



# WEEKLY REPORT

**BONANZA PORTFOLIO PVT. LTD.**

2024

# WEEKLY MARKET STRATEGY

Date: 3<sup>rd</sup> June 2024

## NIFTY



### Key observation

On Friday nifty opened gap up at ~22568 and closed at ~22531 forming a red spinning top candle. At bulls tried to sustain the momentum and push the market towards 22650 but bears took control and dragged it towards 22500 and overall, it was a volatile session.

On a weekly chart, nifty is trading in a rising parallel channel and selling was seen when nifty made a fresh all-time high which dragged nifty toward 22400 level. Also, a higher high and higher low formation is seen on the weekly timeframe which means we can expect nifty to be sideways to bullish in the upcoming week. Immediate support is seen at 22400 while option data indicates 23000 as a strong resistance.

On the indicator front, RSI (14) is trading at ~60 signaling sideways to bullish momentum and the price is also trading above the super trend. Also, the index is above 20 & 50 periods EMA suggesting upward movement is expected to continue in the near term.

### Key levels to consider for the coming week

<b>R1 22800</b>	<b>S1 22300</b>
<b>R2 23000</b>	<b>S2 22100</b>

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## NIFTY BANK



### Key observation

On Friday Bank Nifty opened a gap up at ~48895 and closed at ~48984 forming a green spinning top candle. Volatility was seen on Friday as at first bulls tried to sustain their momentum but the bear took control and dragged it towards 48550 and from that level bulls took control and pushed it towards 49100.

On a weekly chart, it had formed a red doji candle which indicates indecisiveness. Also, a breakout of the rising wedge is seen in the underlying and with higher high and higher low formation. Immediate support is seen at 48300 while strong resistance is seen at 49300. On the indicator front, RSI (14) is seen at ~ 60 signaling sideways to bullish momentum and the price is also trading above the super trend. Also, the index is above 20 & 50 periods EMA suggesting upward movement is expected to continue soon

Traders may continue to exercise caution & refrain from building leverage positions until the event volatility cools down. Traders are advised to remain selective while deploying longs & utilize intraday declines to add longs rather than chasing breakout moves.

Key level to consider for the coming session

R1 49300    S1 48300

R2 49800    S2 47900

# WEEKLY MARKET STRATEGY

## NIFTY IT



### Key observation

Among nifty sectoral indices Nifty IT (-4.25%) is amongst the top loser, after some upside in the first half of the previous month, The nifty IT index witnessed a rally on the lower side with this it is now trading below 50 EMA as well as made a 6 month low of 32280, so far in May series nifty IT index is down by almost -5.2% from its month's high (34227) underperforming the benchmark nifty 50 index which is flat (-0.33%) during the same period. The ongoing setup near the breakdown zone suggests a further move can't be ruled out on the southern side Price action indicates a weak formation that is a bearish engulfing candle followed by breakdown on the downside, indicating a negative trend in the index as well as closing below daily & weekly opening is confirming further sideways to bearish momentum could be witnessed at least for short term, nevertheless, momentum indicator RSI is also at 39 on a weekly scale, Also index is below 20 & 50 periods EMA suggesting the downward movement is expected to continue in the near term.

On the indicator front, RSI (14) is reading at 32 on a daily scale. Apart from that it is now trading Below 5 & 20 EMA & super trend is in bearish mode on the daily time frame as well, going ahead the strategy should be Selling on the rise

Key level to consider for the coming session

R1 32585      S1 32350

R2 32815      S2 32000

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Research Analyst

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