

Date: 30<sup>th</sup> Sept 2019

**NIFTY**



On Sept 20, when FM announced corporate tax cut from 35% to 25% a dramatic turnaround was witnessed in Indian indices. Since then the entire chart structure has made a drastically positive change in nifty and banking index. This week benchmark index has formed a 'spinning top candle stick pattern and gap on the weekly chart is still unfilled.

Benchmark index has witnessed a profit booking after a historical up-move. Despite recent indecisive set-up, our view will remain positive as its key technical indicator was positively poised above their averages and signals strength at current setup. 100 day simple moving average is currently pegged near 11400, which will act as a crucial support in coming days.

In case the index slips below the upper band of recent positive gap (placed near 11,400 level), a near-term corrective move cannot be ruled out. On the lower side, NIFTY will find strong support around 11,200 mark, which is supported by a 50 EMA on weekly interval. However a stable move above its mid-July high (placed at 11,707 level) will bring back the exuberance of climbing higher levels back in trade. In case of breakout, the index will face hurdle around its psychological level-12,000.

**NIFTY BANK**



Benchmark index has formed a 'spinning top candle stick pattern' and the gap still remains unfilled on the weekly chart. Trend line is acting as a support which is placed at 26560 and banking index bounce back from this level and breaks its previous week high.

In weekly chart, index is trading above 50 days and 100 days Simple Moving Average. In weekly chart, Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover. MACD Indicator is hovering below zero line with negative crossover.

Banking index faces major resistance or some profit booking at 31600 which is supported by previous swing high on weekly chart. In the near term, 28800 is a support zone. Trader should continue to have a long position with buy on dips strategy in the upcoming session.

**Sector Look: NIFTY PSU BANK**



On the Weekly chart PSU BANK INDEX has given a breakdown of “Consolidation Pattern”. A recent bull back has completed near its trend line resistance which is placed at 2650. This week red candle has engulfed the previous four weeks candle which is bearish sign for the index.

In weekly chart, it's traded below 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading below 40 levels with negative crossover. MACD Indicator is hovering below zero line with negative crossover which is bearish sign for the index.

On the lower end supports are seen at 2300/2100 on weekly chart. On the higher end the index may face resistance at 2680 /2880 levels for next couple of weeks.

**Weekly Stock Idea: CIPLA**



On the Weekly chart CIPLA has given a breakdown of “Symmetrical Triangle Pattern”. Trend line of this pattern is acting as a resistance which is place at 485 levels. Bearish candle is formed on weekly time frame and has closed below its previous week low.

In weekly chart, it’s traded below 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading below 40 levels with negative crossover. MACD Indicator is hovering below zero line with negative crossover which is bearish sign for the stock.

On the lower end supports are seen at 430/360. On the higher end the stock may face resistance at 490 / 530 levels.

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.



## **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.**