Technical Result Preview Q2

2022-2023

INFY

Strategy:

Given that there is an equal chance of momentum on both sides and the current trend is bearish, we advise sticking with the trend for the duration of its existence and using two strategies.

Strategy	Recommendation	Levels	Stop loss	Target	REMARK
1	SELL INFY FUTURE AND HEDGE WITH ATM CALL	1445 & 1555	1605	1390-1318	If there is a rebound, the last quarter range will serve as resistance.
2	SELL INFY FUTURE AND HEDGE WITH ATM BELOW	1318	1400	1186	There will be a sharp decline below Q3 20-21 range until Q2 20-21.

- 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

INFOSYS Weekly Chart

Six 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 come after that, next week's ranges are taken under consideration. As observed, this result 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	1783.6	1662	The stock held steady in the range for the eight weeks after the announcement followed by breaking the range on the higher side just before Q3 post which the lower range acted as a major support. This range was broken with a gap following the Q4 results, and the same gap served as resistance following the Q1 results of the current fiscal year.
2	Q3: 21-22	1933	1813	After the announcement of the result an engulfing pattern was formed followed by range breakout wherein Q2 bottom range acted as support and higher end of the Q3 got tested during the bounce which resulted in creation of double-top kind of pattern before witnessing selloffs. The Q4 range was created just below the lower range succeeding which a gap down opening was observed the very next week and was still open.
3	Q4: 21-22	1814	1727.75	After the results, gap down was observed in the following week. This gap turned into a sell-off point before Q1 subsequently served as resistance after the Q1 results
4	Q1: 22-23	1555.7	1445	Post-Result prices indicated buying, but they eventually diminished. The range finally broke on the lower side, and as of now it hasn't been tested.

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	1501.11	Down	Bearish
2	50 EMA	Short-term	1550.95	Down	Bearish
3	100 EMA	Mid-Term	1463.95	Sideways	Bearish
4	200 EMA	Long-Term	1243.95	Flattening	Bullish
5	RSI (14)		44.71	Down	Bearish
6	9 EMA RSI		43.07	Down	Bearish

The table above demonstrates that the 20, 50, and 100 EMA are continuing to be above the current market price (CMP) and the 200 EMA is below CMP, whereas the 20 and 50 EMA are sloping downward while the 100 and 200 EMA are moving sideways. The RSI is sustaining below its EMA and is below 50. With the exception of the 200 EMA, all indicators point to a bearish trend INFY is entering before Q2 22–23.

Conclusion:

Technical indicators are indicating a bearish view and the current price is still remains below the result ranges along with a Lower low, lower high, a bearish chart formation. In addition, the Q2 range of years 20 to 21 displays a support area where RSI is about to produce a divergence. If the price displays the same range as the post-result range, it will act as a strong support. The Q1 result range of 1445 to 1555 and the bounce up to the 50 EMA or 20 EMA are both distinguishable. If not, it will break through the Q2 20–21 range of 1318–1392 followed by moving toward the Q1 20–21 range of 1092–1186.

.

Research Head

Vishal Vasant Wagh
vishal.w@bonanzaonline.com
022-68363700

Disclosure:

M/s. Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The Analysts engaged in preparation of this Report or his/her relative: - (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report. The Analysts engaged in preparation of this Report:- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c)have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

M/s. Bonanza Portfolio Ltd is a registered Research Analyst under the regulation of SEBI, the year 2014. The Regn No. INH100001666 and research analyst engaged in preparing reports is qualified as per the regulation's provision.

Disclaimer:

This research report has been published by M/s. Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or

representatives of M/s. Bonanza portfolio Ltd shall be liable. Research report may differ between M/s. Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the Subject Company or third party in connection with the research report.