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HISTORY REPEATS ITSELF

NIFTY BOUND TO BOUNCE BACK

TECHNICAL RESEARCH DESK

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- NIFTY BOUND TO BOUNCE BACK

The current correction has been fast and furious with a steep dip with Nifty witnessing an erosion of 36% till now from the peak of 12430. But on the brighter side, the past history has proved that whenever the index has fallen by more than 25-30%, it has recovered strongly to yield high returns in the next 1-2 years.

Year	Peak	Low	Correction %	Thereafter Gain %
2008	6357	2252	65%	181%
2010	6338	4531	29%	101%
2015	9119	6825	25%	82%
2020	12430	7832	37%	??

Till now – dated : 19th March 2020



CORRECTIONS ARE TEMPORARY, BUT GROWTH IS PERMANENT –

We need to follow this principle and pick up the frontline stocks which have eroded decently in the last two months. We may see still more further downside movement in the coming days, but it would be advisable to start accumulating some of the best stocks which have witnessed much erosion.

THE TOP 10 WEIGHTAGE STOCKS AMONG NIFTY50

Date as on 19 th March 2020			Jan – Feb	Recent	Peak To CMP
Sr. No.	Scrip Name	CMP	Peak Rate	Low hit	Erosion %
1	Axis Bank	436	760	392	43%
2	HDFC Bank	857	1304	795	34%
3	HDFC Ltd	1569	2499	1490	37%
4	ICICI Bank	337	550	323	39%
5	INFOSYS	537	811	509	34%
6	ITC LTD	149	247	134	40%
7	KOTAK BANK	1159	1740	1001	33%
8	LARSEN TOUBRO	855	1383	849	38%
9	RELIANCE INDS	923	1609	892	43%
10	TCS	1611	2246	1506	28%

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Regd. Office: 3rd Floor, Sadhana House, 570, P.B.Marg, Behind Mahindra Tower, Worli, Mumbai-400 018, India.