

STOCK OF THE WEEK



Analyst in a Certified Financial Technician (CFTe, IFTA)

TECHNICALS

HERO MOTOCORP - *hum mein hai Hero*
largest two wheeler manufacturer in India.

Hero MotoCorp formerly Hero Honda started in 1984 as a joint venture between Hero Cycles of India and Honda of Japan. In 2010, Hero Group bought the shares held by Honda, subsequently in August 2011 the company was renamed Hero MotoCorp with a new corporate identity.

Since last 27 years this stock has zoomed from as low as Rs 1.20 (adjusted for corporate actions over the years) to recent highs of 2237; Hero has been big wealth creator, gaining in 19 years out of the 27 years of listing history. Hero was one of the very few stocks that closed the year in gains even in the bloodbath of 2008 !

Weekly reversals noted. RSI, MACD in sell mode. In short term pressure can continue till it sustains below 2168 and accentuate below 1980, Immediate support are expected in 1900-1850 zones. Short term longs should only be attempted above 2237 with stops below 2168 or in dips closer to 1900-1850(on confirmed reversals). Medium to Long term strong supports exist in 1600-1400 zones. Long term wave & cycle study does suggest relative under-performance over next few years.