



**Action:**  
**BUY**

**CMP:**  
**₹1534.00**

**TGT1/TGT2:**  
**₹1650.00-**  
**₹1727.00**

**Stop Loss:**  
**₹1405.00**

**Time frame: 7-8**  
**WEEKS**

Rainbow Children's Medicare Limited is an India-based company, which is engaged in the business of rendering medical and healthcare services. The Company is a multi-specialty pediatric and obstetrics and gynecology hospital operating across approximately 20 hospitals and five outpatient clinics, spread across seven Indian cities, with a capacity of 2,035 beds. It offers pediatric services under Rainbow Children's Hospital, which include newborn and pediatric intensive care, pediatric multi-specialty services and pediatric quaternary care (including multi-organ transplants).

Its women care services under Birthright by Rainbow that offers perinatal care services, which include normal and complex obstetric care, multi-disciplinary fetal care, perinatal genetic and fertility care, along with gynecology services. It also operates pediatric Diplomate of National Board (DNB) training programs in private healthcare, offering post-graduate residential DNB and fellowship programs.

#### Key Data

Nifty	25211.00
Sector	Hospitals
52 Week H/L(Rs)	1708.50/1079.25
Market Cap (Rs Cr)	15567.87
Face Value (Rs)	10.00

#### Daily Oscillator Direction

20 DEMA	+ve
50 DEMA	+ve
100 DEMA	+ve
200 DEMA	+ve

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#### TECHNICAL RATIONALE

- The stock has broken out of a long-term symmetrical triangle on the weekly chart and has successfully retested the breakout level, confirming strong support and setting the stage for the next upward move.
- The breakout is supported by bullish candlestick formation and a surge in volumes, indicating renewed buying interest and improving market sentiment.
- The RSI is currently around 60, trending above the neutral 50 level, indicating sustained bullish momentum with room for further upside.
- The MACD had already given a positive crossover prior to the breakout and continues to trade above the signal line, validating the bullish trend and suggesting accumulation ahead of the price move.
- Buy on a daily closing basis above ₹1534.00 for a short-term target of ₹1650.00 – ₹1727.00, with a stop-loss at ₹1405.00 on a closing basis.

## TECHNICAL GLOSSARY:

- **Symmetrical Triangle Breakout:** A chart pattern where the price consolidates within converging trendlines, forming lower highs and higher lows. A breakout above the upper trendline signals bullish momentum, while a breakdown below the lower trendline indicates bearish movement. Volume expansion during the breakout strengthens confirmation.
- **Channel/trendline Breakout:** A technical event where the price moves above the resistance or below the support line of a price channel/trendline, signaling a potential trend continuation or reversal.
- **Retest:** The price action where the stock revisits a previously broken resistance (now acting as support) to confirm the breakout's validity.
- **MACD (Moving Average Convergence Divergence):** A trend-following momentum indicator that shows the relationship between two moving averages of the stock price. Used to identify bullish or bearish signals.
- **Positive Crossover (MACD):** Occurs when the MACD line crosses above the signal line, often interpreted as a buy signal or bullish momentum.
- **RSI (Relative Strength Index):** A momentum oscillator that measures the magnitude of recent price changes to evaluate whether a stock is overbought (above 70) or oversold (below 30).
- **DEMA (Daily Exponential Moving Average):** A type of moving average that places a higher weight on recent prices, making it more responsive to recent price changes compared to a simple moving average (SMA). It is widely used in technical analysis to identify trends, support/resistance levels, and momentum.
- **A higher high occurs** when the price reaches a new peak above the previous high, indicating strong buying pressure and an ongoing uptrend in the market.
- **A higher low forms** when the price pulls back but remains above the previous low, signaling sustained buying interest and confirming the continuation of an uptrend.
- **The signal line in technical analysis** is a smoothed moving average of an indicator, such as the MACD, used to generate buy or sell signals by identifying crossovers, confirming trends, and enhancing decision-making for traders and investors.



## Canara Bank Securities Ltd.

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