

Date: 30TH DEC 2019

NIFTY



Power pack closing on Friday's session has zoomed benchmark index to close above 12200 mark. Nifty is closely following 21 DEMA which is currently placed at around 12100 levels. "Above the Stomach" Bullish candle stick pattern is formed on Friday's session, which indicates index is nicely poised to move higher.

Looking at weekly chart nifty has firmly held higher high higher low formation and constantly giving higher close on month on month basis. Nifty has closed above its horizontal trend line resistance and looking strong to concur new mile stone.

After a prolong consolidation Nifty IT index on weekly chart has witnessed strong breakout of a consolidation zone and poised two outperformed the benchmark index in coming sessions. Mean while Nifty metal index should continue to outperform the benchmark index on absolute basis.

As benchmark index is only 48 points away from all time high, base support for nifty is inching higher, which is placed at around 12000 levels which is supported by a Continuation gap on daily time frame and horizontal trend line on weekly interval. A breach of 12000 mark on closing basis will drift nifty lower towards 11800 level.

The current bullish momentum could take the index towards 12,360-12,450 levels which is concluded by the Fibonacci ratios.

BANK NIFTY



“Above the Stomach” Bullish candle stick pattern is formed on Friday’s session, which indicates banking index is nicely poised to move higher. 20 days simple moving average is closing following the prices which are currently placed at 31894 levels on weekly time frame.

When we come on weekly analysis, this week’s candle has formed long lower tail and close the week in green this study indicates supply at lower level is getting exhausted and fresh demand may emerge soon.

Private sector banks have closed at all time high for two consecutive weeks while PSU bank index is trading in a lower high formation on monthly time frame. This chart comparison clearly shows out performance of private banks.

Higher high Higher Low formation is well intact on Momentum Oscillator RSI (14) with positive crossover on the cards. MACD is reading above zero line with positive crossover, which is bullish sign.

As banking index is at all time high level, base support for index is inching higher, which is placed at around 31000 levels which is supported by a horizontal trend line on weekly interval. A breach of 31000 mark on closing basis will drift banking index lower towards 30000 level.

The current bullish momentum could take the nifty bank towards 33000 - 33200 levels which is concluded by the Fibonacci ratios.

Sector Look: NIFTY METAL



On the weekly chart NIFTY METAL INDEX has given breakout of “Falling channel pattern” on 27th Dec 2019. Index closed 1.95 % higher at 2760.35 and formed a bullish candle on the weekly chart. Currently prices are trading above its trend line support and have closed above its previous week high. Moreover on weekly time frame, 20 days simple moving average is acting as a support which is placed at 2484.35 level. Overall sentiments looks positive as index has shown strong strength towards upside.

Since 23rd Aug 2019 Metal index is trading in higher high higher low formation on weekly time frame, which indicates continuation of bullish trend.

Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover, which is positive for the index.

On the lower end supports are seen at 2580/ 2470 on weekly chart. On the higher end break of 2800 will open the gate for 3000 levels in coming weeks.

Weekly Stock Idea: Bajaj Auto



Bajaj Auto after witnessing a breakout of its “Triangle Pattern” on weekly time frame, prices is consolidation above its trend line support. Prices are trading above its upward rising trend line on daily chart; this is acting as a support which is placed around 3184. 50 days simple moving average is closing following the prices which are currently placed at 3200 level on daily time frame. Moreover on weekly time frame, stock is trading above all the 20,50, 100 days simple moving average.

On weekly chart, Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover. On previous two occasions whenever RSI (14) has drift near 30 levels sharp reversal in prices has been seen in weekly chart.

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.



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)