

Technical Result Preview
Q2

2022-2023

HCLTECH




Bonanza
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DATE – 07 OCT 2022

HCL TECHNOLOGIES LTD

CMP RS. 957.70. Result date: 12-10-2022.

Strategy:

Given that there is a higher chance of bearish trend to continue and it will get accelerated if price penetrate below 200 EMA, we advise sticking with the trend for the duration of its existence and using two strategies post result.

Strategy	Recommendation	Levels	Stop loss	Target	REMARK
1	SELL HCLTECH FUTURE AND HEDGE WITH ATM CALL	1020	1060	877	If there is a rebound, then 50 EMA will serve as resistance.
2	SELL HCLTECH FUTURE BELOW	858	980	725-623	There will be a sharp decline below 200 EMA till pre-covid high.

- Note: The aforementioned strategies will stay in effect until their expiration in October 2022. The cash market prices were taken into consideration when determining the stop losses and objective

HCLTECH Weekly Chart



Four weekly ranges are identified in the preceding chart by the color sky blue. These are the weeks that the organization, under consideration releases its quarterly results. For calculation purposes, those results declared from Friday to Thursday have been taken into consideration with the calendar weekly range. If results comes after that, next week's ranges are taken under consideration. As observed, these results ranges usually acts as support and resistance in the future. Table 1 contains information about the same in detail. Additionally, there are significant moving averages like the 20, 50, 100, and 200 on the price, as well as the momentum indicator RSI(14,9) at the bottom. Table 2 contains information about the same in detail.

Table1: Ranges for the last four quarters' results and their observations

No.	Results	Range High	Range Low	Momentum till the date
1	Q2: 21-22	1324.90	1235.65	For more than nine weeks, the stock remained below the range. It tested itself until the range peak just a few weeks before Q3. However, prices were incompetent to stay.
2	Q3: 21-22	1273	1155	After the results were released, it broke the lower end of the Q2 range, and it hasn't been tested since. The price stayed closer to the lower end of the Q3 range until Q4 numbers were not released.
3	Q4: 21-22	1134.95	1058.75	In the following weeks, the result range broke on the lower side. There have been a few unsuccessful attempts to regain lost ground before prices ultimately started to decline.
4	Q1: 22-23	979.15	877.35	Post-Result prices have held steady within the range with the lower end of the range serving as important support.

Current Technical setup:

Table 2: Technical indicators reading on the weekly chart as attached above.

No.	Indicator	Time frame	Value	Slope	Interpretation
1	20 EMA	Very short Term-EMA	966.18	Down	Bearish
2	50 EMA	Short-term-EMA	1019.73	Down	Bearish
3	100 EMA	Mid-Term-EMA	984.82	Down	Bearish
4	200 EMA	Long-Term-EMA	858.39	Flattish	Bullish
5	RSI (14)		44.09	UP	No. Clarity
6	9 EMA RSI		39.79	UP	No. Clarity

The table above demonstrates that the 20, 50 and 100 EMA are continuing to be above the current market price (CMP) and 200 EMA is below CMP, whereas the 20, 50 and 100 EMA are sloping downward while 200 EMA is moving sideways. The RSI is maintaining above its EMA and is below 50, and a bullish divergence has been created, hence being inconclusive. All indicators point to a bearish trend, HCLTech is entering before Q2 22–23.

Conclusion:

The table above demonstrates that the 20, 50 and 100 EMA are continuing to be above the current market price (CMP) and 200 EMA is below CMP, whereas the 20, 50 and 100 EMA are sloping downward while 200 EMA is moving sideways. The RSI is maintaining above its EMA and is below 50, and a bullish divergence has been created, hence being inconclusive. All indicators point to a bearish trend, HCLTech is entering before Q2 22–23.

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