

The updated chart for **Eveready Industries Ltd.** showcases new insights, especially with the inclusion of the **MACD (Moving Average Convergence Divergence)** indicator. This refined analysis provides a comprehensive technical outlook for the stock.

1. Bullish Pennant Pattern

- **Formation:** The chart highlights a classic bullish pennant pattern. This is characterized by a strong prior uptrend (flagpole) followed by consolidation within converging trendlines, forming the pennant.
- **Current Status:** Eveready Industries is trading at ₹371.95, well within the

pennant's consolidation phase. The breakout level is anticipated near ₹400–₹410.

- **Implications:** If the stock breaks out above ₹410 with robust volume, it could potentially rally to its projected target of ₹700–₹750.

2. MACD (Moving Average Convergence Divergence) Analysis

The MACD provides valuable momentum insights:

- **Bearish Crossover:** The MACD line (blue) has crossed below the Signal line (orange), signaling a short-term bearish momentum.



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- **Negative Histogram:** The MACD histogram shows negative bars, reflecting declining momentum in the current phase.
- **Significance:** This bearish crossover aligns with the consolidation seen in the pennant. A reversal in the MACD would serve as a strong confirmation of a bullish breakout.

3. Volume Analysis

- **Consolidation Phase:** The volume has remained relatively muted during the pennant's formation, which is typical as the stock consolidates.
- **Breakout Confirmation:** A breakout above ₹410 should be accompanied by a significant spike in volume to validate the bullish move.

4. Key Support and Resistance Levels

- **Immediate Support:** The lower boundary of the pennant, near ₹320–₹330, acts as a critical support level. A breakdown below this level would invalidate the bullish setup.
- **Immediate Resistance:** The upper boundary of the pennant (~₹400–₹410) serves as a key resistance level. A decisive breakout above this zone is essential for the next leg of the rally.
- **Intermediate Resistance:** The prior swing high at ₹505 may act as a temporary resistance before the stock moves toward the pattern's target.

5. Broader Momentum Context

- **Neutral Momentum Zone:** The consolidation phase, coupled with the MACD's bearish signal, places Eveready Industries in a neutral momentum zone.
- **Directional Signal:** A positive MACD crossover, accompanied by a green

histogram, would indicate a resumption of bullish momentum and serve as a confirmation for traders.

6. Entry, Exit, and Risk Management

- **Entry Point:** A decisive close above ₹410, confirmed by volume and a positive MACD crossover, would serve as the ideal entry point.
- **Stop-Loss:** A stop-loss can be placed below ₹320 to limit downside risk.
- **Target:** The bullish pennant pattern projects a target of ₹700–₹750, offering significant upside potential.
- **Risk-Reward Ratio:** The setup provides an attractive risk-reward ratio of approximately 3:1 or higher.

7. MACD as a Key Indicator

- **Reversal Watch:** For the breakout to materialize, the MACD line must cross back above the Signal line, with the histogram turning positive (green). This would confirm a revival in momentum.
- **Caution Zone:** Until the MACD provides a bullish signal, Eveready Industries may remain in its consolidation phase or test lower support levels.

Conclusion:

The technical setup for **Eveready Industries Ltd.** remains promising, with the bullish pennant pattern suggesting a potential upside to ₹700–₹750. However, the MACD's current bearish signal indicates that traders should wait for confirmation of a breakout above ₹410 before initiating new positions. Volume and MACD alignment will be critical in timing this breakout effectively.

Disclaimer: This analysis is based on technical indicators and historical price patterns. Please conduct your own research or consult a financial advisor before making any investment decisions in **Eveready Industries Ltd.**

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