

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.

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