



18th August 2022

Jubilant Foodworks Ltd (JUBLFOOD)



Recommendation

Symbol:
JUBLFOOD (Cash)

CMP: 605

Entry Point:
605 - 595

Target:
730 / 804

Stop loss:
498

Risk Reward:
1: 1.68

Since 2017, Jubilant Foodworks Ltd stock price has been in prolonged uptrend. Despite stock price witnessing some sharp correction in 2018 and 2020 during pandemic time, but it made quick recovery within the short period and resumed primary uptrend. In this optimism stock price extended till all time high of 915 levels (Post adjusting stock split) in October 2021.

Subsequently, Jubilant Food work stock price turned down from the highs as investors looked for profit booking after relentless rally from March 2020 low of 226.70 to 915 levels. The sell off got exhausted around 450 levels in May 2022 and since then it has been consolidating in a range. During this correction stock price has erased more than 50% from the all time high.

Going through long term logarithmic chart, Jubilant Foodworks Ltd stock price has retracted more than 61.80% of the previous rally and got supported around the long term upward sloping trend line and showed decent recovery. During consolidation phase stock price formed Inverse Head and Shoulder pattern on daily scale with neckline of that is placed at 600 mark. For last few weeks Jubilant food work stock price has been consolidating near the said resistance of 600. In yesterday's session it finally surpassed 600 mark and gave positive break out.

The RSI (14) indicator is consistently moving higher from March low of 30 and rose till 55 mark on weekly scale and Stochastic oscillator has turned positive at 73 mark. Another Indicator MACD also made positive crossover at lower levels of -63 and reclaimed till -1. Where MACD histogram has been rising firmly and scaled at 19.24 levels. During the short-term consolidation phase volume has shown decent uptick, which indicates accumulation in the stock.

All the above factors are indicating bullish signs in Jubilant Foodworks Ltd and going forward we expect stock price may drive till 61.80% retracement levels of the recent down move placed at 730 range and after that further extension can be noticed till 804 levels. Whereas on the downside the long-term rising trend line is now pegged around 500 level and it is likely to act as strong support zone.

Hence going through the above analysis, we expect Jubilant FoodWorks stock price has come out of the consolidation zone and has resumed its primary uptrend. **Therefore, we advise traders to accumulate JUBLFOOD stock in the range of 605 – 595 levels for upside targets of 730 then 804 levels with stop loss placed at 498 mark.**



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