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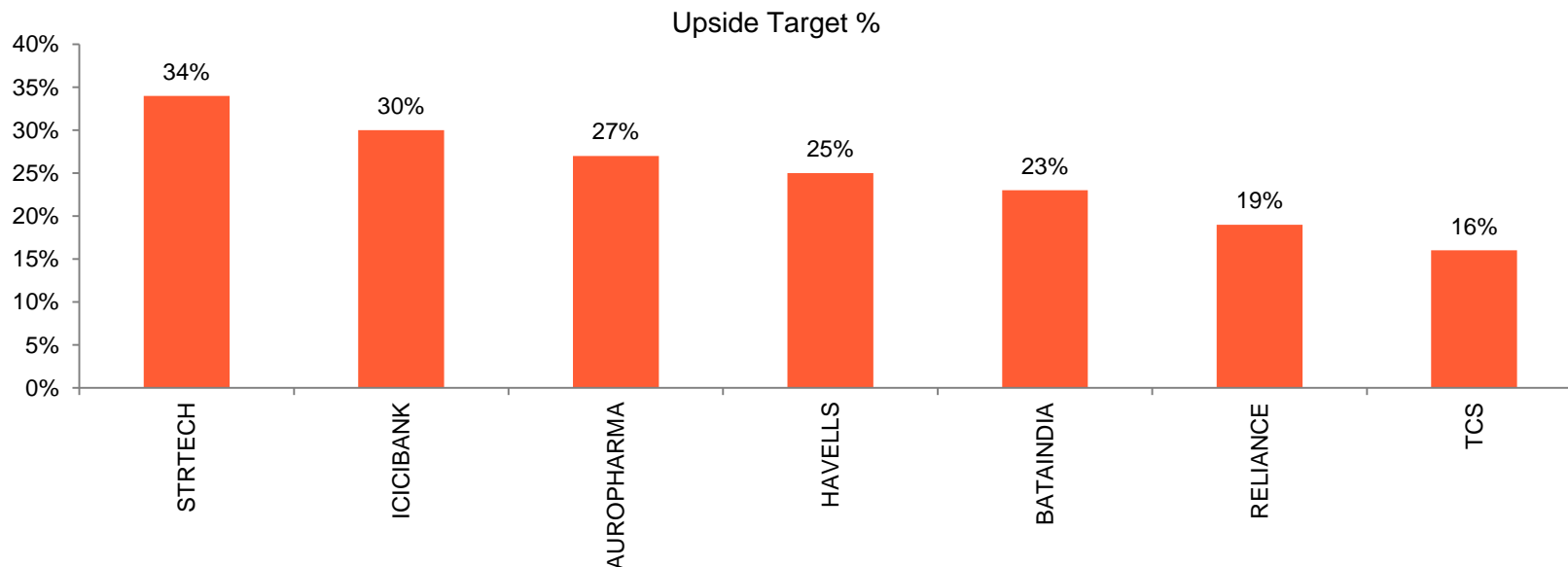
Diwali Stock Picks 2018

Technical Research Recommendation

Diwali Picks 2018 – Technical Recommendation



Name	Market Cap (Rs.Cr)	CMP	Target Price	Upside %
LARGE-CAP				
ICICI Bank Ltd	2,27,636	353	460	30%
Reliance Industries Ltd	6,69,506	1,056	1,250	18%
Tata Consultancy Services Ltd	7,26,367	1,928	2,250	17%
MID-CAP				
Sterlite Technologies Ltd	15,641	388	520	34%
Aurobindo Pharma Ltd	46,436	792	1,000	26%
Havells India Ltd	40,343	645	810	26%
Bata India Ltd	13,050	1,015	1,250	23%



Diwali Picks - 2018



LARGE-CAPS



Chart Source: Falcon

CMP	353
Buy Range	355-340
Target	460
Upside	~30%
Mcap (Rs.Cr.)	2,27,636

Source: Morningstar; BOBCAPS Research

Technical Rationale

- The stock over last 10 years has seen two broader cycles of ups and downs in an upward sloping channel. Within these cycles, the recent rally from 260 (Jul-18) to 355 (in between one leg of price retracement) has been quite quick with strong volume participation.
- The current quarter (Oct-Dec) is the performance bar on the quarterly chart and if it manages to hold above ~321 on a closing basis for the December end, this will be the strongest close after 16 quarters of consolidation. Overlapping points - the stock has formed a Gap just above 323 (Quarter support), which indicates an important support.
- Among the private banking space and within corporate banks, this stock is likely to see robust outperformance in coming quarters. Can target towards 500, taking strong support at 335-320 zone.

RELIANCE INDUSTRIES LTD.



Chart Source: Falcon

CMP	1,056
Buy Range	1,050-990
Target	1,250
Upside	~18%
Mcap (Rs.Cr.)	6,69,506

Source: Morningstar; BOBCAPS Research

Technical Rationale

- After a long sideways action, the stock since Feb-17 has consistently seen strong price rally, except the price correction seen over last two months. If we consider the rally from 511 (Feb-17) to 1,330 (Aug-18), the stock is currently taking support around its 38.2% Fibonacci retracement level, suggesting just an intermediate price action with primary trend still intact.
- The stock is likely to take some breather around the 38.2% Fibonacci band, any dip towards 1,000 should be treated as a good buying opportunity for a medium to long-term perspective. The stock holds key support around 950-920 levels.
- The oscillators are trading in the buying territory of the stock and has formed a positive divergence on its daily chart.

TATA CONSULTANCY SERVICES LTD. (TCS)

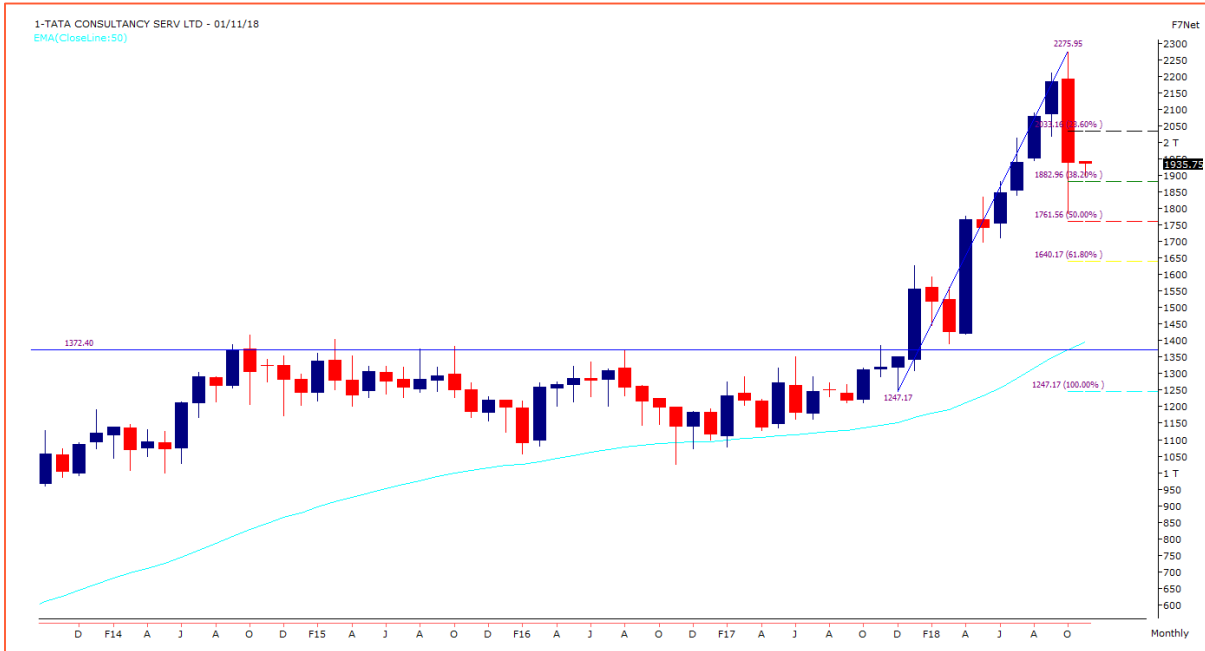


Chart Source: Falcon

CMP	1,928
Buy Range	1,935-1,870
Target	2,250
Upside	~17%
Mcap (Rs.Cr.)	7,26,367

Source: Morningstar; BOBCAPS Research

Technical Rationale

- The stock has seen a phenomenon performance since the inception of the current year, rallying from 1,350 to 2,275. Prior to the rally, the stock had seen a tight price consolidation between 1,350 to 1,070 for over three year, suggesting a strong base of the current primary rally.
- It is currently testing the Fibonacci bands of the said rally, where 38.2% & 50% retracement is seen at 1,880 & 1,760 respectively, acting as key support levels. Any dip towards the same should be treated as buying points for the commencement of the next leg of up move.
- The long-term oscillators are holding strong with a positive crossover, indicating positive bias. The stock holds key support at 1720 of its intermediate trend.

Diwali Picks - 2018



MID-CAPS

STERLITE TECHNOLOGIES LTD.



Chart Source: Falcon

CMP	388
Buy Range	388-375
Target	520
Upside	~34%
Mcap (Rs.Cr.)	15,641

Source: Morningstar; BOBCAPS Research

Technical Rationale

- A sturdy rally from 280 levels last month has led to a formation of a Bullish Engulfing on monthly chart, with a fresh breakout above 373 levels. The bottom formed at 280 is a higher low of it's previous 260 low (Jul-18) and with the current breakout above 373, the stock has confirmed a Higher-Top Higher Bottom formation.
- The breakout is seen after 10 months of firm consolidation between 260-373 price range after a strong scallop formation rally. Continuing to sustain above the breakout point, the stock is soon likely to break above its all-time high of 415 and enter into uncharted territory.
- The price momentum indicator is showing a positive divergence comparing with the peak at the all-time level, indicating decent amount of price room on the upside.

AUROBINDO PHARMA LTD.



Chart Source: Falcon

CMP	792
Buy Range	790-760
Target	1,000
Upside	~26%
Mcap (Rs.Cr.)	46,436

Source: Morningstar; BOBCAPS Research

Technical Rationale

- After a sharp rally during Aug-13 to Jan-16, the stock has seen a strong downtrend consolidation / retracement time and price wise from its all-time high of 891. Just below the 38.2% Fibonacci retracement of its rally from 69 to 891, the stock has made a Double Bottom formation at 540 closing levels and is now nearing the breakout neckline level.
- Considering the Double Bottom formation breakout which is seen above 790 on a sustained basis, the stock can witness fresh buying participation and can target towards the pattern derived levels of 1,000 – 1,050.
- However, looking at the broad based pattern with a decent price and time retracement, the stock is likely to see series of higher top higher bottom formation. The 50 DEMA has shown a sharp reversal, turning positive and is holding firm above it's 200 DEMA.

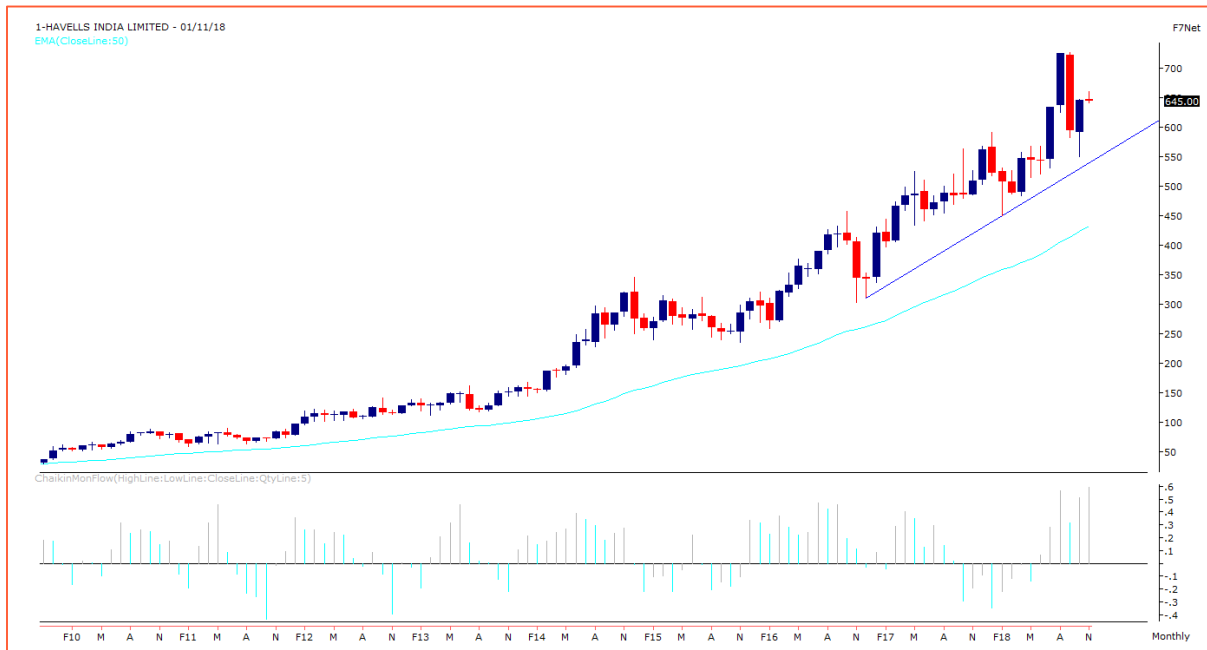


Chart Source: Falcon

CMP	645
Buy Range	660-625
Target	810
Upside	~26%
Mcap (Rs.Cr.)	40,343

Source: Morningstar; BOBCAPS Research

Technical Rationale

- A classical case of Dow Theory with all three – Primary, Intermediate and Minor trends placed for a steady upside. The slope or degree of the trendline also signifying a price-time retracement match and thus providing buying comfort.
- The stock has show a quick recovery after seeing a fall from 730 to 550 and now hovering around the 50%-61.8% Fibonacci retracement range of 640 to 660. The stock can see some consolidation between the Fibonacci band.
- A move above 660 with strong volumes shall increase the probability of breaking its all-time high of 730 and continuing its primary trend further higher towards a conservative target of 820-850 levels. On the downside, 620 shall act as key intermediate support for the stock.



Chart Source: Falcon

CMP	1,015
Buy Range	1,010-950
Target	1,250
Upside	~23%
Mcap (Rs.Cr.)	13,050

Source: Morningstar; BOBCAPS Research

Technical Rationale

- The stock since Dec-16 after ending its corrective wave, has been trading with a Higher Top-Higher Bottom formation, respecting its 50 DEMA during every decline.
- The recent fall in the stock from its all-time high of 1,115 to 833, the stock has made a Double Bottom formation at 860 closing levels and has given a breakout above its neckline resistance of 955 with strong volumes, showing resilience in current overall market uncertainty.
- The more it sustains above 1,000 mark, the stock shall build strength towards its all-time high and from there on trade further higher towards 1,300-1,350 zone. On the downside, any dip towards 950 should be treated as buying opportunity for a medium term horizon.

Last Year Diwali Picks Performance



Sr. No.	Stock Name	Recommended Level	Target	High Price	Remark	Return on Target	CMP
1	GAIL*	328	390	399	Target Attained	19%	368
2	DABUR	322	380	490	Target Attained	18%	371
3	BALKRISIND*	867	1,000	1,453	Target Attained	15%	1,135
4	CONCOR*	682	850	750	Flat to Negative	-	662
5	TATACOMM	690	850	754	Negative	-	499

Note: * Corporate action price adjusted

High Price: The maximum price the stock reached after recommendation.

Source: BOBCAPS Research; CMP (rounded) updated as on 13th October 2017 closing

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BOB Capital Markets Ltd

(Wholly owned subsidiary of Bank of Baroda)

Parinee Crescenzo

1704, 17th Floor, B Wing

BKC, G Block, Bandra East

Mumbai 400051

Analyst

Amit Shah, CMT

Technical & Derivative Research

amit.shah@bobcaps.in