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Weekly Technical Report

3rd October, 2022

SECTORAL OUTLOOK

SECTORS	3rd Oct 2022	23RD SEP 2022	STOCKS
NIFTY 50	NEUTRAL	NEUTRAL	ITC, ICICI BK, LT, MARUTI, CIPLA, AIRTEL
NIFTY BANK	NEUTRAL	NEUTRAL	AXISBANK, INDUSINBANK, SBIN, ICICIBANK
NIFTY MIDCAP	BULLISH	NEUTRAL	HAL, TATA ELXSI, BEL
NIFTY AUTO	NEUTRAL	NEUTRAL	ASHOKLEY, MARUTI, EICHER MOTOR
NIFTY ENERGY	NEUTRAL	BULLISH	RELIANCE, NTPC, OIL
NIFTY FMCG	BULLISH	NEUTRAL	ITC, HUL, VBL
NIFTY IT	BULLISH	NEUTRAL	MPHASIS, INFY, TCS
NIFTY METAL	NEUTRAL	BULLISH	JSWSTEEL, TATASTEEL,
NIFTY PHARMA	NEUTRAL	NEUTRAL	CIPLA, SUNPHARMA, AJANTHA-PHARM, LUPIN
NIFTY PSE	NEUTRAL	BULLISH	BEL, COALINDIA, NTPC
NIFTY REALTY	NEUTRAL	NEUTRAL	BEL, COALINDIA, NTPC

SUMMARY

- ⇒ NIFTY 50 reclaims 200 DEMA
- ⇒ NIFTY BANK witnessed pullback from the support of 20 WEMA coupled with previous gap-down area
- ⇒ MIDCAP showcases stronger relative performance against the benchmark index
- ⇒ NIFTY AUTO witnessed pullback from 20 WEMA
- ⇒ NIFTY ENERGY found support at polarity trendline and 50 WEMA
- ⇒ NIFTY IT price action traded relatively stronger as compared to peer sectors
- ⇒ NIFTY FMCG trading near 127.2% retracement level
- ⇒ NIFTY METAL trading near crucial support of 30 WEMA
- ⇒ NIFTY PHARMA inching closer to the channel resistance
- ⇒ NIFTY PSE's RSI continues to show fading momentum
- ⇒ NIFTY REALTY closes with 3 consecutive losing streaks

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RELATIVE ROTATION GRAPH



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Source: Trading view

Technical View

- ⇒ Despite the correction witnessed in the last 2 weeks, NIFTY METAL is the only sector to continue to slope upwards
- ⇒ NIFTY BANK turned subdued in the leading quadrant
- ⇒ NIFTY PSU BANK saw a cut in its relative strength against the benchmark index
- ⇒ NIFTY RELATY continued to fade its relative strength and momentum in the leading quadrant
- ⇒ NIFTY AUTO & FMCG weaken further week on week
- ⇒ NIFTY PSE catches up momentum and relative strength after remaining sideways for 2 weeks in the lagging quadrant
- ⇒ NIFTY PHARMA shows traction in the lagging quadrant
- ⇒ NIFTY IT continued to gather its momentum and showcases relative strength to inch towards the improving quadrant
- ⇒ NIFTY MEDIA showcased mild strength against the benchmark index

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

- ⇒ Nifty opened by gapping down ~170 points for the week and continued to witness selling oppression in the next three sessions.
- ⇒ The index then rebounded sharply on Friday from the conjunction of multiple supports like pivot near 16800, 50 WEMA and 20 WMA managing to reclaim the 200 DEMA demarcation.
- ⇒ On the higher timeframe the price action has formed a hammer candle. The formation of long lower wick hints at tepid buying attempt by the investors.
- ⇒ The RSI is trading with a negative slope but showing no divergence against the price. Thus sustenance above the current level can attract further bullish momentum.
- ⇒ The pullback rally on Friday was arrested near the pivotal resistance which is also the breakout zone for the intermediate double top pattern coupled with the previous gap-down area.
- ⇒ The index is currently dithering between the two crucial pivots of 16790 and 17160 acting as support and resistance.
- ⇒ Going forward it will be crucial for the index to break either of the levels to give a decisive direction of the trend.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
17094	17000	16800	16650	17200	17300	17420

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
1.64%	-1.34%	17545	16727	16802	16150	-131.09	191.71	41.90	50.73

NIFTY BANK



Technical View

- ⇒ The banking index opened with heavy selling pressure for the week, gapping down ~495 points on Monday breaching below the 50 DEMA.
- ⇒ The index continued its losing streak to 7 straight daily trading sessions until it found support at the 100 DEMA coupled with a previous gap-down area. The support zone bolstered the price action for a sharp pullback on Friday managing to surge 948 points after the RBI announced to hike in the repo rate by 50bps.
- ⇒ On the higher timeframe the index found support at the shorter term EMAs and the mentioned gap-down area that resulted in the formation of the hammer candle with long lower wick.
- ⇒ The RSI is trading with a negative slope with no divergence against the price. Hence sustenance above the current level can attract further bullish momentum.
- ⇒ The banking index's relative outperformance has turned subdued after a rising spree.
- ⇒ Going forward the index will have to steer and sustain above the 39550 level to attract further bullish momentum to resume its upside move.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
38632	38100	37800	36600	38800	39450	41830

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
2.61%	-2.31%	39958	36587	36866	35372	-149.28	1059.21	44.22	55.59

NIFTY MIDCAP 100



Technical View

- ⇒ Tracking week global cues and the broader market, the Midcap segment opened in red for the week after gapping down ~280 points.
- ⇒ However, the index remained sideways as the week progressed protecting the Monday's low.
- ⇒ On the higher timeframe, the declining price action was halted at the support of the broadening pattern coinciding with 20 WEMA.
- ⇒ The RSI is trading neutrally showing no divergence against the price and sustenance above the same can attract further bullish momentum.
- ⇒ Midcap has relatively been outperforming the broader markets and currently shows strength.
- ⇒ The Midcap segment is anticipated to showcase strength going forward as long as the previous week's low remains protected.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
30668	30650	29880	29060	31100	31500	32230

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
1.60%	-1.32%	31464	29043	29213	27237	-136.62	678.87	45.28	55.95

NIFTY AUTO



Source: Trading view

Technical View

- ⇒ The auto index tanked 3.8% in the opening trading session for the week.
- ⇒ The index largely traded sideways as the week progressed ending the week with a cut of 394 points.
- ⇒ On the higher timeframe, the index was seen to be consolidating near the 52W high level until the previous week.
- ⇒ The index managed to sustain within the trading range of 13420—12600 by closing within the range for the week.
- ⇒ The index tested 20WEMA twice in the previous week and saw a sharp pullback on Friday.
- ⇒ The RSI is sloping negatively from the overbought zone and is currently trading at ~59 levels. Hence sustenance above the current level can attract further bullish momentum.
- ⇒ The relative performance against the broader market remains mildly positive to subdued in the recent time.
- ⇒ The auto index is anticipated to show traction for an upside move as long as it succeeds in the protecting the 20WEMA support.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
12699	12380	12100	11900	12700	12800	13420

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
1.62%	-3.01%	13039	12162	12272	10774	-83.39	526.93	43.40	58.93

NIFTY ENERGY



Technical View

- ⇒ The Energy index opened in red for the week and continued to witness selling pressure as the week progressed.
- ⇒ The pullback on Friday led to the formation of an outside bar on the daily timeframe however it failed to breach and sustain above the 5 EMA for 8th straight trading sessions.
- ⇒ The index found its support at 50 WEMA coinciding with the polarity support trendline.
- ⇒ The RSI is trending negative with lower highs and lower low formation indicating fading momentum in the price action.
- ⇒ The index continued to underperform against the broader.
- ⇒ The index will have to protect the weekly low going forward to attract bullish momentum.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
25581	25350	25000	23380	25950	26620	28200

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
2.04%	-3.47%	27105	26048	26026	22112	-458.13	471.67	34.33	46.66

NIFTY IT



Technical View

- ⇒ The index opened in green for the week while the benchmark index along with peer sectors faced selling pressure.
- ⇒ The index saw incremental gain the next day and then remained sideways as the week progressed with 10DEMA acting as overhead resistance.
- ⇒ On the weekly timeframe the index managed to sustain within the trading range and closed with 389 points of modest gains for the week.
- ⇒ The RSI is trading sideways showing no divergence against the price. It can attract further bullish momentum on sustenance above the current level of 39.
- ⇒ The relative performance against the broader market has seen improvement.
- ⇒ It will crucial for the index to protect the lows of the wide defined trading range which can bolster for relatively stronger base in making going forward.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
26981	26190	24630	22580	27900	28700	29000

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
0.60%	1.46%	27486	28390	28321	30067	-464.23	-1287.58	41.45	39.26

NIFTY FMCG



Technical View

- ⇒ The index formed a tall red body after failing to recover the gap-down area on Monday.
- ⇒ The index found support at 20 DEMA and saw incremental gains as the week progressed.
- ⇒ The index formed a relatively smaller body on the weekly timeframe at the back of 5EMA and 127.2% retracement level.
- ⇒ The RSI is trading with a positive slope showing no divergence against the price.
- ⇒ The relative strength has made a new high before the price indicating strength in the current trend and outperformance against the benchmark index.
- ⇒ The shorter term weekly and daily EMAs are slopping positively that indicate strength in the intermediate trend.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
44406	44000	43700	43000	44850	45240	45650

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
0.11%	-1.00%	44053	40839	41187	37117	359.16	1732.60	57.31	67.58

NIFTY METAL



Source: Trading view

Technical View

- ⇒ The metal index witnessed relatively heavier selling pressure as compared to peer sectors on Monday tanking 4.1%.
- ⇒ The index continued to witness the selling pressure throughout the week and saw a tepid pullback on Friday.
- ⇒ The index faces immediate resistance at 50 DEMA.
- ⇒ The index found its support at 30 WEMA.
- ⇒ 30 WEMA has historically offered the area of support and resistance and indication of the trend.
- ⇒ Hence it will be crucial for the index to sustain above the 30 WEMA to resume its upside.
- ⇒ The RSI is trading neutrally showing no divergence against the price and sustenance above the same can attract further bullish momentum.
- ⇒ The relative outperformance against the broader market remained subdued for the week gone by.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
5768	5655	5535	5350	5910	6025	6310

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
2.17%	-4.30%	6006	5410	5438	5078	-16.97	93.27	44.36	52.20

NIFTY PHARMA



Technical View

- ⇒ On expected lines the defensive sector came into play as the benchmark index remained under selling pressure.
- ⇒ The index opened on subdued note for the week but saw tepid upside movement as the week progressed making modest weekly gains of 361 points.
- ⇒ The index managed to reclaim its 200 EMA after 110 trading sessions on Friday.
- ⇒ On the higher timeframe the price action remained sideways to mildly negative over the last 8 weeks with 30 WEMA acting as overhead resistance.
- ⇒ The index now faces immediate resistance at 50 WEMA followed by the channel resistance.
- ⇒ The RSI is trading with a positive slope showing no divergence against the price.
- ⇒ The relative performance against the broader market has modestly improved.
- ⇒ Going forward the index will have to eventuate in a breakout from the downward sloping channel and only sustenance above the same will attract further bullish momentum.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
12972	12670	12180	11800	13000	13250	13330

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
0.76%	2.86%	12640	12559	12585	13232	30.28	-120.64	61.68	52.68

NIFTY PSE



Source: Trading view

Technical View

- ⇒ The PSE index opened for the week on continuing heavy selling pressure. The index formed a tall bearish candle on Monday, however, remained subdued throughout the week protecting the Monday's low.
- ⇒ On the weekly timeframe, the index formed an intermediate lower top within the wide defined trading range.
- ⇒ The index managed to recuperate the 50 EMA and now acts as immediate support.
- ⇒ The RSI is trading neutrally showing no divergence against the price. The larger RSI trend is forming lower tops indicating reducing momentum hence sustenance above the same can attract positive momentum.
- ⇒ The index's relative performance against the broader market has remained subdued.
- ⇒ Going forward it will be crucial for the index to surge and sustain above the previous gap-down area defined by the levels 4061—4024 to attract bullish momentum.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
3991	3968	3745	3675	4030	4070	4200

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
0.82%	-1.72%	4173	4016	4015	3670	-49.64	33.22	37.16	47.02

NIFTY REALTY

NIFTY REALTY, 1W, NSE O430.95 H431.70 L410.95 C424.00 -12.75 (-2.92%)



Source: Trading view

Technical View

- ⇒ The realty index opened on a negative note for the week gapping down by 1%. It remained subdued throughout the week and managed to recover half way on Friday.
- ⇒ The price action continued its losing streak for 3rd straight week after finding stiff pivotal resistance.
- ⇒ On the weekly timeframe, the price action has formed a hammer candle pattern that indicates attempts made to generate buying pressure.
- ⇒ The 50 WEMA acts as immediate resistance.
- ⇒ The RSI is trading with a negative slope and sustenance above the current level can attract further bullish momentum.
- ⇒ The index has relatively underperformed against the broader market.
- ⇒ The index will have to reclaim the 50WEMA and sustain above the same to attract further bullish momentum.

Key Levels

LTP	S1	S2	S3	R1	R2	R3
424	410	400	365	431	440	465

Key Data

% Change (D)	% Change (W)	20 DMA	100 DMA	20 WMA	100 WMA	MACD (D)	MACD (W)	RSI (D)	RSI (W)
2.35%	-2.92%	453	423	425	402	-9.34	3.14	36.73	45.94

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Disclaimer Appendix

Analyst s holding in the Stock : Nil

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