

Tata steel share price takes an exciting take-off attracting investors

Tata steel share price has recently started showing its familiar uptrend attracting a good number of buyers.

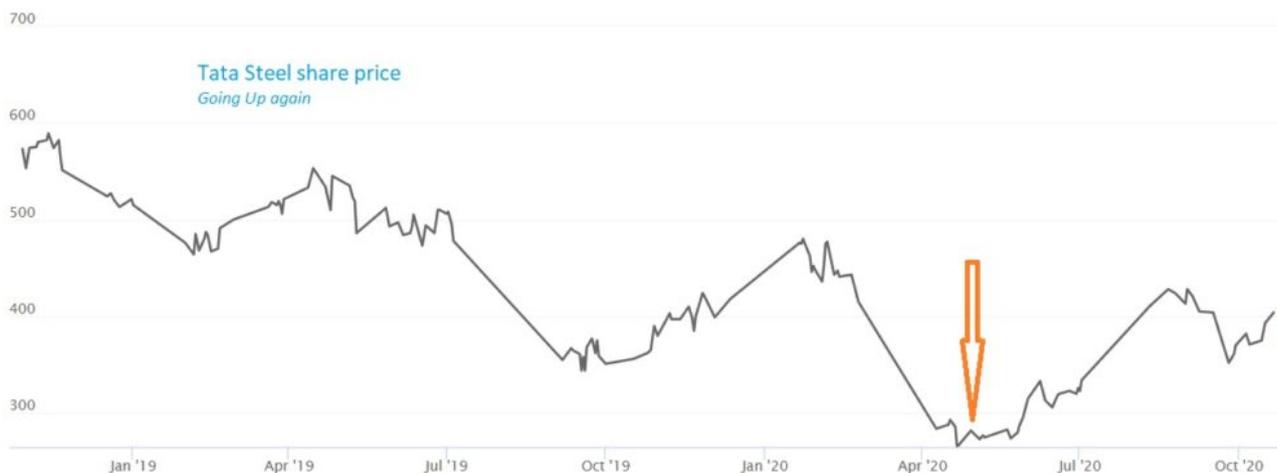
Tata steel news

The Indian stock market continues its bull run with Sensex up 0.88 percent to 40901.72, and the Nifty moving up 97.20 points or 0.82 percent reaching 11994.



One of the leading sectors has been the Metals – steel, aluminium or Zinc. It moved up 2%. The key performers have been Tata Steel, Jindal Steel, Hindustan Zinc, Hindalco Industries, MOIL, JSW Steel, Ratnamani Metals and SAIL. The metal group as of late has experienced some solidification and stayed away from the market correction on October 15, 2020. The following day the metal stocks inside this space just flew, particularly the steel stocks.

Traditionally, Tata steel has been on top of all steel industries and as such Tata steel is one of the most favorite shares of investors and brokerage houses. Steel prices have gone up and the demand is going up after the covid induced lockdown which augurs well for the Tata steel share price. A wise decision for long term investment.



Tata steel share price movement

□ Metal stocks have been in a recovery mode and have shown significant resilience in the current market volatility. Stocks like JSW Steel have managed to retest their new 52-week high despite jittery market conditions, indicating the prevailing positive bias in the metal space. We believe stocks like Tata Steel will resume their uptrend on account of short-

covering.

□ The open interest in the stock declined sharply in June amid short-covering. Since September, the stock has witnessed a downtrend with short additions. These positions have begun to be covered. We now expect the momentum to be seen along with covering of short positions in the coming sessions.

□ In the options space, the stock has the highest Call option base at the 400 strikes followed by 420 strikes. As the stock was in a consolidation phase, Call writers are active at the 400 strikes. Sustainability above this level may trigger a further up move on the back of short-covering in the Call writer's position. These positions may shift to higher OTM strikes. At the same time, Put open interest base is strengthening at the 380 and 370 Put, which can act as strong support on downsides

□ From June to August, Tata steel share price witnessed an impulsive up move towards Rs 445 levels. Since then, it has remained largely range-bound with time and price based correction. This recent decline towards Rs 360 has given another opportunity to go long in the stock for fresh upsides

□ The stock has seen one of the highest delivery based actions around Rs 340-360 in June. We expect levels around Rs 360 to act as crucial support for the stock in the short-term. With the early signs of the stock moving out of the prevailing range, analysts expect it to continue its upward momentum

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