



Long Term Housing Finance Pick

(a technical perspective)

02nd September 2024



Rating: Buy @ 947-995 (Add on dips till 909-890)

Upside Potential: 25.02%

Technical View:

PNB Housing Finance is India's third-largest housing finance company by loan asset, committed to offering tailored solutions to millions of customers nationwide and the portfolio includes retail housing and non-housing loans for prime customers, emerging market loans and affordable housing loans. In FY24 retail loan assets crossed the Rs. 60,000 crore mark for the first time in the history of the Company.

PNBHOUSING - Weekly Chart:

PNBHOUSING [N18908] 977.45, 12.79%
Price Avg(E,3) Avg(E,9) Avg(E,100) Avg(E,200)



Recommendation

CMP (₹) as on 30th August 2024	977.45
Buy on Dips till (₹)	909 - 890
Target 1 & 2 (₹)	1222 / 1286
Stoploss (₹)	847
Time Frame	8- 12 Months

PNBHOUSING has been trading in an ascending channel pattern since 2020, with active accumulation by market participants at every dip, supporting the stock's ongoing uptrend. The stock has decisively broken out the important resistance zone of 903- 905-913 levels on a closing basis on daily as well as weekly chart, indicating strong bullish momentum. Also, PNBHOUSING has recently experienced an upside breakout of the falling downward trendline which acted as a resistance over the years and the breakout was accompanied by a surge in volume, indicating influence of more buyers.

On the monthly chart, PNBHOUSING has given a clear breakout from rounding bottom reversal pattern on fourth week of August 2024 which is a long-term bullish continuation pattern. The stock eventually approved the bullish breakout on both weekly and monthly chart as new buying comes in suggesting PNBHOUSING is projected the long-term target of 1222/1286 levels.

Key Data

Nifty/Sensex	25235.90 / 82365.77
BSE Code	540173
NSE Symbol	PNBHOUSING
Bloomberg Code	PNBHOU:IN
Industry	Housing Finance
Market Cap(₹ Cr)	25410.52
Face Value(₹)	10
52 week High/Low	995 / 604



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Additionally, the stock is well-supported by the 50-day EMA and is trading above the long-term moving averages, a positive signal for medium to long-term investors. The Relative Strength Index (RSI) has also confirmed the upward move with the formation of higher tops and higher bottoms, suggesting a buy-on-dips strategy. Moreover, the trend indicator On Balance Volume (OBV) displays a positive flow in alignment with the price chart. Another positive indication supports our buying argument is bullish crossover in MACD above the reference line which could ignite buying momentum in near term.

Going forward, Technically, the bullish structure on PNBHOUSING expects sustainable up move from current levels and a sustained close above 1030-1078 is likely to take the stock till 1185 and 1285 levels in medium to long term. On the downside the support for the stock is seen at 909 and 879/847/785 levels. Keeping in mind the above-mentioned evidence, we recommend investors to buy, hold and accumulate PNBHOUSING for medium to long term gains.

Technical Indicators/Overlays

Bollinger Bands	1136.25 / 757.55
3 days & 9 Days EMA	909 & 847
Annualised Volatility	53.49
ADX	23.86
MACD	107.3
RSI	71.83
Average True Range(ATR)	178.16
AD Line	9.26 Cr

Share Holding Pattern

Particulars	30-June-24 (%)
Promoters & Promoter Group	28.13
FPIs	17.89
MFs/Insti	10.94
Public	43.04
Others	0



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Research Desk

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