



Long Term Pharma Pick (a technical perspective)

29th April 2024



Rating: Buy @ 286-315 (Add on dips till 259-265)

Upside Potential: 30.87%

Technical View:

Biocon Limited is a global biopharmaceutical company and focuses on prevention, alleviation and improve the lives of millions of patients in over 120 countries. It operates across four distinct business segments: Generics, managed by Biocon Limited; Biosimilars, managed by Biocon Biologics, Research Services, driven by Syngene, and Novel Biologics, overseen by Biocon.

BIOCON - Monthly Chart:

BIOCON [N11373] 306.40, 15.99%
Price Avg(E,3) Avg(E,9) Avg(E,100) Avg(E,200)



Source : www.SpiderSoftwareIndia.Com

BIOCON has been making a very good bullish candlestick pattern on the weekly and monthly charts. It has also managed to close above the psychological level of 300 helped by strong buying. On the monthly chart, BIOCON has formed a symmetrical triangle pattern which is a bullish continuation pattern. The stock broke out from the symmetrical triangle pattern last week with steady volumes. It is confirmed that the uptrend can be expected to accumulate from current levels.

The stock surged sharply on impressive volumes above its short-term exponential moving averages (20 days & 50 days) suggesting positive momentum. Our argument is further validated after the stock gave an upside breakout from falling resistance line on weekly chart as the price broke through the top of a trading range and this is suggesting further upside movements can be expected with testing projected target levels of 382/401.

Recommendation

CMP (₹) as on 26th April 2024	306.40
Buy on Dips till (₹)	259 - 265
Target 1 & 2 (₹)	382/401
Stoploss (₹)	224
Time Frame	8- 12 Months

Key Data

Nifty/Sensex	22419.95/73730.16
BSE Code	532523
NSE Symbol	BIOCON
Bloomberg Code	BIOS:IN
Industry	Pharma
Market Cap(₹ Cr)	37008.5
Face Value(₹)	5
52 week High/Low	313.40/217.50



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Daily momentum turned from negative to positive last Friday from elevated levels (280-295) which is a strong signal that the cross will see further strength in the short term. The stock has also been moving between the long-term rising channel on the monthly chart and a trigger above 348/359 levels, could induce further buying pressure for long-term gains.

The general wave structure indicates BIOCON can maximum retrace is 78.6% and the five wave fall on the weekly chart is expected if the stock trades above 348/359 levels. This may be corrections of a minor wave four remain open. Finally, the fifth wave should be utilized as a buying opportunity at lower levels.

Going forward, BIOCON is likely to remain positive and now faces a resistance at 348/359 levels and should have a minimum upside till that level. Sustaining above 359 levels can invite further buying and then the stock may face the upside projected targets of 382 and 401 levels in the medium to long term scenario. On the downside the support for the stock is seen at 265 and 248 levels. Keeping in mind the above-mentioned evidence, we recommend investors to buy and accumulate BIOCON for medium to long term gains.

Technical Indicators/Overlays

Bollinger Bands	320.80 - 262.50
20 days & 50 Days EMA	272 & 287
Volatility	1.56
ADX	17.54
MACD	11.03
RSI	55.46
Average True Range(ATR)	41.43
AD Line	198.58 Cr

Share Holding Pattern

Particulars	31-March-24 (%)
Promoters & Promoter Group	60.64
FPIs	5.63
MFs/Insti	13.69
Public	19.74
Others	0.3

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