EQUITY ECHOES

SECTOR TECHNICALS · 22 JUN 2026

Tourism is running hot.

Airlines, hotels and airports have flipped from a long slide into a sharp, broad-based rally. The index is leading and every big name inside it is following. Below: how that rally stacks up against the actual FY26 business numbers — strength of the business on one side, the price you pay on the other.

INDEX **Nifty India Tourism** LEVEL **7,975.85** (+1.05%) 1-MONTH **≈ +6%** STOCKS UP **15 / 15**

How the rally stacks up on fundamentals

FY26 financials · business strength vs valuation

COMPANY	GROWTH	PROFIT	BAL. SHEET	FUNDAMENTAL STRENGTH	VALUATION
IHCL Tata · hotels	●●●●●	●●●●○	●●●●●	4.7	~48× priciest
ITC Hotels demerged 2025	●●●●●	●●●○○	●●●●●	4.3	~40×+ rich
Leela luxury · IPO Jun'25	●●●●○	●●●●○	●●●○○	3.7	~41× new listing
IndiGo airline · heaviest weight	●●●○○	●●●○○	●●○○○	2.7	P/E n/m FY26 loss

The read: the hotels are genuinely strong — double-digit FY26 revenue growth, 35–49% operating margins, and mostly net-cash balance sheets (IHCL is AAA-rated). IndiGo's franchise dominates (~64% domestic share) but a forex hit pushed FY26 to a reported net loss on a heavily-leased balance sheet. The catch is the last column: every name trades at a rich ~40×-plus multiple, so the rally is backed by real businesses but priced at a premium. **Simplified educational scores from reported FY26 numbers — not a rating or a recommendation.**

WHAT'S DRIVING IT

A relief rally on news, not on earnings

The trigger was the **US–Iran peace deal** announced over the weekend of 14 June, which reopened the Strait of Hormuz and lifted the naval blockade. The next trading day the index jumped **3.3%** to a three-month high with all fifteen members up, and it has climbed further since. The move works through two simple channels.

Cheaper oil helps airlines

A reopened Strait takes the war-risk premium out of oil. Fuel is an airline's single biggest cost, so cheaper crude lifts profit expectations first — at the heaviest stock in the index, IndiGo.

Calmer world, more travel

Conflict scares people off flights and hotels. Remove it and money rotates back into travel and leisure names — hotels, booking platforms, food courts, even luggage makers.

Still a bounce off the lows

Even after this rally, the index was down about 13% from a year ago in mid-June. So this is a sharp recovery from a beaten-down base — the momentum is real, the bigger trend is only just turning.

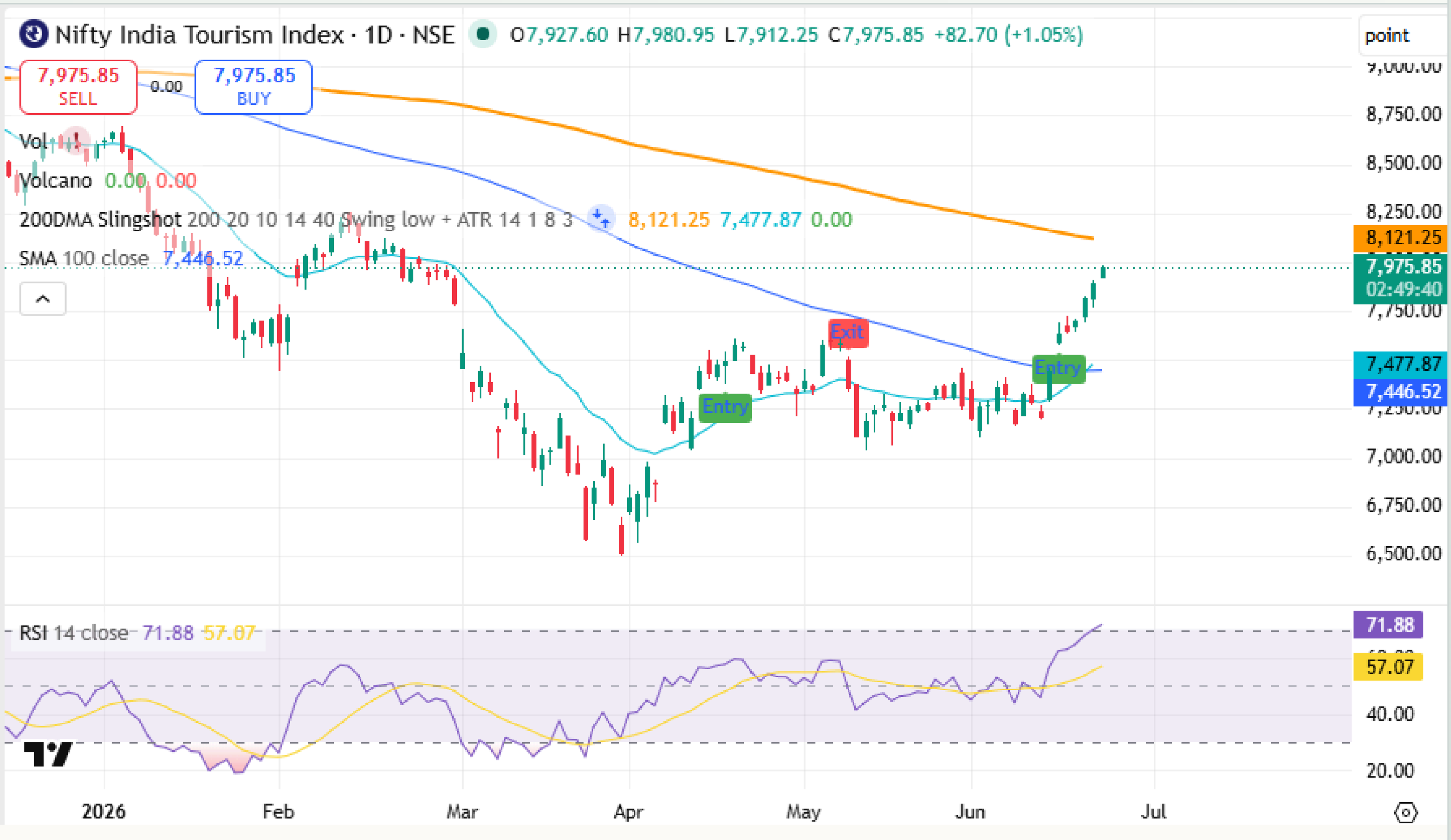
THE ANCHOR

01 The index itself is confirming the move

The first thing the chart settles is that this is **broad** — not one stock dragging a basket, but the benchmark itself leading. A fresh buy signal has printed on the chart, and the index has climbed back above its 100-day average price.

Nifty India Tourism Index 7,975.85 +82.70 (+1.05%) Momentum 71.9

NSE · Daily



WHAT THE CHART SHOWS

A sharp **V-shaped rebound** from the April low near 6,500 up to about 7,975 — roughly a 22% move. Price is back above its 100-day average (7,446) and is now pushing toward its 200-day average near **8,121**, the next ceiling overhead. The momentum gauge at 71.9 has crossed into "overbought" — the trend has turned up, but it's no longer running on empty.

THE ENGINES

02 Every big name is saying the same thing

From the heaviest stock to the most explosive mover, the charts rhyme: prices back above their key average lines, fresh buy signals, and momentum gauges pinned in "overbought". Same pattern, different speeds.

InterGlobe Aviation 5,038.60 +0.34%

IndiGo · NSE Daily

HEAVIEST STOCK · ABOUT 32% OF THE INDEX

The biggest stock in the index has climbed from around 3,800 back above its **200-day average (~5,017)** — the line that matters most for the whole sector's direction. Momentum 71.2. Cheaper oil is the tailwind sitting underneath the move.

Indian Hotels (IHCL) 731.65 +0.95%

Tata · NSE Daily

THE HOTELS BELLWETHER

A clean break above **both** its 100-day (677) and 200-day (693) average lines, with buy signals clustering into the breakout. Price about 731, momentum 73.2. A textbook trend change — the old ceiling is now acting as a floor.

ITC Hotels 178.15 +3.23%

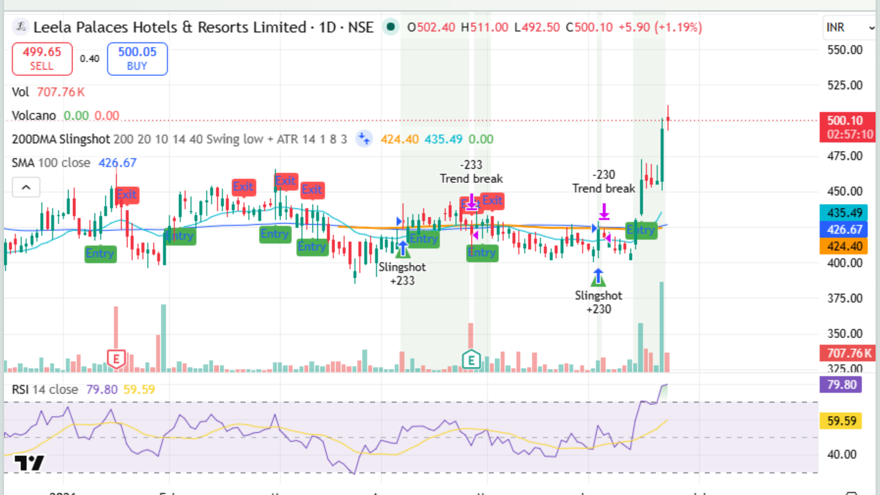
NSE · Daily

THE SHARPEST JUMP

The most vertical move of the group — a big up-candle pushing back above its 100-day average (164), with the next ceiling near **188**. Momentum near 76. Strongest thrust, and by the same token the most stretched above its own averages.

Leela Palaces 500.10 +1.19%

NSE · Daily



THE HOTTEST OF THE LOT

A near-vertical spike from about 420 to 500. Its momentum gauge sits at **79.8** — the highest reading in the group. Strongest momentum, and the most stretched of the basket.

PUTTING IT TOGETHER

What the charts are saying

01 **The move is broad.**
It's the index and every leading stock moving together, not a one-stock fluke. Broad participation tends to be the more reliable kind of momentum.

02 **The trend has turned.**
Stocks climbing back above their long-term average price lines, all at once, signals a shift out of the long slide — and those lines are now being defended on the way up.

03 **Momentum is stretched.**
Every momentum gauge reads between 71 and 80. Strong, but all "overbought" at the same time — historically that often comes before a pause or a cool-off before any next leg up.

04 **It's news-driven.**
This is powered by macro news — the peace deal, cheaper oil — not company results. That makes it headline-sensitive: the same kind of news that pushed it up can push it back.

⚠ Quick lesson — "overbought" is not a signal to buy

An overbought reading just means momentum has run hot; it doesn't predict a turn, and stocks can stay overbought for a long time. The point is to weigh that momentum against two things — how far the move has already run, and whether the business fundamentals up top actually back it — instead of chasing a single green candle.

WHERE YOU FIT IN

03 What it means — traders vs investors

Same chart, two very different jobs. The right lens depends on your time horizon. Here are the general principles each side tends to weigh when a market is trending up but running hot — not calls on any single stock.

SHORT-TERM Traders

Don't chase the candle.
The trend is up, but every gauge is overbought — vertical moves are exactly where chasers tend to get caught, because hot moves can snap back fast.

Pullbacks over spikes.
A common approach in a stretched uptrend is to wait for a pause or a dip back toward a rising average line, rather than buying the top of a thrust.

The exit matters more than the entry.
A pre-decided stop and a sensible position size carry more weight than the entry price when momentum is this stretched.

Respect the catalyst.
A news-driven move can reverse on the next headline, so stops usually stay tighter when the fuel is macro rather than earnings.

LONG-TERM Investors

One week is not a new story.
A peace deal and cheaper oil are a shift in mood, not a change in any company's long-term fundamentals.

Mind the price you pay.
After a sharp run, the focus usually moves to business quality and valuation — not buying a whole basket just because it is moving.

Stagger, don't lump-chase.
Spreading purchases over time is a common way to avoid putting everything in at a short-term peak.

Keep it sized right.
A hot sector tempts over-concentration; the discipline is fitting any single theme sensibly into the wider portfolio.

These are general educational principles, not advice to act on any specific stock. Your own goals, time horizon and risk appetite decide what is right for you — and a SEBI-registered adviser can help you apply them.

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