. The index has breached its trend line support may fall towards next support at 11300. Upon sliding below 11300 the index may drift towards 11000 in the short term. On the higher end the index is expected to find resistance at 11800.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
NIFTY FINANCIAL SERVICES	11592.15	11000	11300	11450	11670	11750	11850	Negative

**Weekly Stock Idea: BPCL**



After a steep correction in the previous several days the stock is trying a reversal. In addition, a bullish harmonic pattern has formed in the stock price chart which may propel a rally in the stock. A divergence in the daily strength index RSI (14) indicating a reversal in the days to come.

Based on above set up we expect price recovery in the stock and the stock price may move towards 380-390 in the short term. On the lower end support is visible at 339.

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**BONANZA PORTFOLIO LTD**

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

**Mumbai: Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhatt Road, Goregaon (E) Mumbai – 400063.**