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#MULTIYEAR #BREAKOUTS #STUDY with examples

But first some key points

There is no Definition of Multiyear breakouts. But if the stock breaks out of its range or any other pattern after 5+ years then it can be considered as multiyear breakout.

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Usually this kind of breakout happens due to tailwinds in some sector or due to the disruption in the sector.

For eg: last year due to covid-19, Pharma sector co's created huge wealth for their investors.

Also look at the IT sector specifically those involved in data related business or AI or ML or any high tech apps, this sector is also getting hot, along with API's, chemicals and energy sector for next wave of disruption.

So it all depends on the turnaround happening the company or the sector that can cause a multiyear breakout considering various other factors also.

Patterns to watch out for:

One can watch out for below patterns in stocks for multiyear breakout. These patterns are recurring and fractal in nature

1. Rectangle / DARVAX BOX
2. Ascending Triangle
3. CUP & HANDLE formation
4. Series of HH-HL (higher high and higher low)

Volumes

One can watch out for Volume confirmation on daily and weekly charts

It is not necessary that monthly volumes will always be high. But if price action is favorable then usually price rise happens with volumes as the buyers are strong in that case

More Filters

1. Series of higher high and higher low on daily and weekly chart

2. Stock should be trading above key moving averages 50-100-150-200 DMA

3. If the stock is above 9,21,50 EMA expect good momentum from the stock

More Filters

4. RSI – should be above 55, if the stock is strong then in that case 60+ is very good.

Note: RSI above 70 does not mean overbought, in fact it signifies the strength of the stock

Note: All above technical filters are on basis of daily chart.

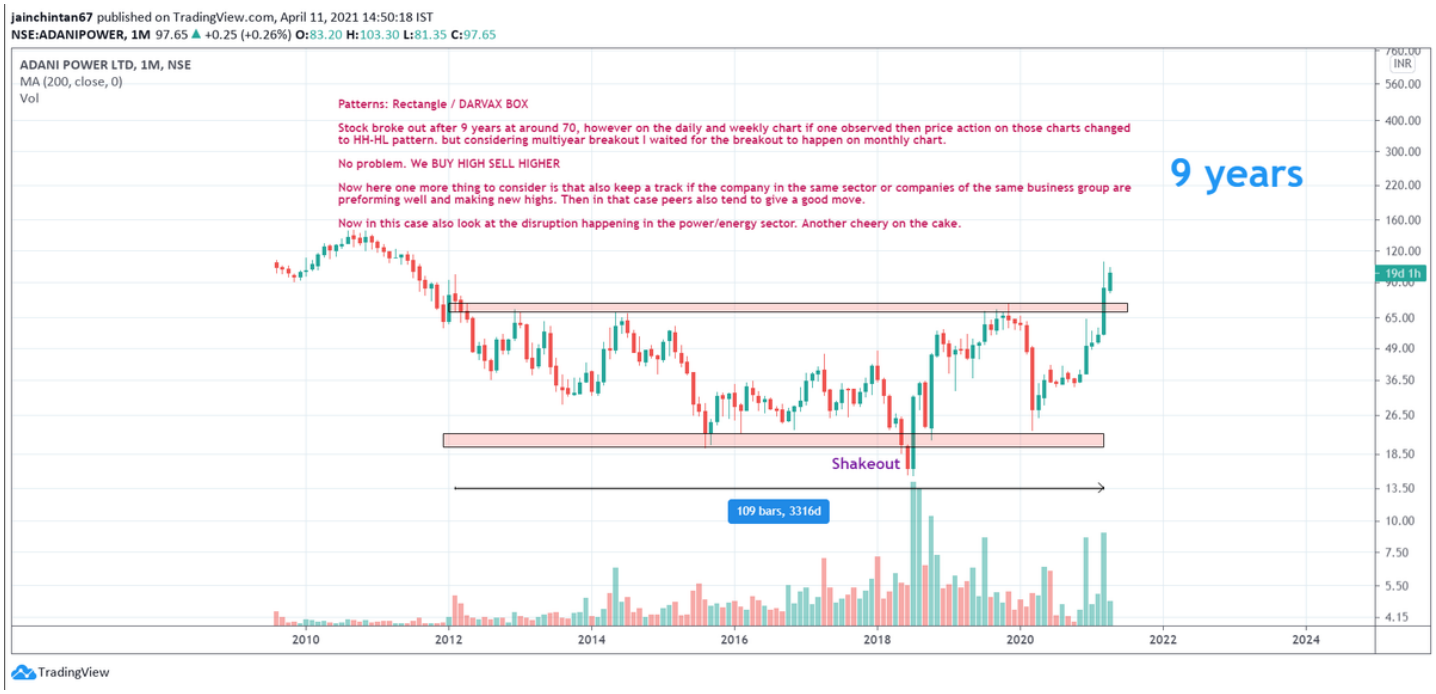
Very Very Important

Keep check on fundamental numbers – atleast 4-5 quarters growth in sales, EPS, PAT, operating profits, margins, expansion of capacities

#AARTIDRUGS



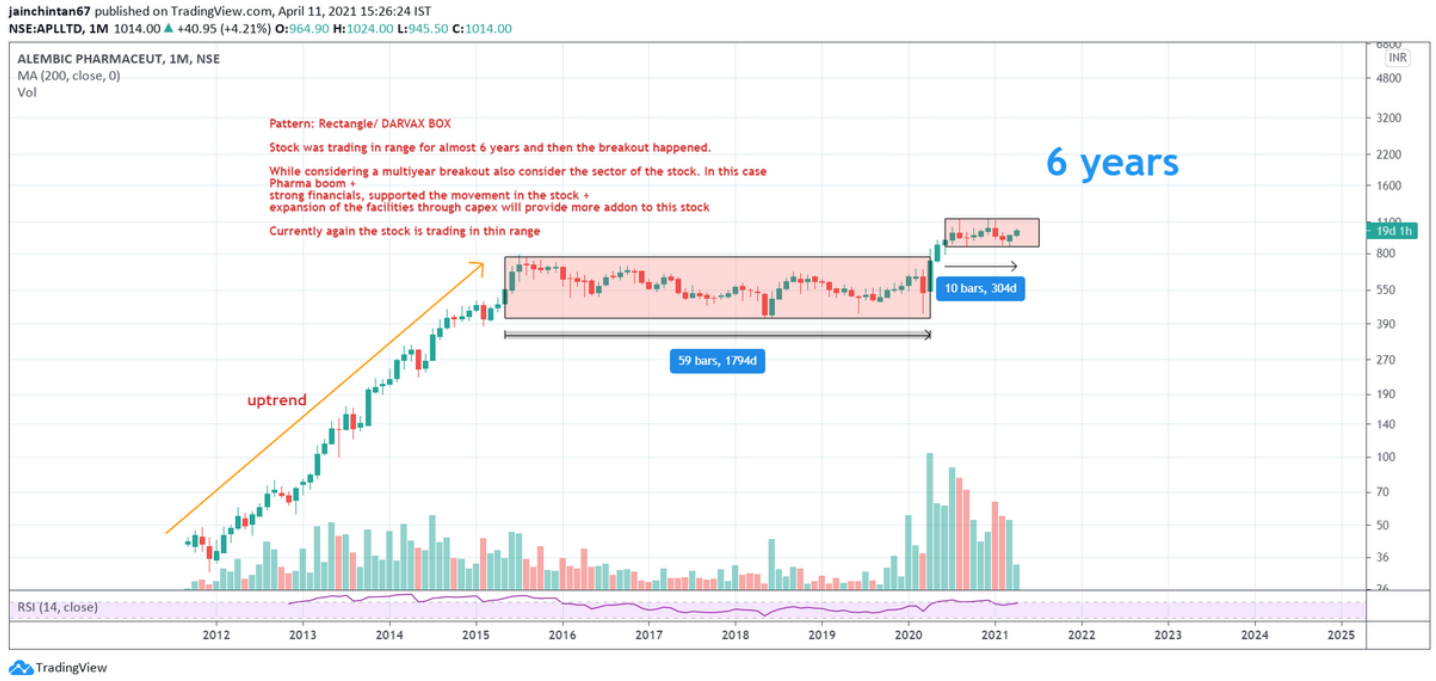
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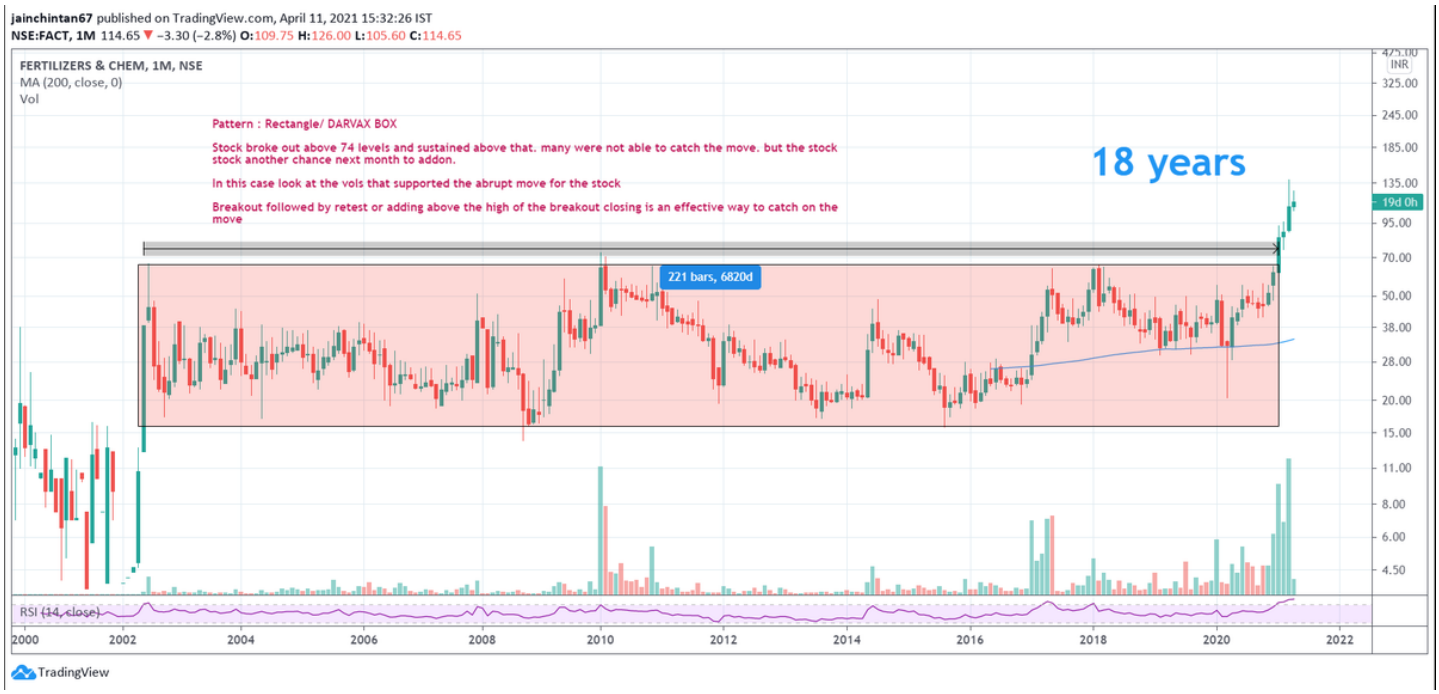
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These were just some of the examples that were multiyear breakouts.

Do LIKE and share/RETWEET if you find the studies useful.

Also this week rolling the #MULTIYEAR #BREAKOUT #STUDY to those who subscribed for #NEWSLETTER

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Have a great financial week ahead

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