

Weekly Outlook: 16th June — 22nd June 2024



**Will Nifty Hit
24000?**

NIFTY OUTLOOK



Following the heavy volatility surrounding the election results, the index exhibited a period of consolidation last week, forming a very narrow candle. This pattern, coupled with lower trading volumes, indicates a phase of stabilization as the market digests recent events.

Key Levels to Watch:

Breakout Potential: As we move into the upcoming week, the index is poised for a breakout above the 23,500 level. A successful move beyond this point is expected to propel the index towards testing the 23,700 mark. This target reflects a significant resistance level that, if surpassed, could signal further bullish momentum.

Support Levels: On the downside, critical support levels are placed at 23,350. These support zones are essential for maintaining the bullish outlook. Should the index test these levels, it could attract buying interest, preventing further declines and providing a foundation for a renewed upward move.

Trading Strategy: Traders should closely monitor the 23,500 resistance level. A breakout above this threshold, especially with increased trading volume, would confirm the bullish trend and open the path towards 23,700. Simultaneously, maintaining a watchful eye on the 23,350 support level will help manage risk and identify potential buying opportunities.

In summary, the recent consolidation phase signifies a potential breakout scenario for the index. Keeping an eye on key resistance and support levels will be crucial for navigating the market in the week ahead.



Anshul Jain

Sr. Research Analyst

BANK NIFTY OUTLOOK



Last week, Bank Nifty formed a bullish inside bar, a notable shift following the heavy volatility and wide-range candle observed the week prior. This pattern signifies consolidation, suggesting that the index is stabilizing before its next move. Although Bank Nifty has been lacking relative strength compared to Nifty, it is trading with a bullish bias.

Key Levels to Watch: Breakout Potential: The index is on the cusp of a significant breakout. A move above 49,550 could propel Bank Nifty towards its all-time high of 51,133. Should this level be surpassed, the next target is set at 51,500, which appears highly achievable given the current market sentiment.

Support Levels: On the downside, key support levels are identified around 48,900 and 48,500. These levels are crucial for maintaining the bullish outlook. A dip towards these supports could present buying opportunities for traders looking to capitalize on the expected upward momentum.

Trading Strategy: Traders should monitor the 49,550 resistance level closely. A decisive breakout above this level with increased volume could signal the start of a strong upward trend. Maintaining positions above the support levels at 48,900 and 48,500 will be critical to managing risk and capitalizing on the anticipated bullish move.

In summary, Bank Nifty's recent consolidation phase, marked by the bullish inside bar, indicates potential for a significant breakout. Traders and investors should keep an eye on the key resistance and support levels to navigate this promising market setup effectively.



WEALTH BAGGER STOCK PICKS FOR THE WEEK



HERO MOTO CORP



Hero MotoCorp exhibited a robust performance last week, forming an almost inside bar pattern, indicating potential consolidation following a strong buying force. This technical setup suggests that the stock is preparing for a breakout, making it an opportune moment for traders to consider entry points.

Recommendation: Buy Hero MotoCorp above Rs 5875. The stock has shown resilience and a potential upward trajectory, making this level a crucial entry point. A stop loss should be placed below Rs 5800 to mitigate risks associated with market volatility.

Target: Our target for Hero MotoCorp is set at Rs 6050, reflecting a favorable risk-reward ratio. This target is based on the stock's recent price action and underlying bullish momentum.

JSW STEEL



JSW Steel appears poised for a promising week ahead, buoyed by a compelling technical setup. Closing the last trading session with a narrow range candle, the stock signals a potential breakout after consolidating for nine weeks. This consolidation phase sets the stage for a bullish move, with a buy signal triggered above 926. A prudent stop-loss strategy below 900 mitigates risk, targeting an ambitious goal of 1050.

Against the backdrop of a consolidating IT sector, the robust performance expected from the metals sector enhances JSW Steel's appeal. Investors and traders alike are advised to monitor volume dynamics and key technical indicators such as MACD and RSI for confirmation. This opportunity not only reflects the stock's technical strength but also aligns with broader sectoral trends, making it a compelling prospect in the upcoming trading sessions.

TITAN



Titan displays a compelling technical setup as it rebounds from recent lows. Last week, the stock formed a significant hammer pattern, signaling potential bullish momentum. This follows through with confirmation, making a case for a bullish stance.

Investors are advised to consider a buy entry above 3540, which confirms strength, while setting a disciplined stop-loss below 3470 to manage risk effectively. The target for this trade is set ambitiously at 3700, reflecting the potential for Titan to regain bullish momentum.

This setup leverages the recent technical pattern and price action, offering a clear risk-reward opportunity. Traders may monitor volume and further confirmation from indicators like MACD and RSI to validate the trade thesis. Titan's resilience amidst broader market trends underscores its potential as a favorable play in the upcoming trading sessions.

TATA MOTORS



Tata Motors presents an intriguing technical opportunity following recent price developments. After consolidating within a range of 921 to 1065 for 13 weeks, the stock exhibited resilience post-election results. It formed a significant hammer pattern, followed by a bullish follow-through last week, indicating potential upward momentum.

Traders are advised to consider initiating long positions if Tata Motors breaks above 995, a level that confirms strength beyond recent resistance. To manage risk effectively, a stop-loss strategy below 970 is recommended. The target for this trade is set at 1065, reflecting the potential for Tata Motors to revisit previous highs.

This setup capitalizes on the stock's recent technical patterns and breakout potential, supported by market dynamics post-elections. Monitoring volume trends and confirming signals from indicators like MACD and RSI can provide additional validation for the trade thesis. Tata Motors' resilience and bullish momentum underscore its appeal as a strategic play in the upcoming trading sessions.

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Research Analyst: INH000014395

Registered Office:

Unit No 407, IV Floor, Marathon Icon , Ganpat Rao Kadam Marg, Mumbai-400013, Lower Parel

Contact No: (022) 43431818

Corporate Office:

Shree House C-29/61-5 Teliyabag Varanasi, UP 221002

Contact No: (0542) 6600000

Regional Offices:

Kolkata, Ahmedabad, Jaipur, Kanpur, Delhi, Ujjain.

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