

Technical Result Preview
Q2

2022-2023

MINDTREE



DATE – 13 OCT 2022

MINDTREE LTD

CMP 3390. Result date: 13-10-2022.

Strategy:

Given that the current trend is sideways to bullish, we advise sticking with the trend for the duration of its existence and add the position on long side on breakout above resistance zone.

Strategy	Recommendation	Levels	Stop loss	Target	REMARK
1	BUY MINDTREE FUTURE AND HEDGE WITH ATM PUT ABOVE	3630	3296	4076-4141	If the prices sustain above swing high of 3630 it will move towards Q2 2021-2022 range

- 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

MINDTREE Weekly Chart



Five 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	4937.65	4175.50	The stock stayed within the range till Q3 which is overlapped. And there is sell of post that.
2	Q3: 21-22	4760.00	4477.35	Just before the result there was a bearish engulfing pattern. After the result range was breakdown followed by sell-off. Just before the Q4 result the Q3 range retested.
3	Q4: 21-22	4079.55	3561.75	After the result there was continuous sell-off till Q1 2021-2022. But post Q1 2022-2023 the lower side of range retested.
4	Q1: 22-23	2960.00	2760.10	Pre-Result price was already took support at higher range of Q1 2021-2022. Post-Result it zoomed to lower range of Q4 2021-2022 which is again working resistance currently.

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	3296.23	Down	Bullish
2	50 EMA	Short-term-EMA	3373.02	Down	Bearish
3	100 EMA	Mid-Term-EMA	3040.54	UP	Bullish
4	200 EMA	Long-Term-EMA	2378.80	UP	Bullish
5	RSI (14)		51.47	UP	Bullish
6	9 EMA RSI		46.92	UP	Bullish

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

Conclusion:

Technical indicators (moving averages) are indicating a sideways to bullish view as the prices are sustaining above very short-term EMA but the moving average slope is downward whereas short-term moving average slope is also down and prices are still below it. At the same time, mid-term moving average has provided strong support with upward slope. The Q1 2021-2022 range has provided stronger support whereas Q4 2021-2022 range is working as resistance. Weekly chart formation is Higher High, Higher Low. The strategy should be buying on the strength.

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