



**DIWALI  
TECHNICAL RECOMMENDATION  
2019**

*Happy Diwali*

# DIWALI RECOMMENDATIONS 2019

**LARGE-CAPS: 4 STOCKS**

**MID-CAP: 2 STOCKS**

## LARGE-CAP RECOMMENDATIONS

### ICICI BANK

**CMP: 435**      **UPSIDE: 20%**

### DABUR

**CMP: 465**      **UPSIDE: 20%**

### ICICI PRU LIFE

**CMP: 475**      **UPSIDE: 15%**

### RELIANCE INDUSTRIES

**CMP: 1,415**      **UPSIDE: 15%**

## MID-CAP RECOMMENDATIONS

### VOLTAS

**CMP: 690**      **UPSIDE: 25%**

### KANSAI NEROLAC PAINT

**CMP: 540**      **UPSIDE: 25%**

**INDUSTRY: BANKING**

**MCAP (RS. CR) = 2,82,780**

**BUY RANGE: 425 - 445**

**TARGET: 525**

**UPSIDE: 20%**

**52 WEEK HIGH / LOW: 460 / 310**



Source: Reliable – Monthly Chart

## SHAREHOLDING PATTERN (%)

PARTICULARS	JUN '19	MAR '19	DEC '18
PROMOTERS	---	---	---
DII + FII	92.5	92.5	92.6
OTHERS	7.5	7.5	7.4

## FINANCIAL SNAPSHOT

PARTICULARS	FY19	FY18	FY17
SALES (Rs. Cr.)	71,982	62,162	60,940
PAT (Rs. Cr.)	4,254	7,712	10,188
EPS	5.2	10.6	15.3

Source: Morningstar

## TECHNICAL RATIONALE

- ❖ The stock has given a breakout above the rising trendline of its previous peaks 265 and 358 made during January 2008 and January 2015 respectively. The peak to peak cycle has taken a shorter time frame this time and with a higher lows from the support trendline, suggesting strength in the breakout.
- ❖ The stock is currently hovering near the trendline, sustaining above the trendline the stock can find more buying interest and can continue trending higher. On the downside, the stock holds key support at 400.

**INDUSTRY: CONSUMER DEFENSIVE**

**MCAP (RS. CR) = 82,505**

**BUY RANGE: 455 - 475**

**TARGET: 560**

**UPSIDE: 20%**

**52 WEEK HIGH / LOW: 470 / 355**



Source: Reliable – Weekly Chart

## SHAREHOLDING PATTERN (%)

PARTICULARS	JUN '19	MAR '19	DEC '18
PROMOTERS	70.0	70.0	70.0
DII + FII	25.0	25.0	25.0
OTHERS	5.0	5.0	5.0

## FINANCIAL SNAPSHOT

PARTICULARS	FY19	FY18	FY17
SALES (Rs. Cr.)	8,515	7,720	7,615
PAT (Rs. Cr.)	1,440	1,355	1,280
EPS	8.0	8.0	7.5

Source: Morningstar

## TECHNICAL RATIONALE

- ❖ The stock is trading in a Scallop formation on its long-term chart and after a brief downtrend consolidation, the stock is back with its strength momentum and now hovering near its all-time high.
- ❖ In the short-term time-frame, the stock has made a Double Bottom formation ~360 levels during November 2018 & May 2019, with the neckline resistance at 460. Sustaining more above the neckline, the stock can gain more strength towards the pattern target of 560. On the downside, 420 shall act as key positional support.

# ICICI PRUDENTIAL LIFE INSURANCE

**INDUSTRY: FINANCIAL SERVICES**

**MCAP (RS. CR) = 68,425**

**BUY RANGE: 465 - 485**

**TARGET: 550**

**UPSIDE: 15%**

**52 WEEK HIGH / LOW: 480 / 280**



Source: Reliable – Weekly Chart

## SHAREHOLDING PATTERN (%)

PARTICULARS	JUN '19	MAR '19	DEC '18
PROMOTERS	75.0	75.0	79.0
DII + FII	22.0	22.0	18.5
OTHERS	3.0	3.0	2.5

## FINANCIAL SNAPSHOT

PARTICULARS	FY19	FY18	FY17
SALES (Rs. Cr.)	41,460	38,830	37,815
PAT (Rs. Cr.)	1,140	1,840	1,680
EPS	8.0	11.0	11.0

Source: Morningstar

## TECHNICAL RATIONALE

- ❖ After the stock witnessed a downtrend from July 2017 to February 2019 from levels of 509 to 277, it showed a strong sustained reversal, giving a breakout above the downward sloping trendline at 390 and key Fibonacci retracement at 420, suggesting strength in the trend.
- ❖ The stock has recently given a breakout above the May 2018 high of ~460 with strong volumes and now more it sustains above 460, more the stock can gain momentum towards the all-time high of 509. Considering the time it has taken to recover its previous fall from 509 to 277, signifies strength and can soon find interest to take the price to an uncharted territory.

# RELIANCE INDUSTRIES

**INDUSTRY: ENERGY**

**MCAP (RS. CR) = 8,97,180**

**BUY RANGE: 1,385 – 1,445**

**TARGET: 1,650**

**UPSIDE: 15%**

**52 WEEK HIGH / LOW: 1,015 / 1,430**

1-Reliance Industries Ltd - 18/10/19



Source: Reliable – Monthly Chart

## SHAREHOLDING PATTERN (%)

PARTICULARS	JUN '19	MAR '19	DEC '18
PROMOTERS	47.0	47.0	47.0
DII + FII	43.5	43.5	43.5
OTHERS	9.5	9.5	9.5

## FINANCIAL SNAPSHOT

PARTICULARS	FY19	FY18	FY17
SALES (Rs. Cr.)	5,66,265	3,90,825	3,03,955
PAT (Rs. Cr.)	39,590	36,075	29,900
EPS	50.5	61.0	67.0

Source: Morningstar

## TECHNICAL RATIONALE

- ❖ In the last few weeks the stock has recovered sharply from the lows of 1175 to its all-time high levels of ~1420. The intensity on the up move shows the strength of its primary trend.
- ❖ After having a long break of consolidation, post February 2017, the stock making steady highs though with a wider range volatility since August 2018. On the downside, stock holds key support at 1300, any decline towards the same can be considered as buying opportunity to momentum to continue towards 1650 or above levels.

**INDUSTRY: CONSUMER DURABLES**

**MCAP (RS. CR) = 22,170**

**BUY RANGE: 675 - 705**

**TARGET: 855**

**UPSIDE: 25%**

**52 WEEK HIGH / LOW: 705 / 490**



Source: Reliable – Weekly Chart

### SHAREHOLDING PATTERN (%)

PARTICULARS	JUN '19	MAR '19	DEC '18
PROMOTERS	30.5	30.5	30.5
DII + FII / FPI	54.5	54.5	54.5
OTHERS	15.0	15.0	15.0

### FINANCIAL SNAPSHOT

PARTICULARS	FY19	FY18	FY17
SALES (Rs. Cr.)	7,125	6,405	6,035
PAT (Rs. Cr.)	510	570	520
EPS	15.5	17.5	15.5

Source: Morningstar

### TECHNICAL RATIONALE

- ❖ For almost two years, since December 2017, the stock has seen a sideways trend in the range of 675 to 495. In the last four months the stock is hovering around the resistance zone. Ideally, any consolidation breakout after such an elongated time frame can invite strong buying participation.
- ❖ Considering the sideways trend of ~180 points, the more it sustains above 675, the more strength the stock can witness on buying side and can trend making a Higher Top Higher-Bottom formation towards the indicative consolidation target of 900 and above levels. On the downside, the stock holds momentum support at 645, where 50 DEMA is seen.

# KANSAI NEROLAC PAINTS

**INDUSTRY: BASIC MATERIALS**

**MCAP (RS. CR) = 29,145**

**BUY RANGE: 530 - 550**

**TARGET: 680**

**UPSIDE: 25%**

**52 WEEK HIGH / LOW: 345 / 545**

1-KANSAI NEROLAC PAINTS LTD - 18/10/19



Source: Reliable – Monthly Chart

## SHAREHOLDING PATTERN (%)

PARTICULARS	JUN '19	MAR '19	DEC '18
PROMOTERS	75.0	75.0	79.0
DII + FII	17.0	17.0	17.0
OTHERS	8.0	8.0	8.0

## FINANCIAL SNAPSHOT

PARTICULARS	FY19	FY18	FY17
SALES (Rs. Cr.)	5,175	4,590	4,000
PAT (Rs. Cr.)	470	515	505
EPS	8.5	9.5	9.5

Source: Morningstar

## TECHNICAL RATIONALE

- ❖ The stock has seen a strong and a steady rally since March 2014 from ~80 levels. Considering this rally from 80 to 611 in December 2017, the stock showed a downtrend consolidation taking support at 410, where its 38.2% retracement is seen.
- ❖ The stock has given a breakout of its downward sloping trendline with encouraging volumes. The buying interest is likely to continue towards its all-time high of 611 and above levels, with positional support placed near 500 levels.

# DIWALI RECOMMENDATIONS HIGHLIGHTS

2018: 13.0% RETURN

2017: 13.5% RETURN

**DIWALI 2018**  
9.5% Alpha vs Benchmark

**ICICIBANK**

+ 30%

**RELIANCE**

+ 18%

**TCS**

+ 15%

**HAVELLS**

+ 26%

**BATAINDIA**

+ 23%

**STRTECH**

- 11%

**AUROPHARMA**

- 9%

**DIWALI 2017**  
13% Alpha vs Benchmark

**GAIL**

+ 19%

**DABUR**

+ 18%

**BALKRISIND**

+ 15%

**CONCOR**

+ 25%

**TATACOMM**

- 10%

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