

Technical Result Preview Q2
2022-2023
INDUSIND BANK




Bonanza
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DATE – 14 OCT 2022

INDUSIND BANK LTD

Weekly close 1181.60. Result date: 19-10-2022.

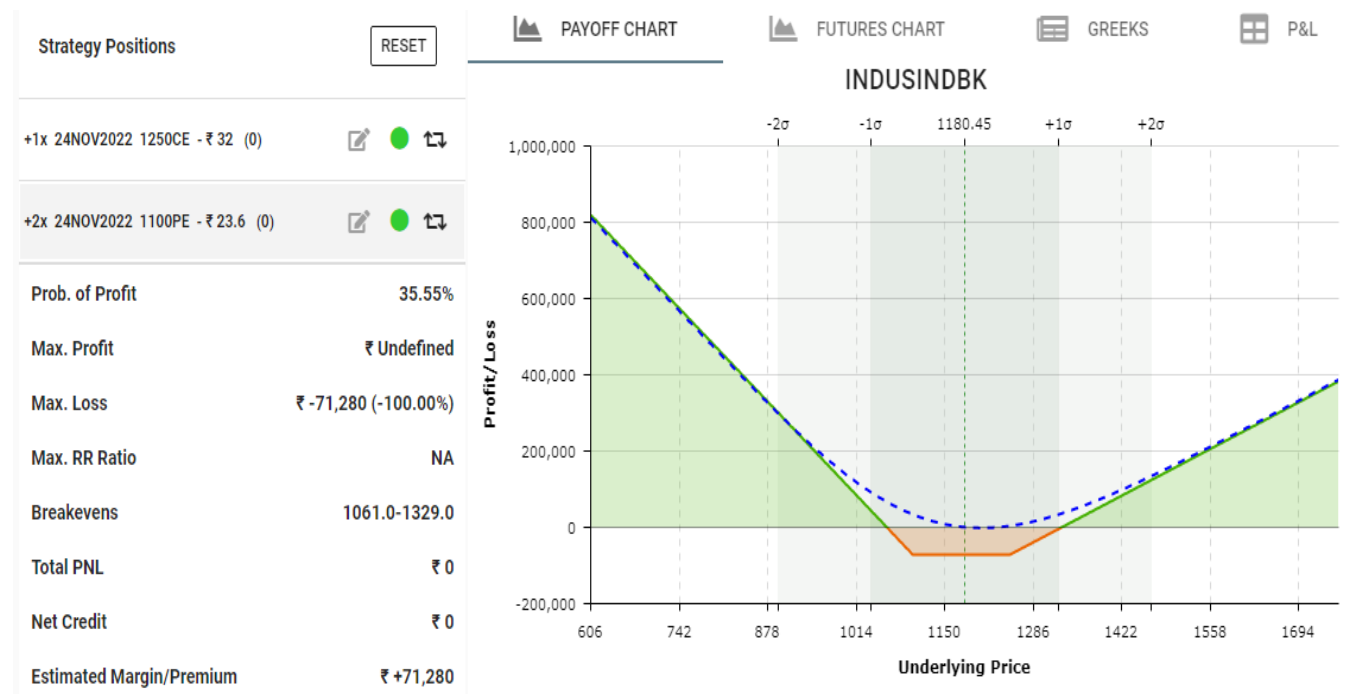
Strategy:

Given the probability of a peak at 1242, it is prudent to have a partially hedged bearish strategy in place.

Strategy	Recommendation	Levels	Stop loss	Target	REMARK
1	BUY CE 1250 AND BUY PE 1100 NOV EXPIRY IN 1:2 RATIO	32 & 23.6 TOTAL PREMIUM 79	48	160	If there is a breakout and the double top pattern fails, a hedge position should be in place.

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

Strategy Payoff



Indusindbk 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	1242.00	1122	The stock has been trading below the upper range for about a year and is presently experiencing significant resistance. The stock made a few attempts but failed to breach those levels.
2	Q3: 21-22	981.80	866.65	The stock is consistently trading within the Q4 range, which overlaps with the Q3 2021-2022 range.
3	Q4: 21-22	1029.00	902.50	Following the announcement of the results, prices penetrated the range from the lower end, resulting in a rebound but attested sell-off before the Q1 2022-2023 results.
4	Q1: 22-23	962.00	823.20	This is the largest range compared to past quarters that has not yet been tested where price momentum was seen. The upper range of Q2 2021-2022 was tested and the 'Double Top' formation is in progress.

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	1070.66	UP	Bullish
2	50 EMA	Short-term-EMA	1006.80	UP	Bullish
3	100 EMA	Mid-Term-EMA	994.95	UP	Bullish
4	200 EMA	Long-Term-EMA	1043.46	UP	Bullish
5	RSI (14)		64.35	Down	Bearish
6	9 EMA RSI		64.82	Down	Bearish

The table above shows that the Indusindbk is now trading above all important moving averages, with all slopes indicating a bullish trend. The RSI is holding below its EMA, projecting downward slope. As the present RSI quotes are over 50, there is a greater chance of minor profit booking.

Conclusion:

Technical indicators (moving averages) are indicating a sideways to bullish view as the prices are sustaining above all EMA but the stock is continuously failing to progress above pre-covid levels along with Q2 2021-2022 levels, working as resistance wherein Double Top formation is in progress. Hence there are chances of profit booking on higher side so we recommend to have bear spread with a target of 1000-974 just above the overlap zone ranges of Q3 and Q4 2021-2022.

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