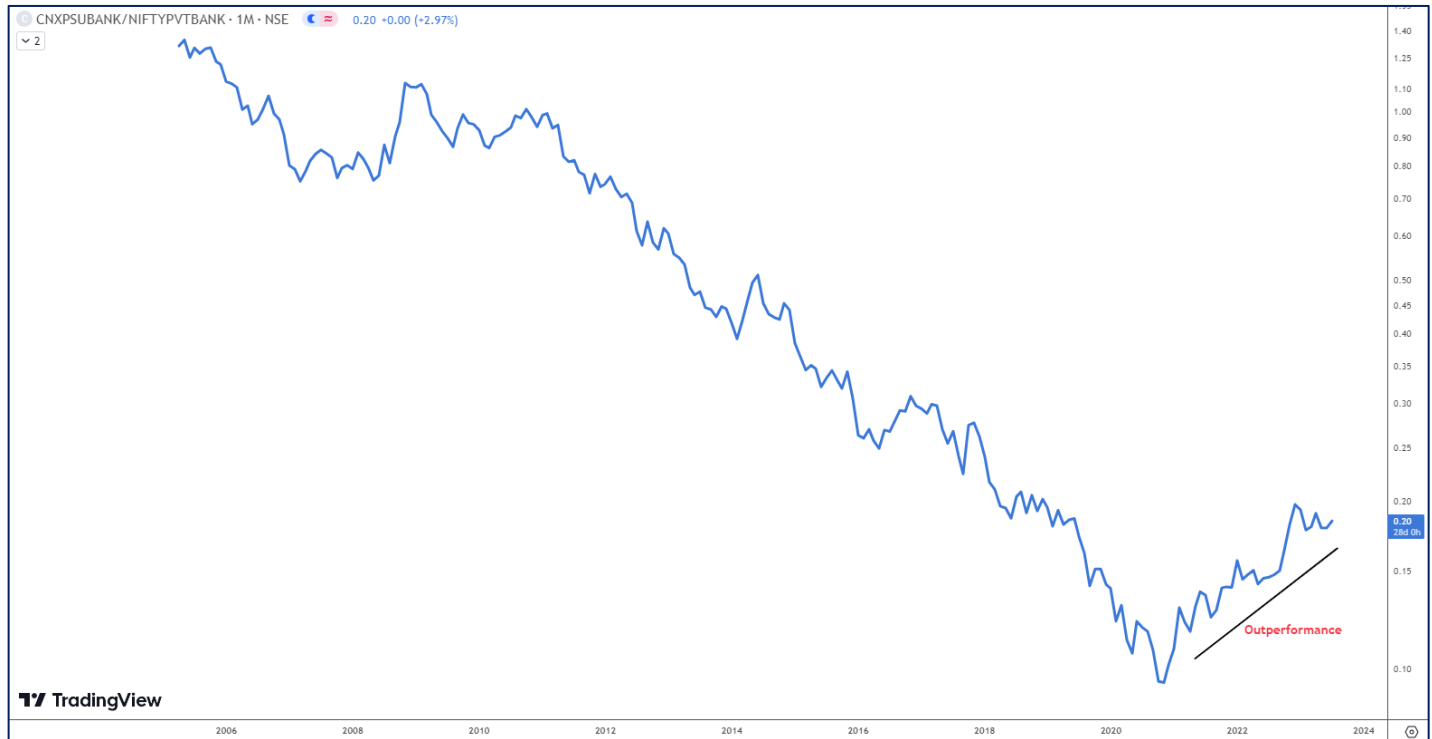
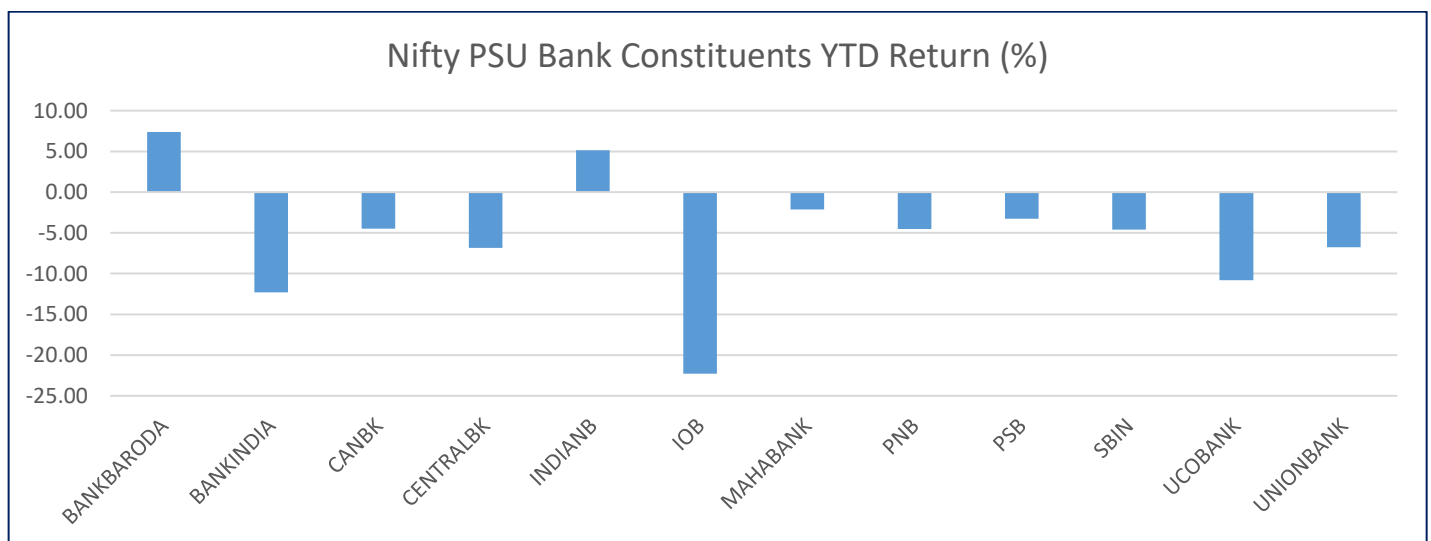


Since inception, Nifty PSU Banking index has underperformed Nifty Private Bank index for nearly 15 years. However, Nifty PSU Bank has formed Bullish Harami candlestick pattern during the last week of May 2020. Thereafter it has started outperforming the Private Banks. From the low of May 2020, Nifty PSU Bank index has surged by nearly 295 per cent. While, Nifty Private Bank has surged by nearly 148 per cent. This shows PSU Banks have strongly outperformed the Private Banking stocks since May 2020, which is also visible on ratio chart.



Also Fundamentally, FY23 has been turnaround year for majority of the PSU banks with improvement across all the operating metrics like credit growth, deposit growth, significant decline in restructured asset, healthy PCR ratio and marked improvement in asset quality. Backed by robust financial performance, we have seen re-rating in the entire PSU banks with avg adj P/BV ratio moving from 0.4-0.5x to 0.8x-1.0x P/BV. In FY24, PSU banks are likely to report credit growth of 10-12% with few of them likely to outperform their peers.



## Technical View:

<b>Current Market Price</b>	<b>4258</b>
<b>Target Price</b>	<b>4650-4900</b>
<b>Stop Loss</b>	<b>3950</b>
<b>Time Duration</b>	<b>6-Months</b>
<b>Upside Potential</b>	<b>15% (Considering Second Target)</b>

## Chart (Weekly Scale):



## Price Structure:

The Nifty PSU Bank index has marked the low of 1078 in the month of May 2020 and thereafter it has surged by over 295 per cent in 134 weeks. However, it has formed Shooting Star candlestick pattern as on weekend of December 12, 2022 and thereafter it has witnessed throwback after sharp upside rally. The throwback was halted near its long-term moving average, i.e. 200-day EMA level.

Thereafter it has resumed its northward journey and started marking the sequence of higher tops and higher bottoms on daily scale.

Currently, the index has given Symmetrical Triangle like pattern breakout. This breakout was confirmed by sizeable bullish candle on daily scale.

## Mark Minervini Trend Template:

As the index is trading at 6-months high, it is above all the short and long-term moving averages. The index is meeting Mark Minervini's trend template. The current market price of the index is above the 150-day (30-week) and the 200-day (40-week) moving averages. The 150-day moving average is above the 200-day moving average. Currently, the index is trading above its 200-day SMA by nearly 12%.

The 50-day (10-week) moving average is also above both, the 150-day as well as 200-day moving averages. The current index price is above the 50-day moving average. Currently, the index is trading nearly 77 per cent above from its 52-week low.

## Daryl Guppy's GMMA set-up:

Another most popular technical set-up Daryl Guppy' Multiple Moving Average (MMA) is also suggesting that the index is in the bullish mode in the long and short periods. The price is above all the short-term and long-term moving averages.

## The Trend Strength:

The Average Directional Index (ADX), which shows trend strength, has started rising on daily scale. While, +DI is much above -DI, which shows trend strength has started improving.

## The Indicators:

All the major indicators, in all time frames, are confirming bullish direction. The leading indicator RSI entered into a bullish territory on weekly chart. The daily RSI has given 38-days breakout and it is in rising trajectory. Interestingly, the index never entered into an oversold zone since first week of May 2020 on weekly chart. The MACD line is above the signal line on a daily, weekly and monthly chart.

## Conclusion:

Based on the above pieces of evidence, we feel that the Nifty PSU Bank has given decent breakout on weekly chart. Hence, we foresee a further upmove with faster extension. We feel that the index is likely to move towards 4650, followed by 4900 in a period of less than six months.

## Stock Recommendations:

<u>Stock Name</u>	<u>CMP</u>	<u>Target</u>	<u>Stop-Loss</u>	<u>Expected Returns (%)</u>	<u>Time Duration</u>
<b>CANBK</b>	318.50	370	295	16.16%	3-Months
<b>BANKBARODA</b>	199.10	240	185	20.60%	6-Months
<b>PNB</b>	53.85	64	49.50	18.84%	6-Months
<b>UNIONBANK</b>	74.90	87	69	16.15%	3-Months

## Canara Bank

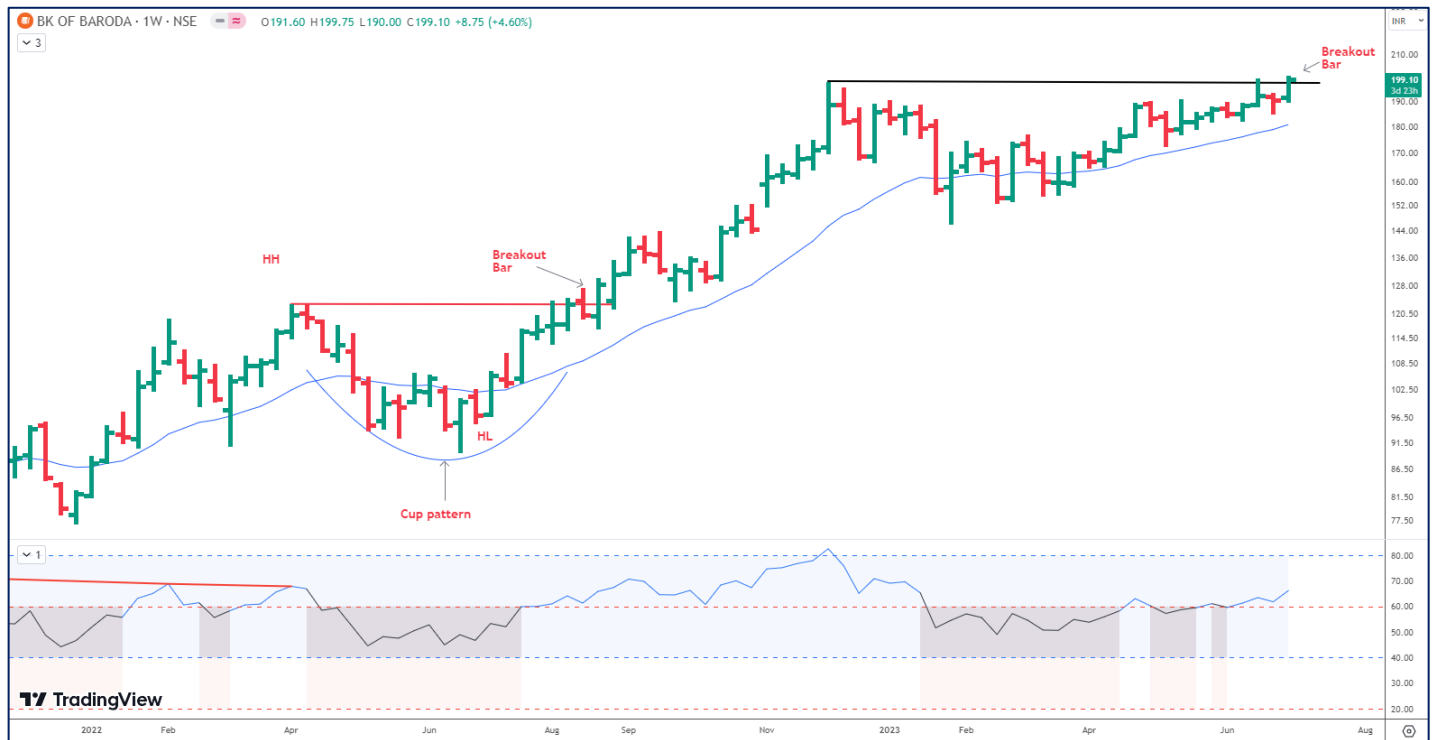
NSE Symbol	CMP	Target	Stoploss	Upside Potential (%)	Time Duration
CANBK	318.50	370	295	16.16%	3-Months



- Technically, the stock has given neckline breakout of Adam and Adam Double Bottom pattern on daily scale. This breakout was confirmed by above 50-days average volume. Additionally, the stock has formed sizeable bullish candle on breakout day, which adds strength to the breakout.
- Along with this upside, the stock has surged above its 20 and 50-day EMA level. These averages have started edging higher, which is bullish sign.
- The daily RSI has surged above 60 mark and it is in rising trajectory. The weekly MACD has just crossed above the signal line above the zero line and the histogram has turned into bullish momentum. Moreover, the daily and weekly stochastic is also suggesting bullish strength as %K is above the %D.
- Technically, these factors are aligned in favour of bulls. Hence, we recommend to stay with the bullish bias. On the upside, it is likely to test the level of 350, followed by 370 in short-term. While, on the downside, the zone of 297-295 is likely to provide the cushion in case of any immediate decline.

## Bank of Baroda

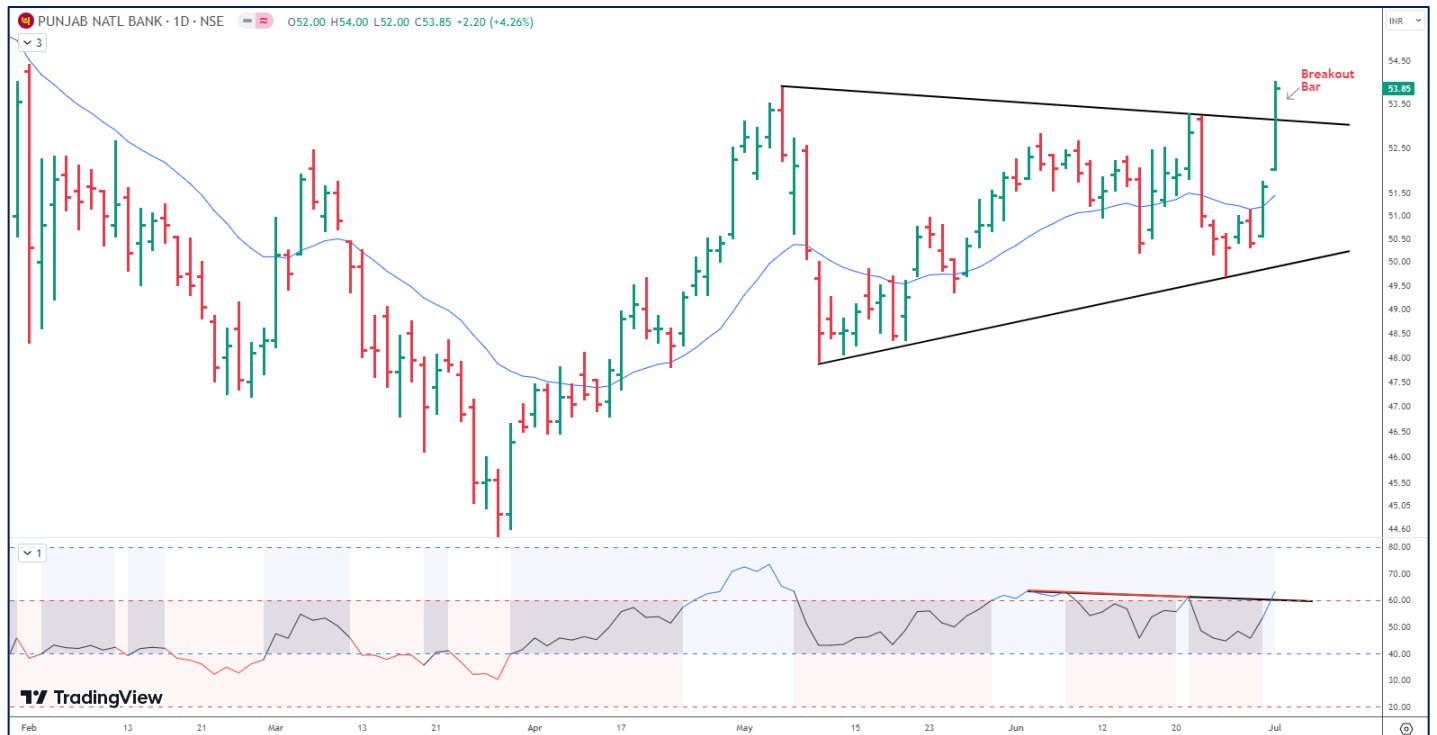
NSE Symbol	CMP	Target	Stoploss	Upside Potential (%)	Time Duration
<b>BANKBARODA</b>	199.10	240	185	20.60%	6-Months



- The stock is strongly outperforming the Nifty PSU Bank since last couple of months and it has registered fresh 52-week high on Monday. Technically, the stock has given 29-weeks consolidation breakout. This breakout was confirmed by robust volume. In addition, the stock has formed sizeable bullish candle on daily scale, which adds strength to the breakout.
- All the moving averages are trending upside and they are in desired sequence. The stock is meeting Daryl Guppy's multiple moving averages set up rules as it is trading above both the short and long-term moving averages.
- All the major indicators, in all time frames, are confirming bullish momentum. The leading indicator, RSI is above 60 mark on daily, weekly and monthly chart. The weekly MACD histogram is suggesting pickup in upside momentum.
- The daily ADX is currently quoting at 15 and it is in rising trajectory. The surge in +DI is suggesting the trend is strengthened further.
- These technical evidences indicate a strong upside in the coming months. Hence, we would advise the traders to be with a bullish bias. The stock is likely to touch the level of Rs 230, followed by Rs 240 in next couple of months. While on the downside the zone of Rs 187-185 will be the crucial support for the stock.

## Punjab National Bank

NSE Symbol	CMP	Target	Stoploss	Upside Potential (%)	Time Duration
<b>PNB</b>	53.85	64	49.50	18.84%	6-Months



- Since last 39-trading sessions, the stock is oscillating in range of 48-54 level. This resulted into the formation of Symmetrical Triangle pattern on daily scale. On Monday, the stock has given breakout of triangle pattern along with relatively higher volumes.
- Along with breakout, the daily RSI has also given breakout of downward sloping trendline resistance on daily chart. While, the +DI is also surged above -DI. This shows bullish momentum in stock.
- The stock is trading above its short and long-term moving averages. These averages are in rising trajectory and they are in desired sequence, which shows trend is strong.
- As the technical parameters stand attractive, we believe this stock has the potential for delivering good gains in the short-medium term. Hence, we recommend to accumulate this stock in the zone of 54-52 level with the stop loss of Rs 49.50 level. On the upside, it is likely to test the level of Rs 61, followed by Rs 64 in short-term.

## Union Bank of India

NSE Symbol	CMP	Target	Stoploss	Upside Potential (%)	Time Duration
<b>UNIONBANK</b>	74.90	87	69	16.15%	3-Months



- The stock has marked the high of 78.80 in the month of May 2023 and thereafter witnessed correction. During the period of correction, the stock has formed Adam and Adam Double Bottom pattern on daily scale.
- On Monday, the stock has given neckline breakout of Double bottom pattern. This breakout was confirmed by robust volume. Also, it has formed sizeable bullish candle on breakout day, which adds strength to the breakout.
- Currently, the stock is trading above its short and long-term moving averages. These averages are in rising trajectory and they are in desired sequence. The daily RSI has surged above 60 mark for the first time after May 2023. The daily MACD has just crossed above the signal line above the zero line.
- Considering the above factors, the stock can be bought at current market price. On the upside, it is likely to test the level of Rs 85, followed by 87 in short-term. Stop loss can be maintained at Rs 69 on a closing basis.

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