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Weekly Technical Report

2nd September, 2022

SECTORAL OUTLOOK

SECTORS	5TH SEP 2022	29TH AUG 2022	STOCKS
NIFTY 50	NEUTRAL	NEUTRAL	ITC, ICICI BK, LT, MARUTI, SBI LIFE & TATA CONSUMER
NIFTY BANK	BULLISH	BULLISH	BANK BARODA, FED BK, ICICI BK, INDIAN BK, & SBIN
NIFTY MIDCAP	BULLISH	BULLISH	ATGL, BEL, COROMANDEL, HAL & TATA ELXSI
NIFTY AUTO	NEUTRAL	BULLISH	ASHOK LEY, HERO MOTOCORP, MARUTI & TIINDIA
NIFTY ENERGY	NEUTRAL	NEUTRAL	ADANI GREEN, NTPC & RELI-ANCE
NIFTY FMCG	BULLISH	BULLISH	ITC, TATA CONSUMER & VBL
NIFTY IT	NEUTRAL	NEUTRAL	MINDTREE, LTTS & LTI
NIFTY METAL	BULLISH	NEUTRAL	ADANI ENT, JSW STEEL & HINDALCO
NIFTY PHARMA	BEARISH	NEUTRAL	AURO PHARMA, BIOCON & DIVIS LAB
NIFTY PSE	BULLISH	BEARISH	BEL, COAL INDIA, HAL & NTPC
NIFTY REALTY	BULLISH	BULLISH	DLF, OBEROI REALTY, PHOENIX MILLS & PRESTIGE ESTATE

SUMMARY

- NIFTY 50 is trading closer to the channel resistance
- BANK NIFTY is trading near the pivotal resistance
- MIDCAP 100 retest support zone
- NIFTY AUTO halted near 52W high
- NIFTY ENERGY showcases indecision
- NIFTY IT falls below 100 WEMA
- NIFTY FMCG attempts to come out of tight consolidation
- NIFTY METAL trading above 30WEMA
- NIFTY PHARMA forming a potential top
- NIFTY PSE covers more than 50% on upside within the defined trading range
- NIFTY REALTY breaks above from a consolidation range

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RELATIVE ROTATION GRAPH



Technical View

- NIFTY REALTY enters into the leading quadrant on back of improving relative performance
- PSU BANKING gains momentum in the leading quadrant
- BANK NIFTY sees improving relative performance in the leading quadrant
- NIFTY AUTO is underperforming and tanking closer to the weakening quadrant
- NIFTY FMCG descends into the weakening quadrant
- NIFTY ENERGY gains momentum in the lagging quadrant inching higher towards the improving quadrant
- NIFTY CPSE inches higher in the lagging quadrant
- NIFTY PHARMA plummets further in the lagging quadrant
- NIFTY METAL progresses into the improving quadrant on the back of high momentum and strong relative outperformance
- NIFTY IT shows subdued relative performance and is currently trailing at the bottom edge of the improving quadrant

ABOUT RRG CHART

Relative Rotation Graph (RRG) is a visualization tool that manifests the cyclical rotation of the sectors or stocks around a benchmark. The graph represents the sector's relative strength (RS) and momentum relative to the collection of other sectors. The graph is divided into 4 main quadrants. The sectors with the strongest RS and momentum appear in the leading quadrant. As the RS and momentum begin to dwindle the sectors then move into the weakening quadrant and on further decline they move into the lagging quadrant. When the RS and momentum begins to pick up again the sectors move into the improving quadrant.

NIFTY 50



Technical View

- The head index witnessed a bullish breakout decoy tracking back into the channel making 3 new consecutive weekly lows amidst weak global cues.
- The index remained highly volatile throughout the week as it opened with a massive gap down of 370 points followed by a sharp uptick of 446 points and then remained choppy for the week with persisting intraday volatility.
- The index is trading closer to the channel resistance after it formed a bullish island pattern on the daily timeframe while bolstered by the weekly shorter term moving average.
- The index closed down by 19 points from the previous weekly close with 7.3% rise in VIX.
- The index has immediate support at 50WMA.
- The index is anticipated to attract further bullish momentum on decisive close and sustenance above the channel resistance whilst protecting the levels of the island gap and the weekly moving average near 17150.
- On failing to do so the index can then retest the pivotal support near 16800.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
17540	17300	17150	16800	17800	18000	18120

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.02%	-0.11%	17599	16630	16636	15924	196	175	56	58

NIFTY BANK



Source: Trading view

Technical View

- The banking index opened for the week with manifesting heavy selling pressure.
- It opened with a gap-down of 876 points followed by a sharp recovery of 1425 points and ended the week with sign of indecision and modest weekly gains of 1.1%.
- On the weekly time frame the price action witnessed 3 weekly tight close until the penultimate week indicating that investors expecting further upside.
- The index did form a wide bullish candle however could not cross the pivotal resistance.
- The index has been trading in the range of ~1800 points over the last 3 weekly trading sessions.
- The index is anticipated to potentially gain further bullish momentum on breaking above the defined trading range with pivotal resistance overhead.
- The RSI is trading neutrally showing no divergence against the price.
- The index has been strongly outperforming the broader market.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
39421	37940	38600	38000	39760	41830	44450

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
+0.30%	1.11%	38798	35833	35890	34735	682	773	63	63

NIFTY MIDCAP 100



Technical View

- The Midcap 100 opened with a gap-down of 866 points i.e. 2.9% for the week, however it witnessed a speedy recovery as compared to the broader markets.
- The index then after succeed in forming consecutive new daily highs as the trading week progressed ending the week with modest gains of 289 points.
- On the higher timeframe the price action has eventuated in a bullish break out from the falling broadening pattern.
- It has retested the break out zone twice and witnessed technical pullbacks validating the breakout and the supporting trendline.
- On the weekly timeframe the price action has been oscillating in defined range of 1495 points over the last 3 week and have resulted in 3 weekly tight closing to each other.
- This hints at investors expecting more on the upside going forward.
- The RSI is trading neutrally showing no divergence against the price and sustenance above the same can attract further bullish momentum.
- The index shows relative outperformance against the broader market.
- The index is likely to attract further bullish momentum on surpassing above the defined trading range.

Key Levels

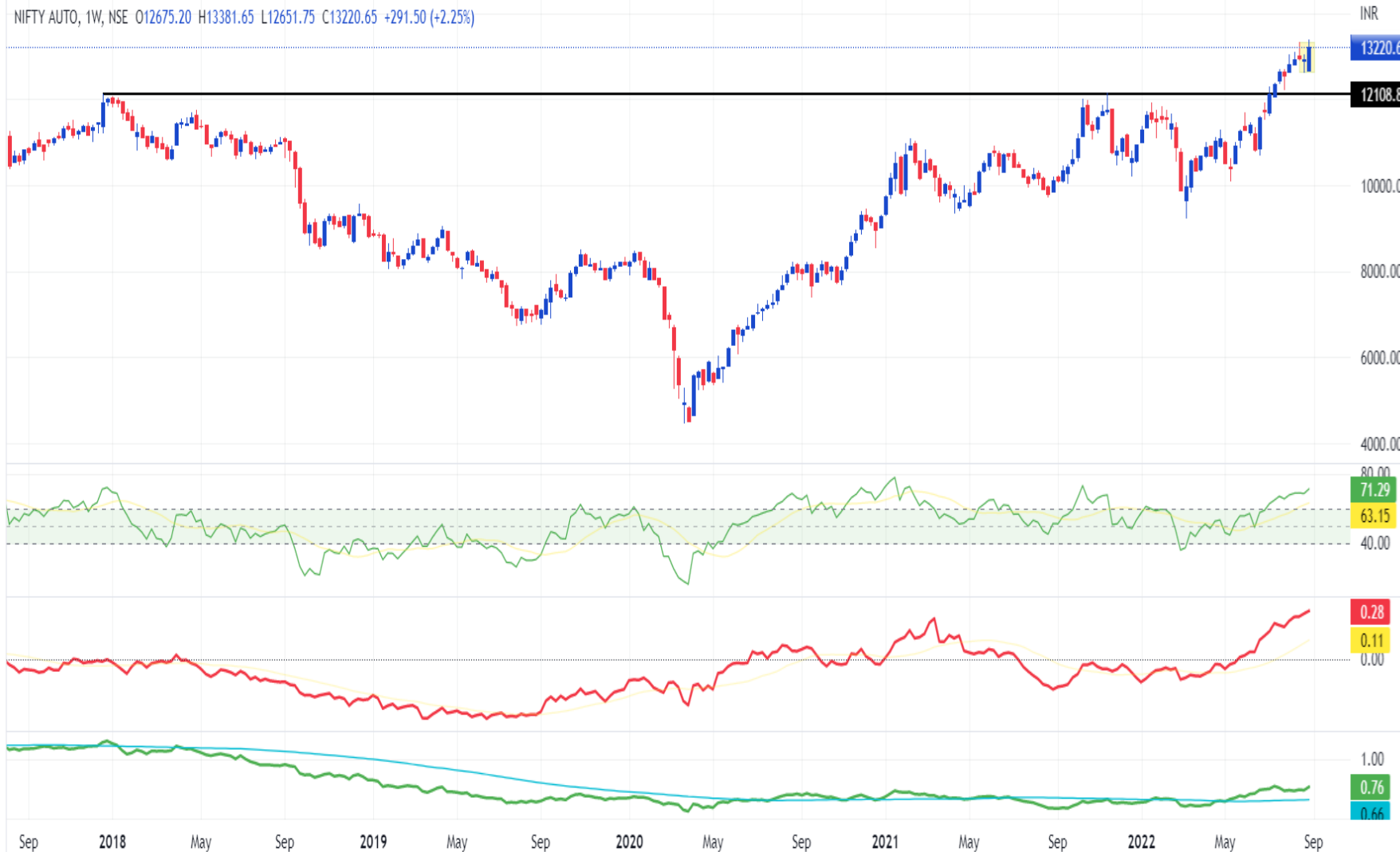
LTP	S1	S2	S3	R1	R2	R3
31402	30100	29750	29400	31750	32230	33240

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.36%	+0.93%	30852	28729	28742	26667	597	505	66	64

NIFTY AUTO

NIFTY AUTO, 1W, NSE O12675.20 H13381.65 L12651.75 C13220.65 +291.50 (+2.25%)



Source: Trading view

Technical View

- The auto index opened with a gap-down following the impact on the broader market, however, it saw a sharp technical pullback from the support of 30 EMA.
- Amidst the pullback the index did hit a new 52W high but failed to sustain at those levels.
- On the higher timeframe the index has been trading in a wide ~5.5% range of 728 points in the last 3 weekly trading sessions.
- The daily RSI shows divergence against the price while the weekly RSI trades in the overbought zone.
- The relative outperformance against broader market has turned subdued.
- It will be crucial for the index to break above the defined range to attract further bullish momentum.
- On failing to do so the index is anticipated to cool off by means of some profit taking going forward.

Key Levels

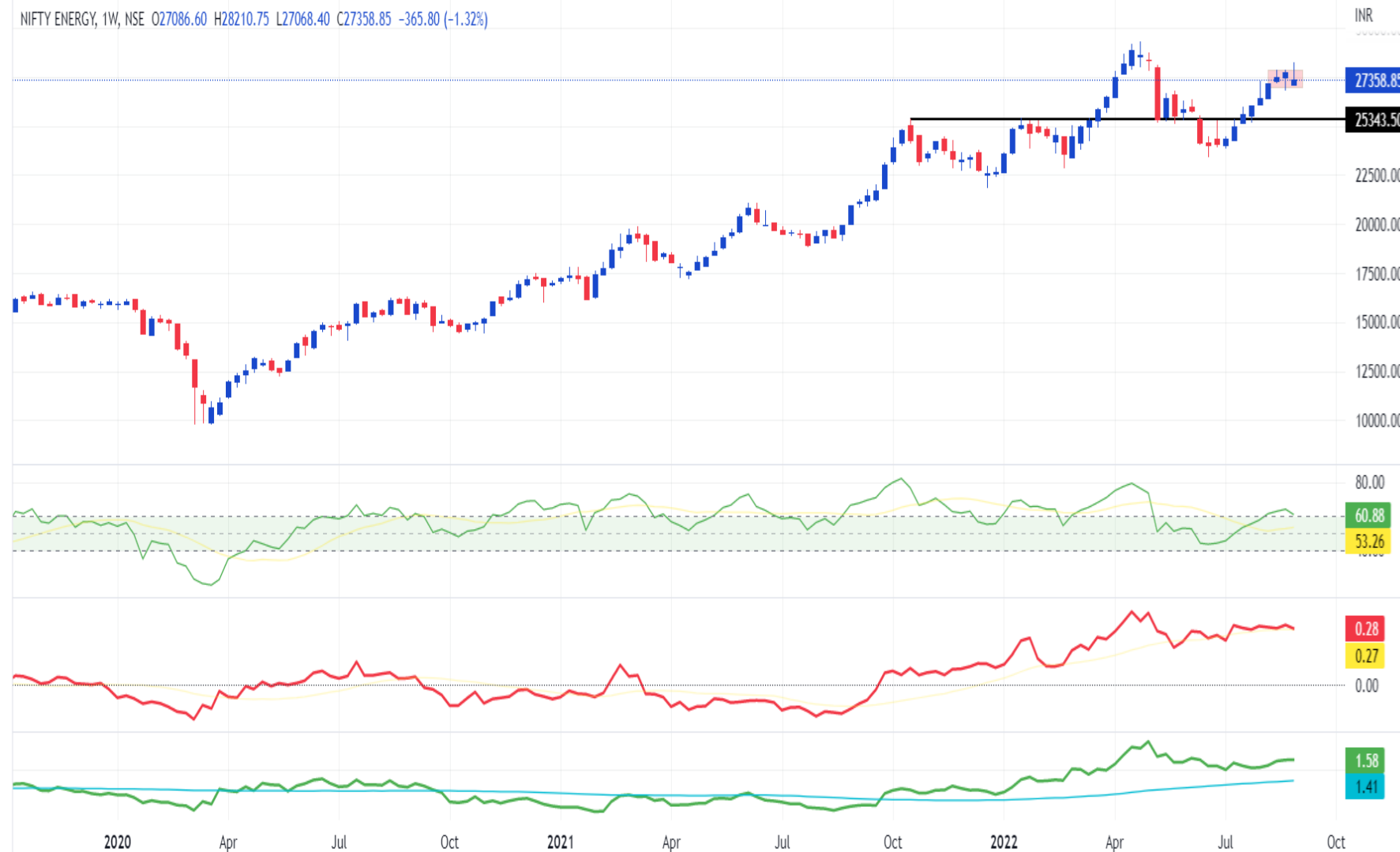
LTP	S1	S2	S3	R1	R2	R3
13221	12600	12450	12140	13380	13940	14150

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.34%	+2.25%	12993	11723	11826	10574	183	574	63	71

NIFTY ENERGY

NIFTY ENERGY, 1W, NSE O27086.60 H28210.75 L27068.40 C27358.85 -365.80 (-1.32%)



Source: Trading view

Technical View

- The energy index opened with a gap down but witnessed a quick technical pullback from the 20 EMA.
- It then managed to give a decisive close above the consolidation range but pared all its gains in the following sessions crawling back into the range.
- On the higher time frame the index is trading well above the polarity support.
- The index has formed relative smaller bodies with longer wicks in the last 3 weekly trading sessions showcasing indecision.
- A decisive direction can be anticipated on price action breaking the trading range on the either side.
- The RSI is trading neutrally showing no divergence against the price.
- The relative performance against the broader market remains subdued.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
27359	26590	26120	25700	28200	28340	29300

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.75%	-1.32%	27289	26289	26209	21638	466	598	56	61

NIFTY IT



Source: Trading view

Technical View

- The IT index saw the deepest cut in the opening trading session for the week after witnessing over 1000 points of gap-down.
- The index saw the formation of a morning star candle pattern which hints for a cease in the down leg as long as the candle low is not breached.
- On the higher timeframe the index has been trading in a wide defined range of 14% over the last 14 weekly trading sessions.
- Failing to surpass the pivotal resistance, the index has now fallen below the 100 WEMA.
- The daily and weekly RSI are trading neutrally showing no divergence against the price.
- The index continues to underperform compared to the broader markets.
- The index is anticipated to attract any bullish momentum going forward only if it succeeds in surpassing the defined trading range whilst protecting the levels of the weekly low.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
27746	27680	27330	26200	28470	28700	29180

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.36%	-3.30%	29273	29340	29090	29835	-193	-1164	39	39

NIFTY FMCG

NIFTY FMCG, 1W, NSE 042286.55 H43870.05 L42226.55 C43666.55 +897.60 (+2.10%)



Source: Trading view

Technical View

- The FMCG index opened with modest cut but having relative momentum strength it managed to recover, surpass and sustain above the gap-down area in the first hour of the trading session itself.
- The index saw a positive follow up the next day while remained subdued in the later part of the week.
- On the weekly timeframe, the price action has entered into a lateral trend after the breakout.
- The tight closes until the penultimate week were indicating at gathering of strength to push the price further up.
- The RSI is trading neutrally against the price showing no divergence against the price.
- The sector continues to showcase its relative outperformance against the broader market.
- The index is currently trading at pivotal resistance of the lateral trend and going forward it will have to cross above the resistance to attract further bullish momentum.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
43667	42870	42000	41150	43870	44370	47340

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
+0.39%	+2.10%	43009	39583	39880	36542	505	1575	65	69

NIFTY METAL



Source: Trading view

Technical View

- The index opened with a gap-down for the week but recovered quickly and remained sideways as the week progressed.
- On the higher timeframe the index is trading above the 30WEMA with no bearish weekly closing in the last 9 weekly trading sessions.
- The moving average has been a classic indicator to comprehend the trend and areas of support and resistance.
- The RSI is trading above the median line and sustenance above the same can attract further bullish momentum.
- The relative underperformance against the broader markets is potentially improving.
- The metal sector is anticipated to catch the rust only on retracing below the 30WEMA.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
5888	5670	5560	5450	6000	6260	6440

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
+0.15%	-0.25%	5802	5484	5447	4932	155	9.20	63	57

NIFTY PHARMA

NIFTY PHARMA, 1W, NSE O12380.65 H12715.75 L12352.65 C12506.15 -74.30 (-0.59%)



Source: Trading view

Technical View

- The index along with its peer sectors opened with a gap-down. It saw modest recovery and a follow-up the next day but pared most its gains from the 20 WEMA acting as overhead resistance.
- On the higher timeframe the price action is undergoing the distribution phase and is potentially forming third intermediate top in the corrective trend.
- The index has not tanked below the 100 WEMA.
- All major moving averages across the daily and weekly timeframes are slopping downwards and acting as overhead resistance except for 200 WEMA.
- This indicates a bearish tone going forward.
- The index has a major support at the 200 WEMA currently trading at 11767 levels.
- The RSI is trading neutrally showing no divergence against the price with broader trend formation of lower highs.
- The relative performance against the broader market continues to remain devastated.
- The index will have to cross above the pivotal high of 13070 to gain any bullish momentum going forward.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
12506	12300	12130	11700	12680	12770	13070

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.39%	-0.59%	12771	12715	12678	13192	-29	-171	42	44

NIFTY PSE



Source: Trading view

Technical View

- The PSE index managed to cover the gap-down area the same day and remained sideways as the week progressed.
- On the higher timeframe the index has been trading in the range of ~900 points.
- The on-going up trend has covered more than 50% on the upside.
- The RSI is trading neutrally showing no divergence against the price and sustenance above the median level can attract further bullish momentum.
- The index is relatively outperforming the broader market.

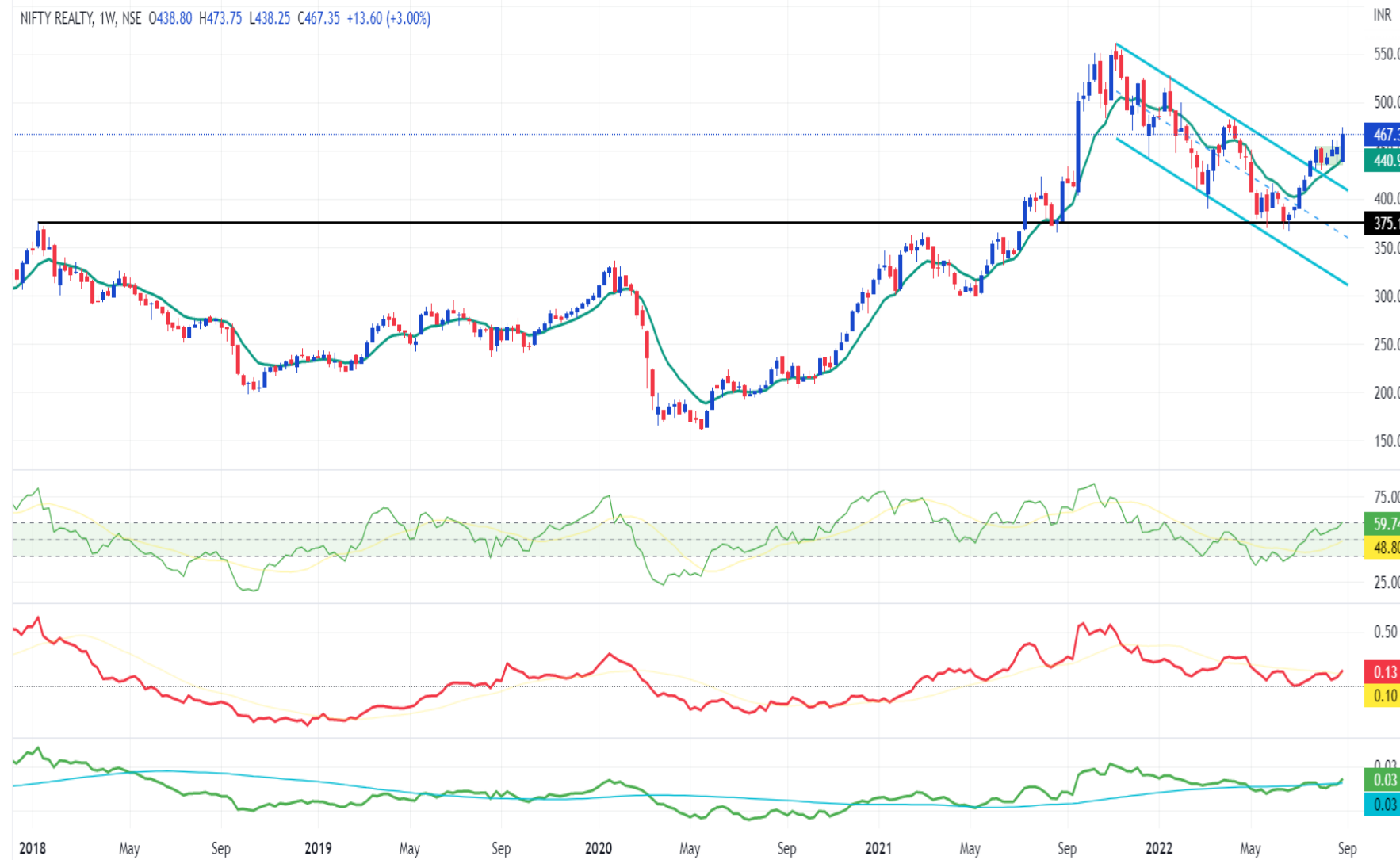
Key Levels

LTP	S1	S2	S3	R1	R2	R3
4185	4135	4020	3940	4250	4330	4430

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.42%	-0.81%	4139	4047	4030	3594	63	30	60	57

NIFTY REALTY



Technical View

- The realty index opened with 3.4% gap down for the week.
- However it found its support at the 30 WEMA and witnessed a pullback for the second instance.
- The pullback rally saw consecutive formation of new weekly highs as the week progressed.
- On the weekly timeframe the index has emerged out of a tight trading range over the few weeks post breaking out from the channel.
- The price action is bolstered by the shorter term moving average directed upwards which indicates strength in the ongoing trend.
- The RSI is trading neutrally above the median showing no divergence against the price.
- The index's relative performance against the broader market has been improving significantly.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
467	460	438	428	483	500	527

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
-0.18%	3.00%	449	421	420	394	9	3	65	60

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Disclaimer Appendix

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