

*A report on*

# Soaring Stocks in the Indian Market

*In fulfilment of the requirements of*  
*Quantitative Trading and System Building using Python workshop*



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# ABSTRACT

This report is written with the aim to ascertain and elaborate upon two stocks in the Indian stock market that could possibly be major high hitting stocks in the next bull market. This report is a product of careful application of strategies and techniques and although utmost care has been taken to be systematically accurate, many other factors can play a role in disrupting the market and can throw the predictions off. So, by initiating and carrying out a research of stocks in the market we get an edge over other market participants who invest based on little to no prior research and while this does not guarantee that we will strike huge profits every time, it does assure us that we will turn out to be right more than half of the time.

Keywords: stocks, high hitting, bull market, research, profits

# INTRODUCTION

The quality of the products of a longstanding company does not assure the same reliability for their stocks. A company's shares might grow at a nominal rate over a long period of time but on the other hand they can plummet much more easily in a very short period of time. Much profit can be gained through short term entry and exit investments in companies that show agreeable trends and prices for their stock. Studying the market performance of companies in the short term can help us find when to catch a profitable trend and when to leave that trend by selling the stock when it has hit its highest point. Predicting what happens in the market next is as good as predicting the future, no one is certain what can happen next. But, by using the tools provided by technical analysis we can ascertain to a certain degree as to when a stock enters a bullish trend or when it enters a bearish trend. We know that history tends to repeat itself, and that the market is largely controlled by the price of the stock and by people's emotions. Applying this mindset and some more intuition, it is possible to narrow down our predictions by a large degree. In such a way we can develop computer systems using algorithms to inform us when a stock is performing favourably, which is especially useful when one needs to monitor tens to hundreds of stocks at the same time. In this report I shall be listing out two stocks in great detail and how they can be the major players in the next bull market using the powerful tools of technical analysis.

# Jubilant FoodWorks Limited

NSE -> JUBLFOOD

BSE -> 533155

Sector: Restaurants

Current Market Price: Rs. 1552.50

Stop Loss: Rs. 1375 (Recommended)

Current Trend: Sideways



JUBLFOOD, 10 days, Daily



JUBLFOOD, 3 months, Weekly



JUBLFOOD, 3 years, Monthly

### Trend Analysis:

- In the past 10 days, the candlestick graph has been moving steadily upwards. This indicates a recent bullish market. On a wider scale, over the past three months the candlestick graph has been showing an upward trend as well. Over the past three years the graph has shown an upward trend and afterward over the past year it has been showing a sideways trend.

### Support and Resistance:

- Over the past year the stock has been showing a sideways trend. The support is at around Rs. 1100 and the resistance is around Rs. 1550.

### Indicator Confirmations:

- In the three year timeframe, the RSI has been at a steady mid 60's range for the past year, indicating that the stock is on a healthy buy trend and just shy of being overbought. This shows a promising future for the stock.
- In recent timeframes we notice that the 10MA has already crossed the 21MA indicating that this is a good time to buy more shares. In the three year timeframe, the 21 MA is slowly approaching the 10 MA but the 10 MA is shying away from the larger MA, so we can wait for a while before having to sell the stock.

- The ADI is showing a steady value above 25 thus indicating that the stock is consistently active and not stagnant.

Other data points:

- Jubilant Foodworks has shown remarkable growth in Q2 2019, and although their profits were down by 3% compared to last quarter, it shows no scope for concern as they had spent a major chunk of money in provisioning for future investments. This is only indicative of strong growth in the near future.
- Jubilant Foodworks' commercial enterprises such as the longstanding Dominos and their recent foray Dunkin' Donuts are showing good profit margins and popularity amongst the general public and are growing as businesses. There is a degree of surety within the company which is attracting investors.

# Kotak Bank

NSE -> KOTAKBANK

BSE -> 500247

Sector: Banking

Current Market Price: Rs. 1614

Stop Loss: Rs. 1425 (Recommended)

Current Trend: Uptrend



KOTAKBANK, 10 days, Daily



KOTAKBANK, 3 months, Weekly



### KOTAKBANK, 3 years, Yearly

#### Trend Analysis:

- In all the three timeframes of 10 days, three months and three years, Kotak Mahindra Bank has been showing a steady uptrend. This is a good sign, as matching uptrends across multiple timeframes results in big returns on investments.

#### Support and Resistance:

- If we look very closely we will notice that there are scanty periods of support scattered across the chart but there is no occurrence of a resistance as the stock is eliciting promising expectations in investors as seen by the constant uptrend.

#### Indicator Confirmations:

- In the long term we notice that the 10MA is moving steadily away from the 21MA and they have never coincided which indicates that the time to sell is very far away and that there is considerable profit to be made by holding on to the current stock/ taking the risk of buying new stock at this juncture.
- The RSI is bordering on 70 consistently which means that there is a strong continuous trend. The RSI has never dipped far below 70 thus there has been no considerable fluctuation in the stock.
- The ADI is at a very strong 25 plus value which shows promise in the performance of the stock in the future. -DI is still below +DI and the two are fairly parallel thus the time to sell the stock is still far away and we can ride on this rising momentum for much longer.

Other data points:

- Kotak Mahindra has been a reliable banking partner for a long time in the past with a stable backbone and very few if not zero controversies. The bank is constantly innovating and adjusting its services and rates for the current market.
- Kotak Bank has showed huge profits in Q2 2019, 51% higher than the previous quarter. This is due to lower tax rates and is sure to attract investors to invest in the stock.

# CONCLUSION

By all counts and applied techniques, we can say with confidence that the banking sector and the restaurant sector are sure to ride ahead in the next bull market. Jubilant FoodWorks and Kotak Mahindra Bank are two stocks that are showing promising results thanks to the satisfaction of large and common investors alike due to the healthy growth in the businesses themselves. Their charts show healthy growth trends in all periods of time which further indicates that we can be assured of big profits if the current trends continue as predicted. All in all, the two stocks have shown to be quite stable and are great options to consider to both trade in a short timeframe or invest for the long run.