



14<sup>th</sup> October 2019

## AXISBANK LTD

### Recommendation

Scrip:  
AXISBANK LTD

Entry:  
690

Target:  
925

Stop loss:  
595

Risk Reward:  
1:2.47

### Technical Trigger

Daily 200 SMA:  
718.20

Daily 89 EMA:  
700.70

Daily RSI (14):  
53.84

Weekly RSI (14):  
47.81



- ✓ Looking at weekly chart, Axis Bank has been in a consolidation phase for nearly four years and formed 'Ascending Triangle' pattern. During January 11, 2019; stock eventually confirmed its breakout from said triangle pattern. The break of such resistance led to an acceleration of bullish momentum and stock hit an all-time high of ~827.
- ✓ Subsequently, stock fell in line with its peers in past few months however the selling pressure exhausted near 640 - 620 zone which coincided with multiple support zone. First, 61.8% Fibonacci retracement of its swing move from the bottom of 534 to the top of 827 comes near 620.
- ✓ The previous resistance zone (marked as a horizontal trend line) reversed its role post breakout and acted as a strong support (Change of polarity rule).
- ✓ The weekly RSI (14) came near the support level of 40 and of late we saw formation of 'Bullish Divergence' pattern. The occurrence of such pattern near 40 levels supports our bullish hypothesis.
- ✓ On quarterly chart, stock constantly took support near the 9-SMA and last quarter low of 622.65 precisely coincided with the 9-SMA.
- ✓ Considering the above technical evidences along with the placement of RSI (14) on weekly as well as on a monthly chart, we believe that the recent fall is an opportunity to accumulate this stock at current level of 690 with an upside price target of 925. Stop loss should be placed at 595 below which our bullish view will be negated.



# TRADING EDGE

## TEAM

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