

Nifty Bank can hit 60,000 level; HDFC, PNB among top 7 bank stock picks: Rahul Sharma, JM Financial

Rahul Sharma of JM Financial maintained a positive outlook on Nifty and Bank Nifty, while suggesting the accumulation of quality stocks. A focus on sector rotation and mid-cap stocks with solid earnings is advised for investors, he said.

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Published • 2 Jun 2025, 12:18 PM IST



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Expert View: Despite the [Indian stock market crash today](#), Rahul Sharma, Director, Head - Technical & Derivative Research, JM Financial Services, remains bullish on the Nifty and Bank Nifty indices, suggesting that there is a clear upward trend visible in the indices. Sharma believes the time is right to accumulate quality stocks, with promising investment opportunities visible in sectors such as Metals, Media, Realty, PSEs and Chemicals. Edited excerpts:

Nifty is consolidating in a "one step forward, one step backward" kind of movement. Do you see any meaningful upside for the index this year, or are we in for a range-bound...

While Nifty's daily movements might seem like a "one step forward, one step backward" consolidation, a broader perspective reveals a clear upward trend. The index is consistently forming "higher high" and "higher low" structures, indicating a bullish bias. Breaking its all-time high of 26,277 levels might be challenging, as it's still about 5% away from the current price of 25,000. However, this 5% move itself would represent a significant upside. Notably, Nifty has already delivered an impressive 15.5% return in just 24 trading days between April 7th and May 15th.

From a technical medium-term perspective, we anticipate [Nifty](#) reaching targets of 25,250, 25,650, and 25,800. We don't foresee a one-sided rally and expect a zigzag movement. Strong support is identified within the 23,800-24,000 zone. Only a decisive break below this level could drag the index down, potentially to 23,400.

Nifty Bank has had a stellar run in 2025, reclaiming all-time high levels. What is your outlook on the index, and any stocks that look lucrative to you?

[Nifty Bank](#) has indeed had an extraordinary run, rallying over 17% and gaining 8,300 points. It's currently trading within a range, which could be a healthy breather for bulls to prepare for a continued uptrend. The overall trend remains positive. The current trading range for Nifty Bank is 56,100 on the upside and 53,500 on the downside.

We expect the upward [momentum](#) to continue, as there's significant potential for the index to reach 59,000 and even 60,000 levels. For bulls to take full control, however, we need to see a decisive close above the strong resistance level of 56,100. A break above this point could revive bullish momentum. Support is placed at 53,500; a close below this could drag the index down.

Some stocks that appear good at current levels, especially once Bank Nifty breaks above 56,100, include Canara Bank, [Bank of Baroda](#), PNB, Bank of India, [IDFC First Bank](#), Axis Bank, and [HDFC Bank](#). Additionally, investors can look at NBFCs for potential opportunities.

How do you see the current market trend — is this a good time to accumulate quality stocks or stay cautious?

It's a good time to accumulate quality stocks, but a selective approach is key. Focus on sector rotation and identify stocks with greater relative strength compared to their peers. With most companies having released their Q4 earnings, it's crucial to factor in fundamental views. Look for stocks displaying positive technical patterns or breakouts, especially those backed by better-than-last-quarter earnings or where previously poor results are now flat or showing signs of bottoming out. Any negative expectations are likely already priced in. If a stock demonstrates strength post-results, it could be a strong candidate for medium-term accumulation.

Also, keep an eye on [mid-cap and small-cap segments](#), as they are forming "higher high" and "higher low" structures, suggesting potential outperformance while Nifty might consolidate. For stocks that have already seen significant run-ups, it's prudent to wait for a retracement before entering to ensure a more favourable risk-to-reward.

In summary, investors can accumulate counters based on sector rotation, backed by strong Q4 earnings, and with a focus on opportunities within the mid-cap and small-cap segments.

Retail and institutional favourite Reliance Industries has been stuck in a rut for some time now. Is it offering a good entry point for investors? What is your target for the stock like?

[Reliance Industries](#) played a significant role in Nifty's move from its April 7th low to its May 15th high, given its heavyweight contribution to the index. Currently, the stock is consolidating within a range. From December 5, 2024, to April 25, 2025, Reliance was trading within a broadening technical pattern, from which it has since broken out and rallied to 1461 levels.

Currently, there's strong resistance at the 1465 level. A decisive break above this will continue the uptrend, projecting target prices of 1500, 1550, and potentially higher. However, at this juncture, investors might consider waiting for a slight retracement to make the risk-to-reward more favourable, or accumulate in tranches. As the momentum indicator is currently shifting from positive to neutral, the stock could retrace to support zones of 1380 or 1320 levels.

Where do you see investment opportunities over the next 3-6 months?

Over the next 3-6 months, we see promising investment opportunities in sectors such as Metals, Media, Realty, Public Sector Enterprises (PSEs), Chemical and Plastic Product Manufacturing companies.

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