

MOVING AVERAGES are playing significant role in HCL TECH to take long positions



By merely looking at the charts- a tool for **share investment** as a technical analyst there is a very striking feature which has been reflected by the stock. The stock has been moving in the upward moving trading band keeping itself intact with the 200DMA which even now is not showing any signs of turning around.

During the entire course of the upward trading band, whenever the stock has attempted to break down the 20DMA and 50DMA, the 100DMA stood as the next favorable option for the stock to give a mild pullback to seek the resistance with the 50DMA. After a minor pull up, the stock is again expected to move down in the long term to seek the support from the 200DMA. As highlighted in the technical charts above, there are numerous similar patterns worked out by the stock. All we need to wait for the successive completion of the crossover of the 20DMA with 50DMA to the downside, which would furnish the chance for the stock to move up again to seek resistance with the 50DMA, which would be at par with the neckline of the head and shoulders pattern at Rs.466 and the death cross over point of the 20DMA with 50DMA. Hence Rs.466 is a crucial level which we need to watch out keenly before doing justice to our **stock tips**.

As far as the similarities of the previous moves and patterns of the stock is concerned, the stock is expected to retrace back from the 100DMA to get back to its 50DMA close to Rs.465-466 for the forthcoming sessions. But in order to give due justice to the significance and feasibility of the pattern a

downside breakout is again expected to be given up by 26points to the downside and nearing to Rs.425 levels, which is the support level of the upward moving trading band, from where an upside retracement till Rs.466 level is again left for the stock to give in the later trading sessions.

Hence, this stock has the good potential to reap the profit of about 40 points. **Stock investment** is expected to yield the rupee cost advantage to the investors where first possible positions can be taken from Rs.446 levels till Rs.466 and another long position can be taken from Rs.426 onwards at which the downside breakout is expected to be completely exhausted.

As far as the indicators are concerned, RSI, MONEY FLOW INDEX are at their just above the 20% levels showing no signs of significant improvement in the stock. All of them are expected to make an attempt to go down in their oversold zones from where good positions will arise for **share investment**. By the time, the stocks comes to its Rs.426 levels, the momentum indicators would have already gone down to their oversold levels giving good indications of the exhaustion of the selling and good positions coming up in favor of the stock.

So keep due focus on the stock and wait for the opportune levels to arrive for an effective and profitable **share investment**.

HAPPY TRADING

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