



**NIFTY : CMP :- 16584.30 Weekly ROC (+1.42%)**



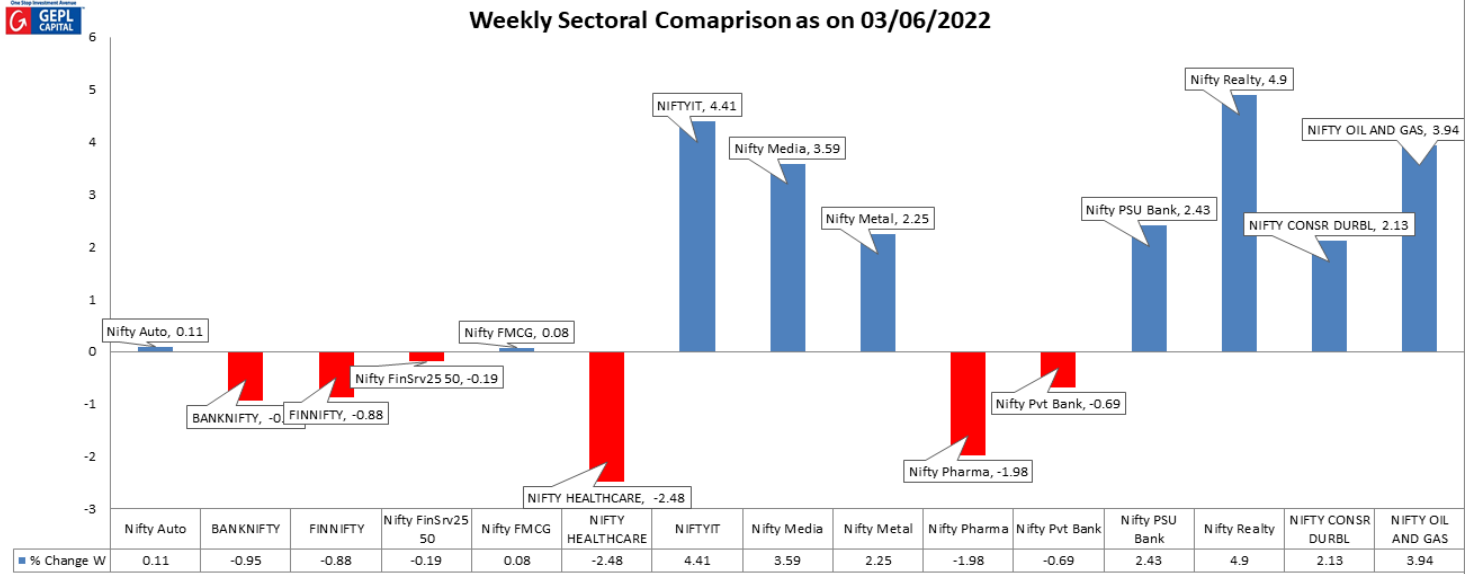
## Observation

- ◆ On the monthly time frame, the NIFTY formed 'Hammer' candle pattern & took strong support at 23.6% Fibonacci retracement level (15985) on closing basis.
- ◆ On the weekly charts, the NIFTY has given a breakout of consolidation range of 15700—16400 levels which has been forming since last 3 weeks. However the NIFTY has faced resistance at 16800 mark & formed 'Shooting Star' candle pattern indicating hurdles at higher levels.
- ◆ On the smaller time frame like Daily, the Index has faced strong resistance at 16675 levels on closing basis which is a Gap resistance which has formed on 6th May 2022. Also on the last trading session, the NIFTY has created 'Dark Cloud Cover' candle pattern confirming resistance at higher levels.
- ◆ On the indicator front, the momentum indicators (RSI) plotted on the daily and weekly time frames has been moving between 45 - 55 levels which shows lack of momentum in the prices for the short to medium term.
- ◆ The immediate support is placed at 16370 (Gap Support), followed by 16000 levels (Multiple touch points level) and 15800 (Swing Low).
- ◆ The Index has immediate resistance placed at 16800 (Week High) followed by 17000 (20 Week SMA) and 17400 (Swing High).
- ◆ Looking at all the parameters, we feel that for the longer term perspective 'Buy on Dip' policy is intact at the level of 15800—16000 mark. For the short term traders, one can put strict stop loss of 16370 levels on the closing basis for their long positions and upside space till 16800 - 17000 marks. If the NIFTY breaches 16370 levels on the down side then it will further move down till 16000—15800 levels.

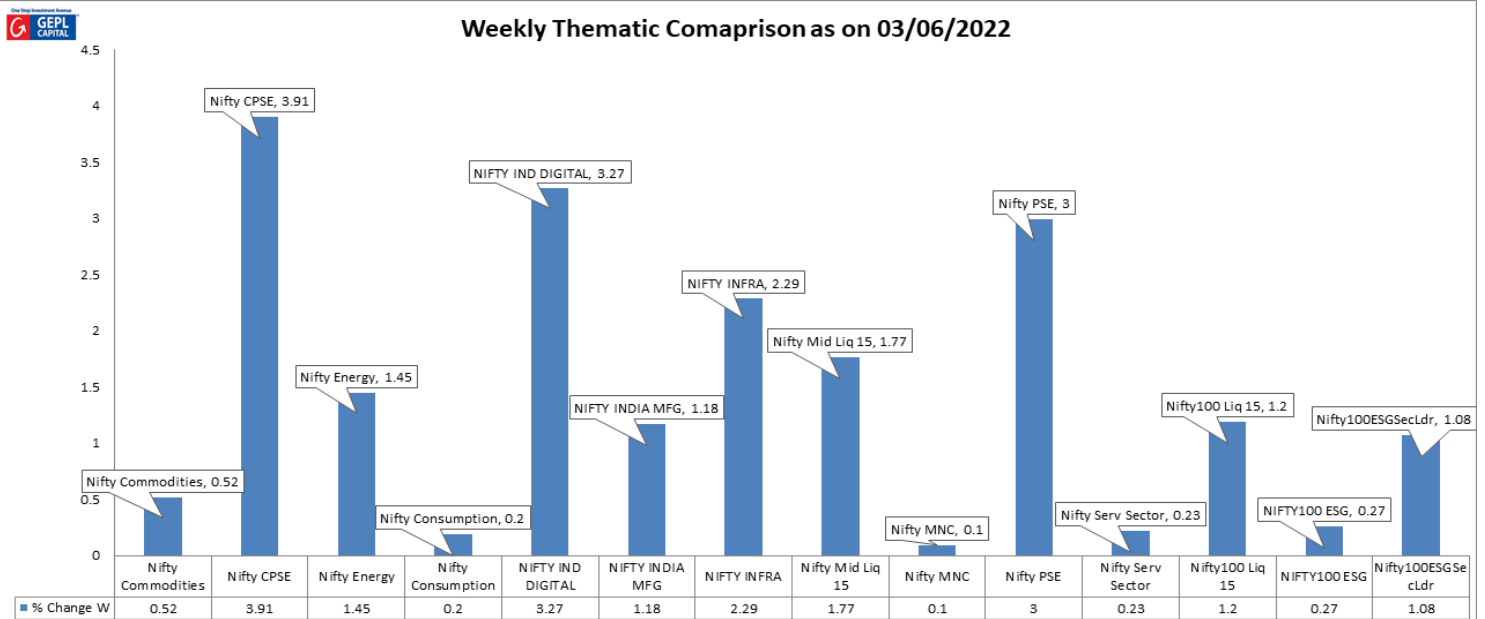


## Sectoral Eagle's Eye

Weekly Sectoral Comparison as on 03/06/2022



Weekly Thematic Comparison as on 03/06/2022

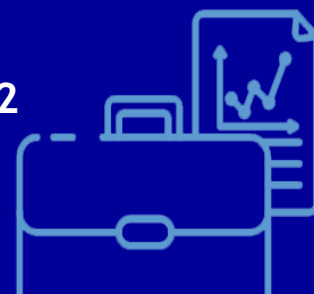


**Our hypothesis:**

1. Nifty is range bound between 16800-17400 however sector and stock specific action can be seen in the markets.
2. We expect outperformance from Auto and FMCG sector and hence have included HUL, ESCORTS and HEROMOTOCO in our portfolio.
3. Stock specific we are seeing outperformance in stocks like ANGELONE and CRISIL.

**PORTFOLIO ALLOCATION**

Company Name	Symbol	LTP	No of shares	ABS value	weight
Tata Consultancy Services Ltd	TCS	3439.50	6	20637	21%
HDFC Life Insurance Company Ltd	HDFCLIFE	601.95	33	19864	20%
ICICI Prudential Life Insurance Company Ltd	ICICIPRULI	550.50	36	19818	20%
Reliance Industries Limited	RELIANCE	2778	7	19446	19%
ITC Ltd	ITC	272.40	74	20158	20%



**TCS: CMP :- 3440.15 Weekly ROC (+5.48%)**



**Observation**

- ◆ On long term charts TCS is moving in a strong uptrend with higher highs and higher lows formation.
- ◆ The stock has seen a change in polarity (CIP formation) in the 3300-3400 zone and the stock took support and has bounced from the same level after the fall from life highs of 4043.
- ◆ On the weekly charts the stock is forming a morning star candlestick pattern indicating a trend reversal.
- ◆ The RSI indicator on weekly is moving higher after forming a bullish hinge near the 35 mark.
- ◆ Going ahead we can expect the stock to move higher towards 3600 followed by 3835 levels.
- ◆ 3155 will act as an important support on the downside for this counter.

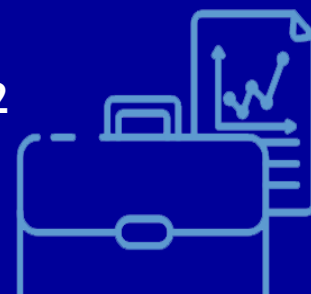


**HDFC LIFE: CMP :- 602.70 Weekly ROC (+0.77%)**



**Observation**

- ◆ After the sharp correction from the highs of 775 HDFC life took support near the 500 mark and has bounced sharply from the same levels.
- ◆ On the weekly charts the stock is breaking out of a Cup & Handle pattern which is a reversal pattern suggesting a trend reversal in the counter.
- ◆ With the breakout in the Previous week the stock has also managed to cross above the 20 week SMA (569) and closed at the 3-month high level.
- ◆ The RSI indicator plotted on weekly has also given a breakout and trades above the 50 mark confirming our bullish view.
- ◆ Based on the price action and technical parameters we expect the stock to move higher towards 655 followed by 680 levels.
- ◆ 560 level on the downside would act as a major support for the counter.



**ICICIPRU: CMP :- 549.20 Weekly ROC (+3.76%)**



## Observation

- ◆ After the sharp correction from the highs of 724 ICICI Prudential took support near the 430 mark (200 Week SMA) and has bounced sharply from the same levels.
- ◆ In the current week the stock has broken out of an inverse Head & Shoulder pattern which indicates a trend reversal in the counter.
- ◆ The stock managed to sustain above the 20 Week SMA (515) and breached above the previous swing high, hence negating the lower high lower low formation.
- ◆ The RSI indicator on weekly is also breaking out and has crossed the 50 mark indicating bullish momentum in the underlying.
- ◆ Based on the price action and technical parameters we expect the stock to move higher towards 610 followed by 640 levels.
- ◆ 515 level on the downside would act as a major support for the counter.

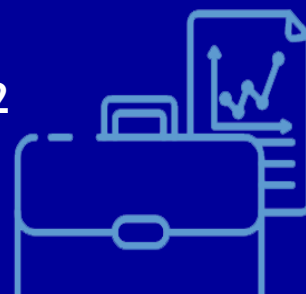


**RELIANCE IND: CMP: 2779.50 Weekly ROC (+7.94%)**



## Observation

- ◆ RELIANCE has taken a strong support at 200 Day SMA and bounced back sharply. The stock is currently sustaining at 4 week's high with the formation of higher top higher bottom on the daily as well as weekly charts. We witnessed strong volume back up at every up move of the stock which shows bullish strength.
- ◆ The stock is showing relative outperformance as it is down only 3% from the life highs whereas Nifty is down by 11%.
- ◆ On the indicator front the RSI plotted on all the time frames like daily weekly and monthly has been sustaining above the 55 mark with a higher top higher bottom pattern, indicating strong bullish momentum in the prices.
- ◆ Going ahead we expect the prices to move at higher levels towards the 2905 post which we might see a move towards 3123 levels.
- ◆ The downside support for the stock is at 2595 level.



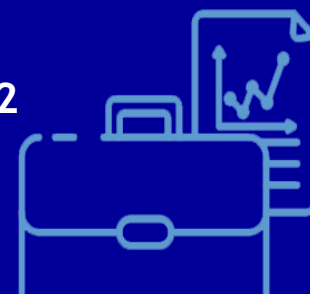
**ITC: CMP :- 272.70 Weekly ROC (+1.30%)**



## Observation

- ◆ ITC has shown strong outperformance in the past 2 months as it outperformed the benchmark and went on to break the Nov 2019 highs (266).
- ◆ On the weekly charts the stock has broken out of a flag and pole formation suggesting continuation of the bullish trend.
- ◆ The stock has formed a CIP (Change in polarity) formation in the 250-255 zone and is bouncing from the same level.
- ◆ The RSI indicator on daily has witnessed a range shift and is sustaining above the 45 mark since Nov 2020, this indicates bullish undertone of the stock.
- ◆ We expect the stock to continue its outperformance and has potential to move higher towards 305-310 levels.
- ◆ 250-255 zone will act as a major support for the stock on the downside.





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