

Date: 18th March 2024

NIFTY



Key observation

On Friday nifty opened at 22064.85 and made a high of 22526 and then the whole day it was trading in the wide range of ~200 points (21900-22120) and closed at 22023.35. On a weekly basis Nifty50 formed a bearish engulfing candlestick pattern which indicates short term reversal(Negative). This means we can see Nifty50 sideways to bearish in the upcoming trading sessions. Going forward 22200 to remain a barrier for upside followed by 22300 as per the option data. However 22000 will act as a support followed by 21850.

On the indicator front RSI (14), divergence is seen as price is making higher high and RSI forming higher low which is indicating negative divergence, Technically it is indicating a range between 21850-22200. Going ahead expecting the index to be in sideways zone until either side levels are not breached Aggressive short could be considered at current junction as well considering risk reward , but leverage short position can be added once index slips below 21850.

Key levels to consider for coming week

R1 22500 S1 22400

R2 22600 S2 22300

NIFTY BANK



Key observation

On Friday Bank nifty opened at 46572.10 & the whole day it was trading in the wide range of ~500 points (46300 - 46800) due to which the index formed a doji candle on a daily frame. Index is expected to be in sideways to bearish zone until 46500 is not breached (closing basis). While further down move would witness once 46500 is taken out on the lower side wherein there is a strong demand zone. Momentum indicator RSI (14) is now trading in the neutral Zone. It is advisable to trail the long position with a stop of 46500(closing basis).

On a weekly scale price action suggests after forming a bullish candle in previous week near a resistance and this week a bearish candle closing near the demand zone, meaning the nifty bank will be sideways to bearish. Immediate levels to track on the upper side will be 46800 followed by 47200 while immediate support looks firm at 46500. However on the indicator front if we see the momentum indicator RSI (14) is trading below 60 which is again suggesting the index is in neutral to bearish mode. For the coming week until the anticipated levels are intact index is expected to be sideways to bearish. While we check super trend it still is in sideways to bullish mode.

The strategy going ahead should be sell on rally as long as index is reading below 48000 on weekly time frame, leverage short should be added once Index moves below 46350 on daily time frame. One can be light on positions once 46800 is taken out on upside & can maintain long short equation.

Key levels to consider for coming week

R1 46800	S1 46500
R2 47000	S2 46000

Sector Look: MIDCAP INDEX



Key observation

Among nifty sectorial indices Nifty midcap (-3.71%) is amongst the top loser, after some correction in first half of previous month, currently nifty midcap index witnessed a rally on lower side with this it is now trading near demand zone of 10350-10450, so far in march series nifty midcap index is down by almost 3.7% from its month's high (10929) underperforming the benchmark nifty 50 index which is down (-2.09%) during the same period. The ongoing setup near breakdown zone is suggesting a further down move can't be ruled out on downside.

Price action indicating a bearish formation that is rising channel pattern breakdown is seen on the downside, indicating a negative trend in the index as well as closing near low on daily & weekly scale is given a confirmation of further bearish momentum at least for short term, nevertheless momentum indicator RSI is also below 70 on weekly scale, while we check super trend, it is also suggesting the sideways to bearish movement is expected to continue in near future.

On indicator front RSI (14) is reading below 40 on daily scale. Apart from that it is now trading below 5.20,50EMA & super trend is in bearish mode on daily time frame as well, going ahead the strategy should be **sell on rise**

Key level to consider for coming session

R1 10500 S1 10400

R2 10750 S2 10250

Research Analyst**Mr. Drumil Vithlani****Disclosure:**

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M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>

Research Analyst Regn No. INH100001666

SEBI Regn. No.: INZ000212137

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