



*Divis Laboratories Ltd.*

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## Technical View – Divis Lab

| Action | Scrip    | Buying Price | Target | Stop loss | Duration   |
|--------|----------|--------------|--------|-----------|------------|
| Buy    | DIVISLAB | 770-750      | 1000+  | 600       | 3-4 months |



### Technical View:

- *Divis Lab is making Head and Shoulders pattern on weekly chart which is having resistance and breakout point above 770. Shoulders of the pattern are taking support around 600 level.*
- *After a very long time it is finally completing the Head and Shoulders pattern on weekly chart and is about to give breakout for the nearest target of 1000+.*
- *Daily 14 period RSI has turned up from near levels and is trading above 50 which indicates it the stock is turning bullish. As per the bullish high low theory of 40-70 levels, the daily RSI is expected to move up to 70- 75 levels from the current reading of 50. This could mean Continuation of upside momentum in the stock price ahead possibly a breakout also this time.*
- *MACD too has given the positive crossover (Buy signal) which indicates that upper side seems certain in it.*
- *14 Period Exponential average is also indicating the positive momentum in the stock as it has comfortably crossed the average.*
- *Traders don't go for aggressive or positional selling at all because trend looks positive and we expect rally to remain continue till 1000+++mark in coming weeks. For positional trade, stop loss seeing below 605 on closing basis which in unlikely to breach in near terms.*

**Trading Recommendation:–**

**Buy Divis Lab around 770 - 750 for the initial upside target of 1000++ mark with stop loss below 600 on closing basis.**

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