

Equities, Return !

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For Subscribers Only

• Ingredients For A Breakout Ahead

In the last four months the headline indices have seen back and forth action almost like a pendulum. It has clearly been a case of a battle between domestic and foreign liquidity. All the local and global headwinds/newsflow were not able to trigger a breakdown. This comeback of the last one week is very encouraging with a number of bullish triggers on the daily and weekly charts. There is a high probability that this one-year long consolidation on the index could be getting completed. The next two weeks are extremely important. Once the index gets past 25500, we could see the market move quickly towards lifetime highs and even beyond. There will be new leaders emerging and therefore one should focus accordingly. Strong support at 24900 and 24600. Metals & PSU Banking look like the best bets.

• PSU Banking – Star Material

The PSU banking index has seen an excellent move up in the last two weeks. This should not be taken lightly as it could be the start of a new mega trend. Too many factors have come together suggesting let a move towards 8300 is likely in the near term and 9000 over the medium term. Almost all stocks will be beneficiaries.

• MidSmall-cap 400 – Eyeing Life Highs

This broader market index has based out really well in the recent past. We have seen the formation of a strong foundation that should now trigger a breakout on the upside leading towards a move towards 21200. The way support levels and the 200-exponential moving average were respected, tells us that the bulls are still in control.

• Hindustan Copper – A Special Uptrend

There is a saying “longer the consolidation, the bigger the breakout”. This stock beautifully falls within the same. We saw a long period of range bound action after which a breakout took place post which there has been no looking back. We see a new mega trend that should lead to super normal returns. One should stay committed for the medium to long term.

• Hindustan Zinc – This Time Is Real

The stock has seen multiple false starts in the past. This has made market participants confused about the recent trend. Now looking at all the technical studies we think this trend is durable and is likely to see significant follow up in the weeks ahead.

Market Indices

| | |
|-------------------|---------------|
| Sensex | 82500 |
| Nifty | 25285 |
| Medium-Term Trend | Upward |
| 52-Week Range | 21743 – 26277 |
| India VIX | 10.10 |

Sector Preferences

| | |
|-----------------|---|
| NSE Metals | ↑ |
| NSE Banking | ↑ |
| NSE PSU Banking | ↑ |

Stock Monitor

Hindustan Copper

Sansera Eng

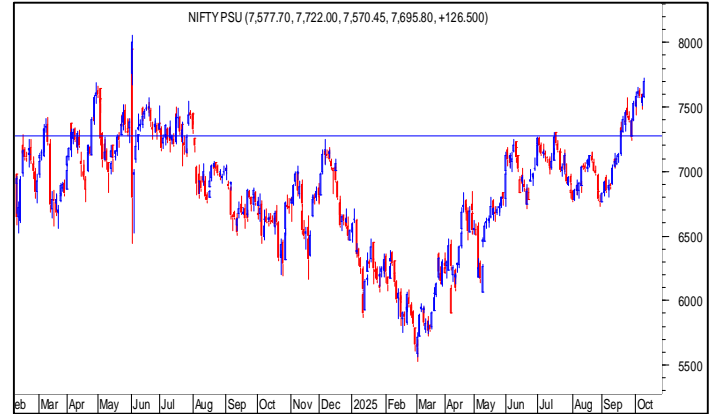
Hindustan Zinc

WEIGHT OF EVIDENCE

PSU Banking – Star Material

Exhibit 1

We have been watching the PSU banking space closely for a while now. The sector has seen quality strength in the last one week that could be a foundation to a much bigger rally ahead. We have seen a large genuine breakout on the charts with support from a lot of stocks. This could lead to a near term move towards 8300 while the eventual target stays at 9000. We could see an extended move towards five figures as well. 7500 and 7200 are now the major support levels to work with. Almost all stocks are likely to be beneficiaries but it is advisable to stick to the top five.



MidSmall-cap 400 – Consolidation Ends

Exhibit 2

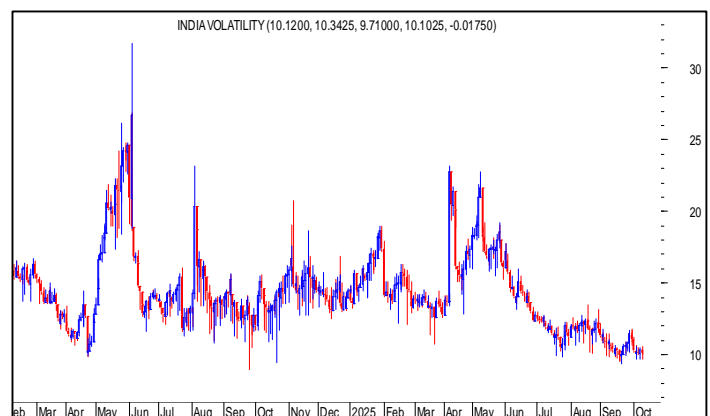
This sector has behaved like a pendulum in the last three months. We have seen back and forth action but a breakout or a breakdown just does not take place. The support level of 19300 has been respected beautifully every single time. This is where the 200 exponential MA as well. The Pattern, Indicator and Elliot setup hints at a move back towards 21200 in the coming weeks. Hence, it is safe to say that the broader markets will continue to outperform the Nifty in the days ahead. We expect new lifetime highs and beyond and shall give out fresh targets at the appropriate time.



India VIX – Quiet

Exhibit 3

Just looking at how India VIX has behaved in the last few weeks tells us that the market is quite relaxed and not fearful at all. We say this because every time there is a dip there is concern that the market is going to breakdown. VIX has consistently stayed around the level of 10. Historically whenever this has happened it has always triggered a large trend. Hence going by this data point it seems the Nifty is going to break out soon. At the same time the proprietary indicators suggests that the market is indeed setting up for a breakout or a large trending move.



Hindustan Copper (Rs.282.7) – A Special Uptrend

BUY

We have liked this stock for quite some time and even covered it successfully in the past. Once again, the setup has developed well, and this time the breakout looks even more convincing. The prior pullback and the subdued price action before the breakout have only strengthened the overall structure.

Technically, a close above 260 levels and sustenance beyond the previous high of 287 confirmed the breakout. The volume expansion has been significant, and the moving average confluence indicates a potential change in trend. The daily RSI has hit overbought territory after a long time, reflecting renewed momentum. The weekly MACD buy signal adds a strong medium-term trigger. The ratio chart versus the Nifty has also broken out, suggesting that outperformance has begun.

Overall, the stock stands out as one of the key beneficiaries of the ongoing strength in copper and appears poised for a super normal upward move.

| | |
|--------------------------|----------------------|
| Entry Zone | 280-282.8 268-273 |
| Target 1 | 350 |
| Target 2 | 410 |
| Potential Return | 24% - 45% |
| Closing Stop Loss | 250 |
| Time Frame | 4-12 weeks |
| Support | 323, 310 |
| Resistance | 380, 495 |

Exhibit 4



Source: Goldilocks Global Research

Sansera Eng (Rs.1477) – Outperformer

BUY

After a deep price correction followed by sufficient time consolidation, the stock has formed a strong base above its key moving averages. This development indicates that the downtrend has likely ended and a turnaround is underway. The recent move above a trendline resistance looks convincing and could mark the start of a fresh uptrend.

Technically, a breakout above 1430 levels signalled the end of the consolidation phase, supported by strong volumes. The moving averages are slanting upward, confirming trend alignment. The daily RSI has entered the overbought territory, suggesting the emergence of momentum. Notably, the weekly DM-ADX setup has turned up from one of its lowest readings — a rare occurrence that often signals a major trend reversal.

Overall, the stock has shown strong relative performance even in a weak market, and as market sentiment improves, it appears well-positioned to outperform.

| | |
|--------------------------|------------------------|
| Entry Zone | 1473-1480 1380-1390 |
| Target 1 | 1720 |
| Target 2 | 2190 |
| Potential Return | 16% - 48% |
| Closing Stop Loss | 1290 |
| Time Frame | 4-12 weeks |
| Support | 1390, 1360 |
| Resistance | 1530, 1640 |

Exhibit 5



Source: Goldilocks Global Research

Hindustan Zinc (Rs.485.5) – This Time Is Real

BUY

The stock has made several attempts in the past to turn around and rally but struggled to sustain momentum. This time, however, it has given a fresh breakout from a range, and the triggers now appear better aligned. As the stock is a direct proxy to silver, the ongoing strength in silver prices could start to reflect positively here as well.

Technically, a close above 485 levels marked a key development for the stock. All short-term moving averages have crossed above the 200-period average — an important signal of trend reversal. The daily RSI has entered the overbought zone, while the weekly MACD has triggered a fresh buy signal. Additionally, the DM-ADX setup has turned up from one of the lowest readings in years, which has historically led to major trend moves. The ratio chart versus the Nifty is also shaping up well.

Overall, after months of base-building and consolidation, the stock now appears to be starting a sustainable uptrend, opening room for a meaningful upside ahead.

| | |
|--------------------------|----------------------|
| Entry Zone | 481-485.5 468-472 |
| Target 1 | 550 |
| Target 2 | 606 |
| Potential Return | 13% - 25% |
| Closing Stop Loss | 430 |
| Time Frame | 4-12 weeks |
| Support | 484, 468 |
| Resistance | 520, 545 |

Exhibit 6



Source: Goldilocks Global Research

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