

Technical Result Preview Q2
2022-2023
ULTRATECH CEMENT



DATE – 14 OCT 2022

ULTRATECH CEMENT LTD

Weekly Close 6192. Result date: 19-10-2022.

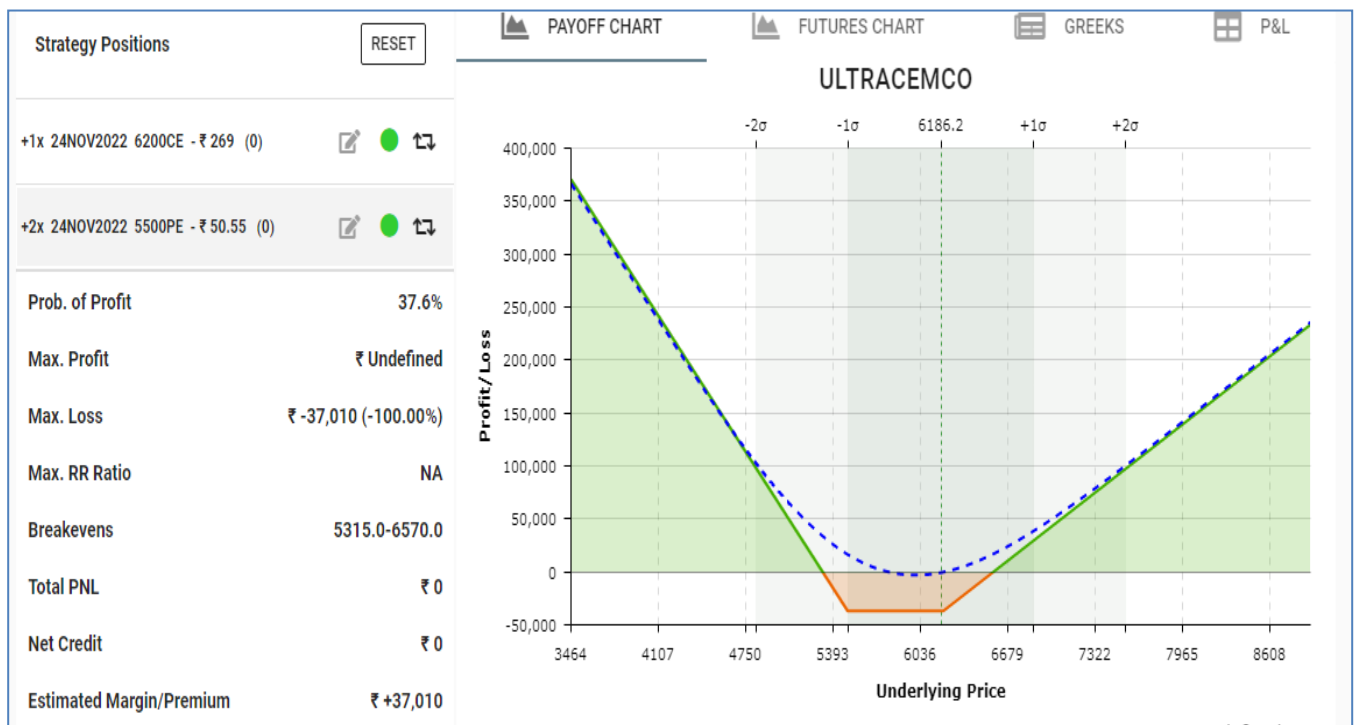
Strategy:

Given that there are good chances of Bear market pullback is over and resuming down trend again. It is advisable to have Bear put ratio spread.

Strategy	Recommendation	Levels	Stop loss	Target	REMARK
1	BUY PE 6200 AND SELL PE 5500 NOV EXPIRY IN 1:2 RATIO	269 & 50.55 TOTAL PREMIUM 168	40	500+	As all technical setup is signaling resumption of down trend.

- 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

Strategy Payoff



ULTRATECH 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 come after that, next week's ranges are taken under consideration. As observed, these results ranges usually act 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	7644.00	7085.00	The prices pierced the range on the upper side but the rally fizzled out and prices remained in the range till next quarterly result.
2	Q3: 21-22	6956.47	6163.91	A whipsaw was seen in the Q2 range following which penetration towards the lower end of the Q3 range was observed, followed by the Q2 range, indicating that prices will stay under pressure until the Q1 2022-2023 outcome.
3	Q4: 21-22	6730.00	6160.00	Post the result release prices portrayed Lower Low, Lower High bearish formation before rebound just below 200 EMA.
4	Q1: 22-23	6495.00	5811.40	Post the release of Q1 results, prices remained above higher range for 7 weeks but in recent past it has sustained at the lower end of the range.

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	6332.52	Down	Bearish
2	50 EMA	Short-term-EMA	6452.49	Down	Bearish
3	100 EMA	Mid-Term-EMA	6251.26	Down	Bearish
4	200 EMA	Long-Term-EMA	5612.26	UP	Bullish
5	RSI (14)		46.26	Down	Bearish
6	9 EMA RSI		48.57	Down	Bearish

The table above demonstrates that the Ultratech is below 20, 50 & 100 EMA, and above 200 EMA. The 100 EMA is having a flattish slope followed by the 200 EMA having a bullish slope whereas, 20 EMA (very short-term) along with 50 EMA (short-term) having a downward slope. So, the moving average indicates the downside to be limited to the recent lows. The RSI is sustaining below its EMA with the downward slope quoting to be below 50. Hence there is a higher chance of resumption of a downward trend but an acceleration of further downside will come below recent lows only.

Conclusion:

The prices have shown rejection near the 7000 range and the lower range of Q1 2022-2023 is already challenged. Technical indicators (Very short-term and short-term moving averages) are also indicating the resumption of a downtrend trend wherein the RSI failed to hold above the 50 zone. Therefore, the strategy of Bear put ratio spread is suggested.

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