

Date: 28th^t Sep 2020

NIFTY



Nifty50 has witnessed a breakdown from a rising wedge pattern on the weekly chart and since then there is no looking back and constant selling across the board.

A strong pullback on Friday's session was expected as momentum oscillator RSI (14) was reading below 30 levels on a smaller time frame. Since 28th May 20, Nifty50 has never closed below its 50-day exponential moving average on the daily chart. But from the last couple of trading session's prices closed below its 50 DEMA, which is a sign of concern in coming trading sessions.

As per the Fibonacci retracement theory, the key low of August 3 at 10882 has touched on the lower side which indicates that the medium-term trend is favouring the bears and any pullback is likely to see supply pressure.

Moreover, prices have witnessed a smaller degree rounding top formation breakdown below 11200 levels on a daily interval, and pullback on Friday's sessions has likely completed the pullback for the said bearish pattern.

Technically, as cautioned an unexpected fall has hinted a weakening in uptrend and stop should be placed for any longs. Both domestic and international markets look vulnerable to fall with super volatility.

Going forward, the major support zone will be near 10800 – 10750 levels and the upside is likely to cap near 11350 levels.

BANK NIFTY



Four out of five days of a week closed in red for the banking index and breach its upward slanting trend line on the daily interval. The four weeks of continuous fall have placed the Bank Nifty at the back foot and likely to trade with a bearish bias.

On Friday's session in the initial hours of trade, Bank Nifty remained volatile but in the second half, bulls took the charge and regained the momentum to recover lost territory. Since, the overall undertone is strongly bearish, as of now; there is very little sign of complete turnaround rather it can be interpreted as a small pullback.

The momentum oscillator RSI (14) is slanting lower and reading near 40 levels with negative crossover on a weekly interval. Meanwhile Bank Nifty closed below its (21, 50 & 100) DEMA on a daily chart confirming a bearish breakdown. The MACD indicator has too hinted at a loosing of upward momentum by closing below its line of polarity with negative crossover on a daily interval

Due to the worldwide concerns over the COVID-19, both domestic and international markets look vulnerable to fall with super volatility.

Going forward, the major support zone will be near 20000 - 19800 levels and the upside is likely to cap near 21800 - 22000 levels.

Sector Look: NIFTY IT INDEX



On the weekly time frame, 21 days simple moving average is acting as a support that is placed at around 18894 level.

NIFTY IT INDEX has closed 1.00 % higher 1601.80 and formed a bullish candle in the weekly time frame. The Index has closed above its previous week high, which shows significant recovery towards the end of the week.

On the Weekly chart, index after several weeks of consolidation moved above from the range which suggests bullish strength in the counter. Index has given a breakout of the “Consolidation Pattern”.

Currently stock is trading above all the major simple moving average on the weekly timeline.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame. RSI (14) is reading near to 70 on a weekly timeline.

On the higher end resistance is seen at the 20350/20700 level on the weekly chart. On the lower end support for the coming weeks is seen 19200/18900 levels.

Weekly Stock Idea: COFORGE



COFORGE on the weekly chart is moving in the range from past few weekly trading sessions and made an attempt to move higher.

After consolidating in a broad range of Rs 1,880 – 2,080 for almost five week, the stock has witnessed a breakout above its consolidation pattern on the daily timeline.

Currently stock is trading above all the major simple moving average on the weekly timeline.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame.

The momentum oscillator RSI (14) on the weekly chart is reading in a higher low higher high formation which is above 70 levels with positive crossover on the cards.

On the weekly chart, the MACD indicator is showing positive bias, reading above its line of polarity with positive crossover.

On the higher end resistance is seen at the 2420/2540 level on the weekly chart. On the lower end support for the coming weeks is seen 2180/ 2080 levels.



Weekly Market Strategy

Technical Research Analyst

Mr. Rohan Patil,

Mrs. Pooja Jain

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)