

Watch out for Technical Performers!

Infy (Buy)

CMP: 2497.80



Infosys saw an irresistible recovery after making a constructive bottom near 2,750 levels. The recent pull-back in broader markets has helped the counter to regain strength and helped it to complete the 'Extended V Reversal' formation. Accordingly, a sustained move above 2,950 levels will provide fresh momentum, prompting the stock to hit 3,080 and 3,150 levels in the short term. Moreover, both RSI and Stochastic are heading north, signaling more upsides in the counter. The multiple positive crossovers among short and medium moving averages coupled with positive price divergence with major technical indicators, i.e., RSI, Stochastic, and MACD line, will eventually help the counter to achieve its implied targets. Hence, investors are advised to assume long positions above 2,950 levels, or else around on dips around 2,850 levels, for short-term targets of 3,080 and 3,150 levels. All short positions in the stock should be held with a stop loss below 2,750 levels on a closing basis.

Petronet (Buy)

CMP: 174.85



Petronet recovered overwhelmingly from the crucial supports of its medium-term moving averages, and rose more than 5% last week. Prior to that, it was trading sideways in a broad range of 155-168 levels since October. A flag breakout on weekly charts suggests the counter has entered into a mark-up phase and is likely

to continue its prolonged uptrend. In addition, a positive crossover between the 5-week and 13-week EMAs indicate build-up of fresh positive sentiment, which will eventually help to stimulate momentum. Moreover, the recent 'Bollinger Band expansion' and the constant price fluctuation near the upper band confirm the uptrend. Mostly, all major technical indicators are showing strong momentum. In addition, the 14-week RSI has rebounded from lower levels and could surge to 70, leading to a sharp rise. However, the Stochastic line has entered the overbought territory. Thus, profit-booking cannot be ruled out, and this dip can be taken as an opportunity to enter the stock at lower supports. Hence, we advise to accumulate long positions above 174 levels and average the same in the range of 165-167 levels for medium-term targets of 188 and 195 levels. All long positions should be held with a stop loss below 158 levels on a closing basis.

Educomp (Sell)

CMP: 233.10



Educomp has been on a downtrend despite a decent across-the-board recovery since early January. The stock has failed to sustain above the crucial 100-day EMA. On daily charts, it saw selling pressure despite strong market sentiment, reflecting the negative outlook, and we see further sell-offs below the intermediate support of 230 levels. The successful crossing of 230 levels will allow bears to gain control over the street and drag the counter towards the medium-term target of 190 levels. The stock formed an “evening star” formation on weekly charts followed by a sell signal from the Stochastic line. Consequently, we expect a sharp correction in the coming sessions. Moreover, a fading MACD line on the daily chart also indicates low buying participation. Hence, investors are advised to assume short positions below 230 levels, or else around the resistance level of 250, for short- to medium-term targets of 205 and 190 levels. All short positions should be held with a stop loss above 265 levels on a closing basis.

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