



Long Term Banking Pick (a technical perspective)

05th October 2023



Rating: Buy @ 249-255

Upside Potential: 37.81%

Technical View:

Bandhan Bank stands as one of India's youngest universal private sector banks, incorporated in the year 2014 and operates as a commercial bank, offering checking accounts, savings deposits, and money market, mortgage, and term loan services, in addition to card facilities and Internet banking services.

Bandhanbank - Monthly Chart:



Technically addressing, BANDHAN BANK has been consolidating over the past seven months after stock hit 52 week low of 182.15 on 28th March 2023. The consolidating pattern has led to appearance on symmetrical triangle pattern which is a bullish structure. The stock gave a clear break out from the symmetrical triangle bullish pattern on the weekly as well as monthly chart with steady volumes. It is confirmed that the uptrend can be expected to accumulate from current levels with projected targeting towards 337/349 levels in medium to long term scenario. The momentum oscillator Moving Average Convergence/Divergence (MACD) is strengthening the upbeat argument on daily chart and indicating that the downside could be limited. The oscillators are picking up momentum, with RSI showing good strength above 50 levels.

Recommendation

CMP (₹) as on 04th Oct 2023	253.25
Accumulate on Dips till (₹)	238-240
Target 1 & 2 (₹)	337/349
Stoploss (₹)	220
Time Frame	8- 12 Months

Key Data

Nifty/Sensex	19436.10/65226.04
BSE Code	541153
NSE Symbol	BANDHANBNK
Bloomberg Code	BANDHAN:IN
Industry	Banks
Market Cap(₹ Lakhs)	4079601.13
Face Value(₹)	10
52 week High/Low	275.90/182.15

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The stock is forming “V” shape recovery pattern on the weekly chart suggesting a move above 267/272 could lead to a fresh directional move in the same direction. The stock has been moving above its 100- & 200-days EMA over the past four to six weeks, which is the positive trigger for long term investors. The breakout levels of 249-255 with good volumes indicating fresh buying was seen in the stock, which augurs well for the near run. Even though the stock has shown positive returns over the past two months trading days, it has recently witnessed a bullish candlestick pattern on monthly chart, suggesting buyers are moving the price on the upward side.

According to daily and weekly price trend line, the Bandhan bank has immediate resistance at 267/272. If the stock breaks above 272 levels and then it could test at 315/337 in medium to long term gains. On the down side, the stock has found support at 221/216 levels. Keeping in mind the above-mentioned evidence, we recommend investors to buy BANDHAN BANK in the range of 249-255 and accumulate on dips till 238-240 with stop loss of 220 for a target of 337/349.

Technical Indicators/Overlays

Bollinger Bands	279.15 - 228.45
20 days & 50 Days EMA	103 & 96.50
Annualised Volatility	41.46
ADX	11.88
Daily MACD	5.18
Daily RSI	63.85
Average True Range(ATR)	27.04
AD Line	11.64 Cr

Share Holding Pattern

Particulars	Q1FY24 (%)
Promoters	39.99
Foreign Institutions	33.53
MFs/Insti	12.39
Others	14.09

Disclaimer

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