Technical Pick

06-Sep-2023

SBILIFE

Script Name	CMP	Recommendation	Target	Stop-loss	Time Horizon
SBILIFE	1325	Buy CMP till declines @ 1300	1575	1235	3-4 Months

SBI Life Insurance Company Ltd. is engaged in the business of life insurance and annuities. It was started as a joint venture between the State Bank of India and BNP Paribas Cardif. The company has a multi-channel distribution network that includes 1,70,000 individual agents, 50,000 CIFs, 24,000 SBI branches, 100 brokers, 60 corporate agents, and 14 bancassurance partners across India.

On the weekly chart, the stock price of SBI Life has been witnessing the formation of an inverse head and shoulder pattern with the neckline placed at 1325 levels. However, in the past few weeks, the stock has taken support near 10 weekly moving averages and witnessed a bounce. Technically, we anticipate the above-mentioned pattern breakout and expect the stock to rally by 200–250 points.

Looking further at the placement of the short- and medium-term moving averages, they are positively placed, adding strength to the price action.

We recommend adding longs at CMP until it declines to 1300 levels with a stop loss below 1235 levels for targets at 1575 levels over the next 3–4 months.

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