



WEEKLY REPORT

Date: 1st-July-2024

BONANZA PORTFOLIO PVT. LTD.

2024

WEEKLY MARKET STRATEGY

NIFTY



Key observation

On Friday nifty opened gap up at ~24086, made a new high of 24174, and closed at ~24011 forming a shooting star candle. It was a clear tug of war between bulls & bears due to which in the second half Some profit booking was seen in the underlying which dragged nifty towards 24000.

On the weekly chart, the index had formed a spinning top which was indicating a likely reversal however in the previous week nifty formed a long-week bullish candle which suggests bulls took over the bears which negates bearish sentiment for the upcoming week moreover we can expect nifty to be sideways to bullish until 23800 is not taken out on the downside while 24200 will be the key resistance for the underlying. Also, a higher high and higher low formation in seen on the weekly timeframe which also means we can expect nifty to be sideways to bullish in the upcoming week. Immediate support is seen at 24000 while option data indicates 24500 as a strong resistance.

On the indicator front, RSI (14) is trading ~72 signalling's sideways to bullish momentum and price is also trading above the super trend as well as fast ema (21) and slow ema (50)

Key levels to consider for the coming week

R1 24200

S1 24000

R2 24500

S2 23800

WEEKLY MARKET STRATEGY

NIFTY BANK



Key observation

On Friday Bank Nifty opened flat at ~52875 and closed at ~52342. Profit booking was seen which dragged bank nifty towards 52200 level. A similar like evening star pattern is seen on a daily time frame warrants caution and indicates a likely reversal in offing

On a weekly chart, the index it had formed a bullish candle, and with that, a breakout of the rising wedge is seen in the underlying and with the higher high and higher low formation which means we can expect bank nifty to be sideways to bullish in the upcoming week, however, leverage longs to be avoided at current junction & use intraday dips if any towards 52000 mark to add longs has on lower time index is showing early signs of pause in trend until 53000 is not taken out on upside Immediate support is seen at 52000 while strong resistance is seen at 53000, moreover options data for the week highlights an immediate range of 52000-53000 with 52500 being the crucial midpoint for assessing trend strength in case of any either side breakout from the range on lower time frames.

On the indicator front, RSI (14) is seen at ~71.56 signalling sideways to bullish momentum and the price is also trading above the super trend as well as fast ema (21) and slow ema (50). Expecting choppy market hereon coupled with narrow bodies until the anticipated range is not breached

Key level to consider for the coming session

R1 52500 S1 52000

R2 53000 S2 51590

NIFTY PHARMA



Key observation

Among nifty sectoral indices NiftyPharma (4.98%) is amongst the top gainers, after some consolidation in the previous series, The nifty pharma index witnessed a rally on the upside side with this it is now trading above 50 EMA as well and the index has given a breakout of range indicating a continuation of the uptrend. The Pharma index has closed near its high on a daily scale indicating buyer's dominance, in the June series, the nifty pharma index is up by almost 4.98% from its month's open (19206) outperforming the major indices during the same period. Price action indicates a bullish formation that is a bullish candle followed by a range breakout on the upside, indicating a positive trend in the index as well as closing above the daily opening is confirming further sideways to bullish momentum could be witnessed at least for the short term, nevertheless, momentum indicator RSI is also at 64 on a weekly scale, also index as bounced from 20 periods EMA which will act as a support area.

On the indicator front, RSI (14) is reading at 60 on a daily scale. Apart from that it is now trading above 5 & all major EMA & super trend is in bullish mode on the daily time frame as well, going ahead the strategy should be Buy on dip

Key level to consider for the coming session

R1 19825 S1 19615

R2 19950 S2 19500

STOCK OF THE WEEK :DRREDDY LABS LTD



Key observation

On the daily chart, Dr Reddy has given a breakout of the megaphone pattern with a bullish candlestick, which indicates a bullish set-up in the counter and is expected to remain in a bullish trend until the low of the breakout candle is not breached

The stock is trading above its 20, 50, 100 & 200 Exponential moving averages on a daily scale which is positive for the prices in the short to medium-term

The daily strength indicator RSI (14) is in bullish mode and trading at 70 levels moreover during the selling demising volume suggests that the buyers are interested in buying the security on the dip

Based on the above technical structure one can initiate a long position in Dr Reddy Labs Ltd

Current market price: 6402

Stop loss: 6255 (Daily closing basis)

Target price: 6622

Research Analyst

Mr.Drumil Vithlani

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WEEKLY MARKET STRATEGY

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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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