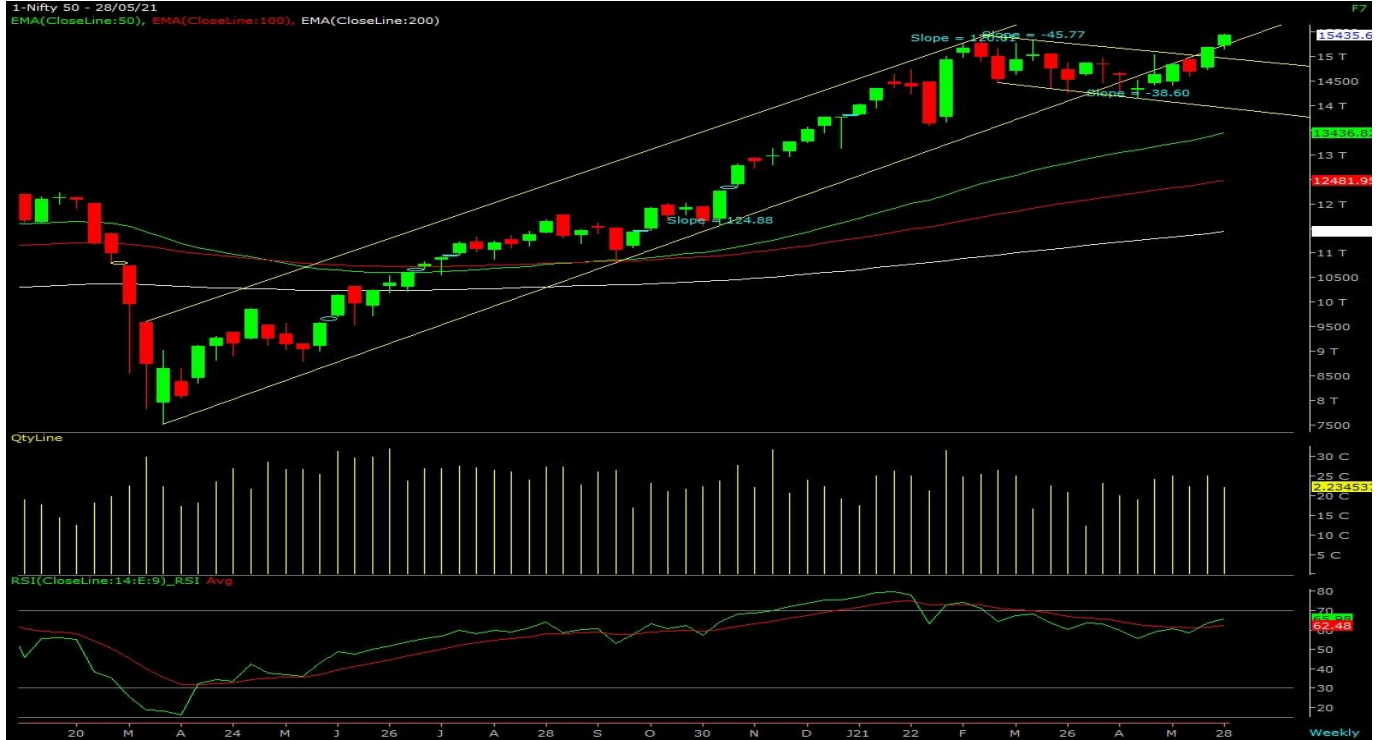


Date: 31th MAY 2021

NIFTY



Nifty50 traded in a narrow range of one thousand points for almost 13 weeks and was finally given a decisive break out of a Flag pattern on the weekly chart. Out of the last five weekly candles, Nifty closed in the green for four weeks which indicates strong upside momentum.

Indian bourses on the Friday session witnessed a gap up opening following its global peers and closed at all-time high levels and created a minor runaway gap on the daily interval. On the daily chart, the Index has witnessed a breakout of rising wedge patterns and the indicator Parabolic SAR is placed near the lower band of the wedge pattern and acting as a support zone.

Momentum oscillator RSI (14) has witnessed a horizontal trend line breakout on the daily chart which is placed near 60 levels, which indicates positive momentum is likely to carry ahead.

India VIX, also known as the fear gauge of the market, ended at 17.37 down by 12.78 percent on Friday's trading session. VIX index settled below 20 levels indicates a drop in the volatility which creates confidence among the traders.

The above chart analysis suggests Nifty will most likely continue its bull run and near-term support for the index comes near 15200 and resistance rests near 15650 levels.

BANK NIFTY



Bank Nifty continued its bullish trend for this week as well where the index closed above the previous week's high and sustained above its downward sloping trend line on the weekly time frame.

Bank nifty on the weekly chart has broken out of its intermediate correction mode and trading above the upward slanting trend line, which indicates bulls are back in action.

NIFTYPSUBANK index has given a decisive breakout above its horizontal trend line and will most likely lead the banking sector from the front in the coming weeks.

The Parabolic SAR indicator is trading below the current market price and acting as immediate support below the upward rising trend line. The MACD indicator is reading above its centerline and sloping higher on the daily time frame, which is positive for the banking index.

The above chart analysis suggests Bank Nifty will most likely continue its bull run and near-term support for the Banking index comes near 34000 and resistance rests near 36500 levels.

Sector Look: NIFTY AUTO INDEX



The NIFTY AUTO index has witnessed a breakout on a smaller degree consolidation pattern and has formed a U shape reversal pattern on the weekly time frame.

AUTO Index on the weekly chart is trading above their 21 & 50-day exponential moving average which is placed near the lower band of the channel pattern acting as a crucial support zone for the Auto index. Momentum oscillator RSI (14) has witnessed a horizontal trend line breakout on the weekly chart which is placed near 57 levels, which indicates positive momentum is likely to carry ahead. The Parabolic SAR indicator is trading below the Auto Index and acting as immediate support below the upward rising trend line. The MACD indicator is reading above its center and sloping higher on the daily time frame, which is positive for the Auto index.

Based on the above chart analysis and technical outlook, the Auto index seems to be in the control of bulls. The Auto index is holding the key support zone, but the chart pattern suggests that there might be some action expected in the index if the price remains above the support zone or breaks the crucial resistance zone which rests at 10820 levels in the coming trading sessions.

Weekly Stock Idea: SIEMENS



The stock has witnessed a rectangle pattern breakout at 2003.80 levels on the 12th of May and since then prices are consolidating above its trend line support and has completed a throwback for the said pattern on the daily interval.

The momentum oscillator RSI (14-period) is reading above 60 levels, indicating the possibility of a continuation of an upside movement. The price is trading above its 21-period EMA, acting as a crucial support level near the horizontal trend line.

Despite the minor correction, the stock price is trading in a strong upward trajectory, forming a series of higher tops and higher bottoms on the weekly chart, which indicate bulls, are still in action.

Based on the above Technical studies we can come out with a view that the price may move towards lower levels over a short period.

Technical Research Analyst**Mr. Rohan Patil****Disclosure:**

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

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