

Wednesday, 19 October 2022

Research X – Market Insight

This exclusive product from the House of Technical Trends contains research and recommendations on equities, indices and sectors. Market outlooks are discussed too along with strategies for Swing Trading.

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technical trends

TT-RE-MI-OCT-W03-03

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Inside these Pages

We will discuss a TRADE SUMMARY where all the trades which are discussed in this letter will be summarized in one place. BANK NIFTY closed higher for the fourth consecutive trading day. The short-term trend is up. We should look to buy only. We will share SECTOR PERFORMANCE for TRADING VIEW. We will discuss MUTHOOTFIN and OFSS as swing trades. For each of these stocks, we analyze their technical pictures; identify trades with stop loss and target.

A GAP-UP OPENING DID NOT SUSTAIN; NIFTY < NIFTY BANK ENDED ALMOST ON A FLAT NOTE WITH MINOR GAINS; THE SHORT-TERM TREND IS UP; STAY LONG WITH SUGGESTED STOP AND TARGET

New Trade Setups	MUTHOOTFIN LONG @ 1050	OFSS SHORT @ 2950
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Trades Tracker

Ongoing, New Trades and Closed

OPEN POSITIONS (ONGOING TRADES) are trades that were earlier posted in setups and have since triggered an entry. NEW TRADE SETUPS are trades that are suggested for the following day. All trades discussed here are for NEAR MONTH FUTURE Instrument only.

	Instrument	Entry Price	Entry Date	Action Required
Open Positions (Ongoing Trades)				

Trades closed today	M&M LONG @ 1265 on OCT 19. Stop: 1248. Exited on the same day. Trade is closed.
	INDUSINDBK LONG @ 1232 on OCT 19. Trade did not execute. Trade is closed.

Indexometer

Last updated:
16:10 PM

NIFTY SECTOR REPRESENTATION					
Sector	Today's Movement	Change (%)	Sector	Today's Movement	Change (%)
NIFTY AUTO	-11.60	-0.09	NIFTY MEDIA	-5.95	-0.28
NIFTY BANK	54.45	0.14	NIFTY METAL	-38.90	-0.67
NIFTY FIN SERVICE	72.45	0.40	NIFTY PHARMA	13.50	0.10
NIFTY FMCG	174.80	0.40	NIFTY REALTY	1.70	0.40
NIFTY IT	-254.85	-0.90			

NIFTY 50 : TOP 10 CONSTITUENTS BY WEIGHTAGE						
Company	Symbol	Weight(%)	Rate	Today's Movement	Change (%)	
RELIANCE INDUSTRIES LTD	RELIANCE	11.69	2496	44.75	1.83	
HDFC BANK LTD	HDFCBANK	8.37	1459.95	16.1	1.12	
ICICI BANK LTD	ICICIBANK	7.92	891.15	-5.75	-0.64	
INFOSYS LTD	INFY	7.02	1488	-15.7	-1.04	
HOUSING DEVELOPMENT FINANCE CORPORATION	HDFC	5.69	2377	45.35	1.94	
TATA CONSULTANCY SERVICES LTD	TCS	4.27	3117.3	-27.4	-0.87	
KOTAK MAHINDRA BANK LTD	KOTAKBANK	3.61	1868	8.3	0.45	
ITC LTD	ITC	3.6	347.2	6.9	2.03	
HINDUSTAN UNILVR LTD	HINDUNILVR	3.05	2582.25	-20	-0.77	
LARSEN & TURBO LTD	LT	2.98	1903	-15.1	-0.79	

WORLD INDEX					
Index	Country	Symbol	Change (%)	Rate	Today's Movement
S&P 500	US	.INX	1.14	3719.98	42.03
FTSE 100	UK	UKX	0.00	6936.99	0.25
DAX	Germany	DAX	-0.03	12761.46	-4.15
CAC 40	France	PX1	0.30	6085.20	18.2
NIKKEI	Japan	NI225	0.37	27257.38	101.24

THE CONTEXT

Micro Picture

Markets Today

Today, the NIFTY opened at 17568.15 with a gap up of 82 points. The index initially moved sideways and then went higher. Prices went above 17600 and then turned down.

The index recorded its intraday high at 17607.60, saw a sharp dip of more than 100 points, and started moving sideways in a volatile manner with sharp swings.

The index recorded its intraday low at 17472.85 and finally closed at 17512.25 near yesterday's closing price with a gain of 25.30 points or 0.14% up.

OIL GAS, REALTY, and FINANCIAL outperformed today and closed higher. IT and METAL underperformed today and ended lower. PHARMA and AUTO ended almost on a flat note.

Pattern, Set Up, and Signals

We were long in the index around 17493 and for today, we have suggested staying long with a stop at 17400 and a target at 17740. The index did not hit either level, so this trade remained intact. Stay long with the same stop and target.

The NIFTY ended marginally higher in a volatile session, taking a breather after the recent rebound. After a gap-up opening, NIFTY witnessed some profit booking and finally settled around 17500.

Stock Market: Spot Price NIFTY: 17,518.85, SENSEX: 59,107.19



THE CONTEXT

Micro Picture

The short-term trend is up as we have seen a breakout from the 17400 resistance yesterday and today prices remained above this level which is now acting as a support level.

The intraday range was narrow today, but prices have moved very volatile. However, volatility is normal as the INDIA VIX, a benchmark index for volatility, is moving below level 18.

Stay long and look for a buying opportunity as far as prices are moving above 17400 support. Resistance is visible around the 17800 - 18000 zone.

Trend

The long-term trend is sideways while the long-term momentum has bounced up from the weak zone and is now heading toward the strength zone.

The Intermediate trend is up now while the intermediate momentum has been moving inside the strength zone for the past few days.

Both the momentum have aligned on the upside suggesting higher levels are ahead.

Summary

The short-term trend is up. We should look for a buying opportunity on any dip or breakout.

Stock Market: Spot Price NIFTY: 17,518.85, SENSEX: 59,107.19



Today, the BANK NIFTY opened at 40556.65 with a big gap up of 253 points. The index initially consolidated for almost two hours and eventually broke on the downside after recording its intraday high at 40643.60. Prices have seen a sharp decline, recorded its intraday low at 40195.20 and then a sharp rally came. The index finally closed at 40379.95 with a gain of 76 points.

PVT BANKS have outperformed today and closed higher by 0.29% whereas PSU BANKS have underperformed today and closed lower by 0.58%. Within the index, in terms of points, HDFC BANK contributed the highest on the upside while SBIN contributed the lowest.

It was a volatile day today for the BANK NIFTY where prices have moved narrow, saw a sharp decline as well as a rally, and finally ended with a marginal gain.

The short-term trend is up as we have seen a breakout from a trading range and the index is trading above the breakout point which was 39500 and now acting as a support level.

Today was the fourth consecutive trading day when the index closed higher. It is possible that we may see a dip or consolidation soon. We will plan our trade accordingly. Till then prefer trading only on an intraday basis.

Stock Market: Spot Price NIFTY: 17,518.85, SENSEX: 59,107.19



Nifty

Short Term

Stay long with a stop at 17400 and a target at 17740.

Tomorrow

Look to buy on dips and breakouts.

Bank Nifty

Short Term

Avoid trading the index.

Tomorrow

Look to buy on dips and breakouts.

The sector performance reflects the short term view of different sectors in two different ways:

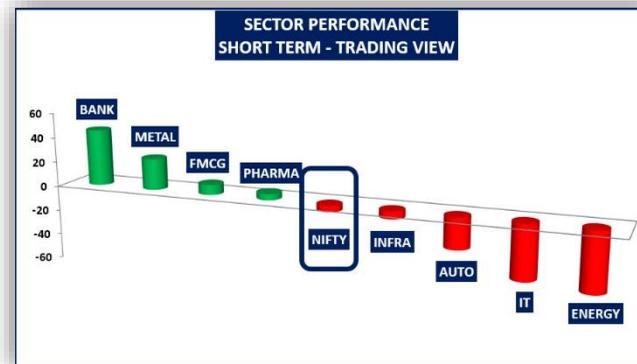
1. Trend: Sectors in Green are in an uptrend. Sectors in Red are in a downtrend.

2. Sector Strength: The sectors are compared with the Benchmark Index (the benchmark is enclosed in a rounded rectangle). Sectors to the left of the Benchmark are relatively stronger, while those to the right of the Benchmark are relatively weaker. The left most sector is the strongest while the right most sector is the weakest. The height of the bars gives an indication of the strength or weakness. If two bars have roughly the same height, it would mean that both are almost on the same strength/weakness level.

Buying Opportunity

METAL:
HINDALCO, TATASTEEL

BANK:
INDUSIND BANK, SBIN



Selling Opportunity

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Final Words

NIFTY and NIFTY BANK both indices have moved sideways and narrow today. Prices have ended with marginal gains. The short-term trend is up now. Stay long and buy on dips and breakouts.



[Close (Future Price): 1047.90] – BUY

The rationale for arriving at the research recommendation: A Pattern of Bullish Head & Shoulder

Intermediate and short-term trends are up in MUTHOOTFIN. The stock has seen a sharp downside move and then started a process of consolidation. Prices have formed a pattern of Bullish Head & Shoulder and now trading on the verge of a breakout. We may see an upside move here. Traders should look for a buying opportunity above 1050 with a stop just below 1030 and a target around 1090.

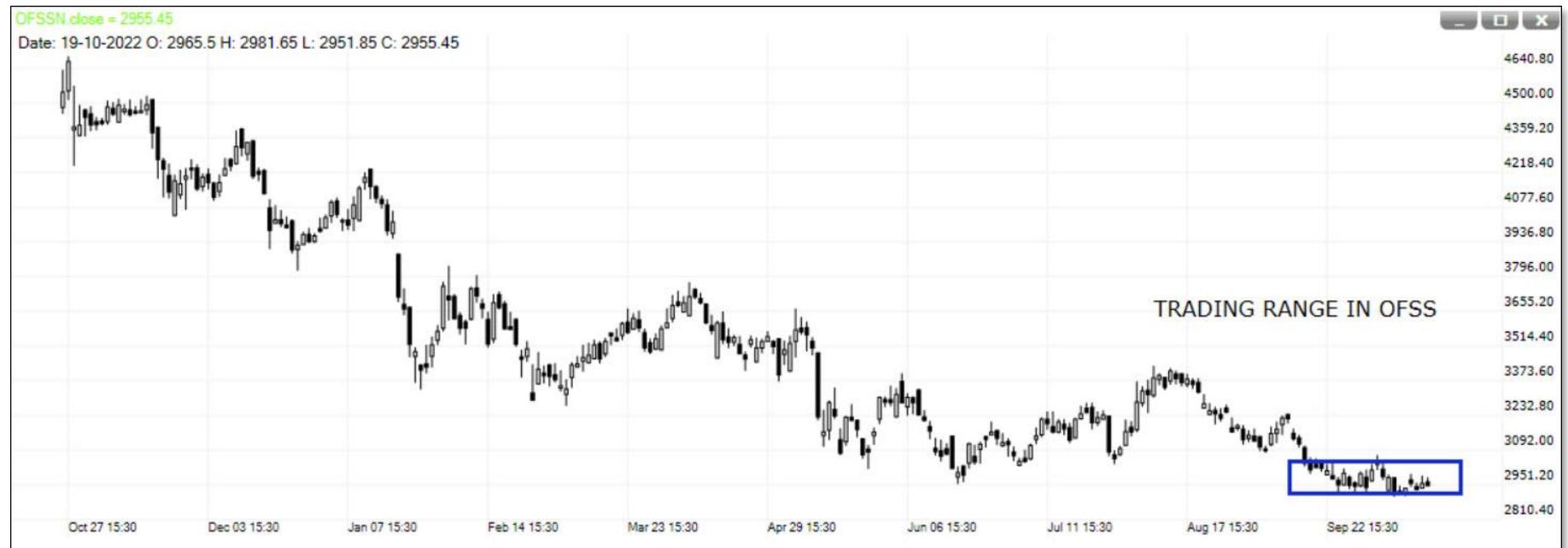




[Close (Future Price): 2955.45] – SELL

The rationale for arriving at the research recommendation: **Trading Range**

Intermediate and short-term trends are down in OFSS. The stock has seen a sharp downside move and then started a process of correction. Prices have formed a trading range and now trading on the verge of a breakdown. We may see a downside move here. Traders should look for a shorting opportunity below 2950 with a stop just above 2990 and a target around 2870.



In this newsletter, we give swing trades whether short or long in NIFTY, BANK NIFTY OR STOCKS. These trades are given and discussed with futures price levels. We do share some trades related to OPTIONS, in this case we discussed either option price or the corresponding future levels.

Sometimes, we do recommend some trades for long terms. Such trades are decided on the basis of liquidity, profitability and prevailing market movements and scenarios. Here we consider Equity (Cash) market price and we mention the same conspicuously whenever recommended. If you trade same recommendation in stock futures, please check corresponding Equity (Cash) market price and take appropriate positions in futures. We also track all the trades and summarized it at one place.

Here are some guidelines for trading:

Trades are valid for that day only. If the trade does not trigger on the same day then it gets cancelled. For entry avoid first 15 min data. Take the trade from 9.30 AM onward.

1. For buying, price should either (a) be higher than our suggested entry price, or, (b) should cross the suggested entry price after 9.30 AM.

If prices are higher than suggested entry price at 9.30 AM, then use the formula:

Potential profit = Target - Price at 9.30 AM

Potential loss = Price at 9.30 AM - stop loss level

If Potential profit is less than the Potential loss, ignore the trade. Enter the trade if prices come down and potential profit becomes greater than potential loss. The formula is not required if price at 9.30 AM is less than suggested entry price. In this case, buy when price crosses above the entry price.

2. For selling, price should either (a) be lower than our suggested entry price, or, (b) should cross the suggested entry price after 9.30 AM.

If prices are lower than suggested entry price at 9.30 AM, then use the formula:

Potential profit = Price at 9.30 AM - Target

Potential loss = Stop loss level - Price at 9.30 AM

If Potential profit is less than the Potential loss, ignore the trade. Enter the trade if prices come up and potential profit becomes greater than potential loss.. The formula is not required if price at 9.30 AM is greater than suggested entry price. In this case, buy when price crosses below the entry price. For executed trades place a fine stop for 5 trading

[Comments by Sudarshan Sukhani, SEBI Registration No INH100000726](#)

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(i) With regard to ownership and material conflicts of interest in recommended securities:

(a) Financial interest in recommended securities and the nature of such financial interest			
	Self	Associates	Relatives
Financial interest	No Financial interest	No Financial interest	No Financial interest
Nature of such financial interest	Not Required	Not Required	Not Required

(b) Actual/beneficial ownership of one per cent or more, at the end of the month immediately preceding the date of publication of the research report			
	Self	Associates	Relatives
Ownership %	No holding 0%	No holding 0%	No holding 0%

(c) Any other material conflict of interest at the time of publication of the research report			
	Self	Associates	Relatives
Interest	No other conflict of interest	No other conflict of interest	No other conflict of interest

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- c. have not received any compensation for investment banking or merchant banking or brokerage services from the recommended company in the past twelve months;
- d. Have not received any other compensation for products or services from the recommended company in the past twelve months.
- e. Have not received any compensation or other benefits from the recommended company or third party in connection with this research report.
- f. The recommended company is or was a client during twelve months preceding the date of distribution of the research report.

(iii) The research analyst has not served as an officer, director or employee of the recommended company.

(iv) The research analyst has not been engaged in market making activity for the recommended company.

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