

Technical Result Preview Q2

2022-2023

SUN PHARMACEUTICAL  
INDUSTRIES LTD.



DATE – 31 OCT 2022

## SUN PHARMACEUTICAL INDUSTRIES Limited

CMP . Result date: 01-11-2022.

### Strategy:

Given that there are good chances of breakout on both the sides but down side is normally remained limited in SUNPHARMA historically. It is advisable to be on bullish side.

Strategy	Recommendation	Levels	Stop loss	Target	REMARK
1	BUY SUNPHARMA FUTURE AND HEDGE WITH ATM PE	940	874	1072	Buy on dip will be the logic
2	BUY SUNPHARMA FUTURE AND HEDGE WITH ATM PE	1015-1030	935	1172	Buy on breakout be the logic

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

### SUNPHARMA 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	836	781.35	The stock saw a sell-off but recovered and continued to test the higher end of the range.
2	Q3: 21-22	902.85	820.05	The stock managed to break through the upper end of the prior result zone when the results were announced. The overlapping zone between Q2 and Q3 21-22 worked as a critical support for the stock, resulting in a rally followed by a breach of the zone on the higher end.
3	Q4: 21-22	915.50	832.60	A similar pattern was seen in Q2, with a selloff followed by a rally and eventually breaching the zone on the higher end. The stock tested the lower end of the Q2 zone as support throughout this movement.
4	Q1: 22-23	939.95	893.55	The revelation of the results pulled the price further, although a big pullback was noticed after some retracement, causing the stock to surpass the upper end zone.

### 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	927.20	UP	Bullish
2	50 EMA	Short-term-EMA	874.30	UP	Bullish
3	100 EMA	Mid-Term-EMA	793.45	UP	Bullish
4	200 EMA	Long-Term-EMA	703.45	UP	Bullish
5	RSI (14)		68.12	UP	Bullish
6	9 EMA RSI		58.03	Down	Bearish

According to the table above, SUN PHARMA is above all of the EMAs (20, 50, 100, and 200), with an increase in divergence between all, suggesting strong bullishness. The stock has lately achieved new highs, indicating bullishness, and may continue to rise if the outcomes are favorable. The RSI is at 68, indicating that some profit booking may occur.

## **Conclusion:**

With the price trading above all of the main moving averages, all of the key indications point to a positive trend. Recently, the stock has reached fresh highs, breaking over the Q1 zone. SUN PHARMA has a bullish setup from all angles, so a price increase is possible if the findings are good. If there are any negative surprises, the aim should be to BUY on the dips if the stock reaches the upper end of the Q1: 22-23 as support.

## **Research Head**

**Vishal Vasant Wagh**  
[vishal.w@bonanzaonline.com](mailto:vishal.w@bonanzaonline.com)  
022-68363700 (742)

## **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.



M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2,  
Cama Industrial Estate. Walbhat Road, Goregaon (E),  
Mumbai – 400063



<https://www.bonanzaonline.com>

Research Analyst Regn No. INH100001666

SEBI Regn. No.: INZ000212137

BSE /NSE/MCX : |CASH| DERIVATIVE| CURRENCY DERIVATIVE | COMMODITY SEGMENT| | CDSL: | 120  
33500 | NSDL: | IN 301477 | PMS: INP 000000985 | AMFI: ARN -0186