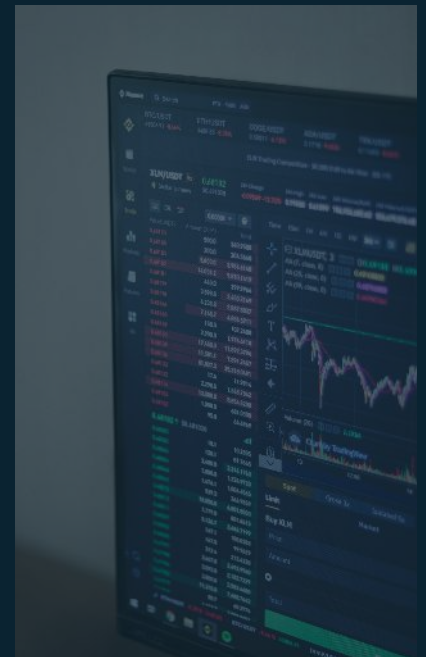


Chart-in-Focus

July 2024

An Onset Of A Major Bullish Trend Looks Underway

Milan Vaishnav, CMT, MSTA



Welcome to **Chart-in-Focus**. This is a FREE monthly publication. To receive it in your mailbox, visit www.ChartWizard.ae

ChartWizard FZE is a licensed entity in the UAE and a part of Gemstone Equity Research & Advisory Services. Founded by Milan Vaishnav, CMT, MSTA, Gemstone Equity Research is an India-based independent technical research provider for Indian capital markets. It focuses on Serving traders by providing signals through robust technical analysis-based trend-following methods in Gold, Crude Oil, Crypto Currencies (Bitcoin and Ethereum), their futures, and CFDs and Catering to Individual and Institutional professional Investors and money/asset/wealth managers/family offices by providing high quality alpha-generating independent technical research covering the US Equities (S&P 500 Universe) as UK Equities.

Services At A Glance

1. Gold (XAUUSD) Trading Signals - <https://www.chartwizard.ae/trading-signals-for-gold/>
2. Crude Oil Trading Signals - <https://www.chartwizard.ae/services/crude-oil/>
3. Managed Trading Advisory Service = <https://www.chartwizard.ae/services/managed-trading-advisory/>
4. For Professional Fund Managers and Family Offices - <https://www.chartwizard.ae/services/money-managers-family-office/>



info@chartwizard.ae

Chart-in-Focus: Baker Hughes Co. (BKR) (NASDAQ)

Baker Hughes Co (BKR) is a leading energy technology company that provides solutions for energy and industrial customers worldwide. In this July edition of Chart-in-Focus, we highlight Baker Hughes, which has seen a strong bullish technical formation on higher time frame charts. Backed by solid technicals and strong fundamentals, this stock is on the verge of initiating a major uptrend that may last for months.

Baker Hughes Co. (BKR) is a holding company engaged in the provision of oilfield products, services, and digital solutions. The company operates through two primary segments: Oilfield Services and Equipment (OFSE) and Industrial and Energy Technology (IET). The OFSE segment designs and manufactures products, and provides services for onshore and offshore oilfield operations. The IET segment integrates expertise, technologies, and



services for various industrial and energy customers, including those in the LNG, pipeline and gas storage, refining, petrochemical, and flow and process control sectors, as well as industries such as nuclear, aviation, automotive, marine, food and beverage, mining, cement, and utilities. Founded in April 1987 and headquartered in Houston, TX, Baker Hughes is well-positioned in its market.

Analysts project BKR to report a profit of

\$0.56 per share for the current quarter, representing a 33.3% increase from \$0.42 per share in the same quarter last year. The company has consistently outperformed Wall Street's EPS estimates in its last four quarterly reports. In the most recent quarter, Baker Hughes reported adjusted earnings of \$0.57 per share, surpassing the consensus estimate by 16.3%. This performance was driven by significant contracts in its OFSE segment and its leadership in gas technology within the IET segment.

From a technical perspective, Baker Hughes' stock exhibits a bullish pattern, suggesting an imminent resolution that could drive the stock significantly higher. It is poised to embark on a major upward trend over the coming weeks.

Baker Hughes Co. (BKR) (NASDAQ)



The relative performance of BKR has stayed largely in line with the broader markets. The stock had its phases of relative outperformance and underperformance against the broader S&P500 Index over the past months. On a YTD basis, it has slightly underperformed the broader markets. While SPX has returned 16.43% on a YTD basis, BKR has gained 14.12% over the same time period.

The current bullish setup comes from the bullish pattern that the stock has formed over the past more than 2 years on the higher timeframe charts. One may find the stock consolidating or showing minor retracements over the immediate short term; however, on the higher timeframe charts, it has shown strong signs of an onset of a major trending move on the upside.

The company has consistently outperformed Wall Street's EPS estimates in its last four quarterly reports. In the most recent quarter, Baker Hughes reported adjusted earnings of \$0.57 per share, surpassing the consensus estimate by 16.3%.



Weekly Chart of Baker Hughes Co. (BKR) (Nasdaq)

In March 2020, BKR tested its low point at 9.05 while it was in a prolonged secular downtrend. Despite the ongoing downtrend, selling pressure diminished, and the stock attempted to establish a bottom near this level. Following a brief period of consolidation, BKR began to inch higher, forming a higher bottom. This trend reversal was later confirmed as the stock trended higher for two years, consistently forming higher tops and higher bottoms.

This uptrend was interrupted after the stock reached its high point in the 38-38.50 range in March 2022. Following the formation of a minor double top, the stock underwent a corrective retracement and subsequently found support at its 200-week moving average.

Since then, the stock has remained within a defined range without surpassing its previous high. However, it has gradually moved higher, forming higher bottoms once again. Over the past two years, this price action has led to the formation of a large bullish ascending triangle.

It is noteworthy that ascending triangles typically have bullish implications, whether they act as reversal or continuation patterns, depending on the prior trend. In the case of BKR, the stock has attempted a strong breakout from this large bullish ascending triangle.

Given the recent movement of the stock, some minor consolidation or retracement cannot be ruled out. However, other technical indicators suggest that the stock may be poised for a major upward trend.

The RSI has already broken out from a pattern a week before the stock attempted a breakout, which is a bullish sign. Additionally, the RSI has marked a new 14-period high, remains neutral, and does not show any divergence against the price.

The On-Balance Volume (OBV) has also formed a new high, indicating accumulation in the stock during its formation and showing strong volume participation during the breakout attempt.

Furthermore, BKR has moved into the leading quadrant of the Relative Rotation Graph (RRG), indicating that it is set to relatively outperform the broader markets.

A logical extension of the breakout could see the stock testing the 44 level in the coming weeks. From a risk management perspective, it is important to note that a close below 35 would negate the current technical setup.

Don't miss out on consistent alpha-generating investment ideas! We provide top-tier insights regularly and offer a completely risk-free experience with our money-back guarantee. It's time to supercharge your portfolio and unlock your investment potential. Discover all the benefits of our service and get started today. Find more details about the service by [CLICKING HERE](#) .Trust us – you'll be glad you did!

Milan Vaishnav, CMT, MSTA,

Technical Analyst,

Member: (CMT Association, USA | CSTA, Canada | STA, UK) | (Research Analyst, SEBI Reg. No. INH000003341)



Disclaimer and Disclosures

Disclosure pursuant to Clause 19 of SEBI (Research Analysts) Regulations 2014: The analyst, Family Members, or his Associates holds no financial interest below 1% or higher than 1% and has not received any compensation from the Companies discussed. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions, and needs of specific recipients. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates, or any other reason. Past performance is not necessarily a guide to future performance. The usage of the Research Reports and other Services are governed as per the Terms of Service at <https://www.chartwizard.ae/terms-of-use/> The Research Analyst has not managed or co-managed the issues of any of the companies discussed and has not received any such remuneration from such activities from the companies discussed. The Research Analyst has not received any remuneration from the Merchant Banking activities. The Research Analyst has adopted an independent approach without any conflict from anyone. The Research Analyst has not received any compensation or other benefits from the companies mentioned in the report or third parties in connection with the preparation of the research report. Compensation of the Research Analysts is not based on any specific merchant banking, investment banking, or brokerage service transactions. The Research Analyst is not engaged in a market-making activity for the companies mentioned in the report. The Research Analyst submits that no material disciplinary action has been taken on him by any Regulatory Authority impacting Equity Research Analysis activities. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country, or other jurisdiction, where such distribution, publication, availability, or use would be contrary to law, regulation or which would subject the Research Analyst to any registration or licensing requirement within such jurisdiction.