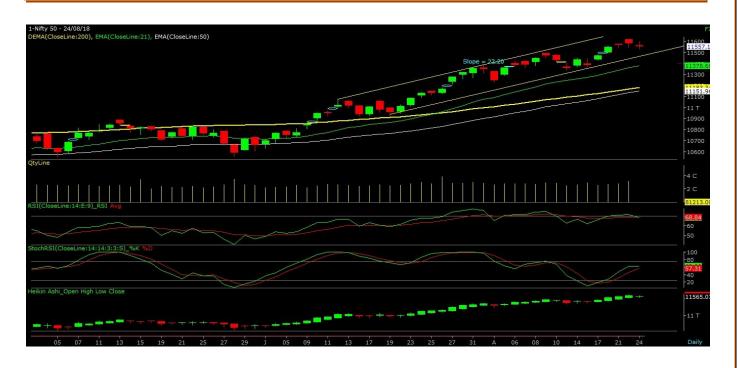


Date: 27th Aug 2018

NIFTY



The benchmark index has closed with a positive for the fifth consecutive weeks. On the weekly chart a small green candle has formed. No trend reversal is visible on the chart. Overall, the index has continued its run within the rising channel which is expected to continue till there is a breakdown below the channel.

Momentum indicator, RSI (14) is in bearish divergence which suggests strength index has not been making new highs along with the index.

The trend is upward as no significant reversal is visible on the chart. On the higher end upper band of the rising channel is likely to act as resistance for the rising price which is currently pegged 11660. On the lower end immediate support seen at previous swing high of 11500. Any dip towards 11500 is likely to be bought for an upside movement towards 11660 - 11700.

| Indices | Close | S3 | S2 | S1 | R1 | R2 | R3 | Trend |
|---------|----------|-------|-------|-------|-------|-------|-------|----------|
| NIFTY | 11557.10 | 11300 | 11410 | 11500 | 11660 | 11700 | 11800 | Positive |



NIFTY BANK



Bank Nifty index has been consolidating for the last four weeks as the index remained in the range of 27700 and 28350. On the weekly chart, a dark cloud cover is visible which suggests waning bullishness in the banking space.

On a smaller degree view we can observe that the index has given a rising trend line breakdown which supports a reversal of the previous rally. Also, a double top is visible on the daily time frame. On the lower end previous swing low may act as support for the falling index; a decisive break down below the swing low may induce a strong downside in the banking space.

Daily strength index RSI (14) has been in a bearish crossover and falling which suggest the bearish momentum in the days to come.

The trend is expected to remain bearish as long as the index trades below 28100. On the lower end Bank Nifty may fall towards 27700; sustained trades below 27700 may trigger a correction towards 27450. On the other hand 28100 may act as crucial resistance for the week.

| Indices | Close | S3 | S2 | S1 | R1 | R2 | R3 | Trend |
|------------|----------|-------|-------|-------|-------|-------|-------|----------|
| BANK NIFTY | 27834.70 | 27250 | 27500 | 27700 | 28200 | 28400 | 28600 | Positive |



Sector Look: NIFTY FINANCIAL SERVICES



On the daily chart the nifty financial services index has given breakdown below its rising channel pattern at 11592.15 which is bearish in nature. This type of contention, when occur near top results a steep correction in price is seen as follow up price action. Furthermore bearish belt hold candlestick pattern is visible in daily time frame.

Daily RSI (14) is in bearish crossover and has breached its trend line support which indicates further downside in price.

Technically, the index is losing momentum and volume is also on decline. The index has breached its trend line support may fall towards next support at 11300. Upon sliding below 11300 the index may drift towards 11000 in the short term. On the higher end the index is expected to find resistance at 11800.

| Indices | Close | S3 | S2 | S1 | R1 | R2 | R3 | Trend |
|--------------------------|----------|-------|-------|-------|-------|-------|-------|----------|
| NIFTY FINANCIAL SERVICES | 11592.15 | 11000 | 11300 | 11450 | 11670 | 11750 | 11850 | Negative |

Weekly Stock Idea: BPCL



After a steep correction in the previous several days the stock is trying a reversal. In addition, a bullish harmonic pattern has formed in the stock price chart which may propel a rally in the stock. A divergence in the daily strength index RSI (14) indicating a reversal in the days to come.

Based on above set up we expect price recovery in the stock and the stock price may move towards 380-390 in the short term. On the lower end support is visible at 339.



Disclaimer:

This report, contains information based on research carried by or on behalf of Bonanza Portfolio Limited, is neither advice nor any offer to sell or a solicitation to buy any securities. Further the reader is also advised to exercise restraint in placing any dependence on this report, as the sender, Bonanza Portfolio Limited, neither claims or guarantees the accuracy of any information contained herein nor assumes any responsibility in relation to losses arising from the errors of fact, opinions contained herein or the dependence placed on the same. The situational factors affecting the information herein may change any time due to the volatile market conditions, and may not be accurate, complete or exhaustive, the recipient therefore is advised to use his own discretion and judgment, while entering into any transactions, whatsoever.

Further, please note that Bonanza, its directors employees and associates may have trading or investment positions in the securities mentioned herein.

BONANZA PORTFOLIO LTD

New Delhi: 4353/4C, Madan Mohan Street, Ansari Road, Darya Ganj, New Delhi - 110002. Tel: 91 11 30181290/94 Fax: 91 11 30412657

Mumbai: Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhatt Road, Goregaon (E) Mumbai -400063.