

Technical Diwali Picks - 2020





Stock	CMP	Buying Range	Average Level	Targets	SL*	Time Horizon
Amar Raja Batteries	789.75	789.75-800	690	890 and 940	640	Till next Diwali

Note: * on daily closing basis

Monthly Chart:



Observation:

- » Stock price has broken out from the downward sloping trend line on the monthly charts.
- » Stock price has been trading above all important moving averages which indicates bullish trend on all time frames.
- » Stock has been forming higher tops and higher bottoms on daily and weekly charts.
- » Momentum Indicators and Oscillators have been showing strength on medium to long term charts.
- » Auto sector has been outperforming for last many months. Nifty Auto is looking strong on the medium to long-term charts.
- » Considering the Technical evidences discussed above, we recommend buying the Amar Raja batteries in Rs.789.75-800 band and average at 690, for the upside targets of 890 and 940, keeping a stop-loss on closing basis at 640.



Stock	CMP	Buying Range	Average Level	Targets	SL*	Time Horizon
Axis Bank	520.0	520-525	475	590 and 640	448	Till next Diwali

Note: * on daily closing basis.

Monthly Chart:



Observation:

- » After a sharp decline in the month of September 2020, the stock price of Axis Bank Ltd has witnessed an excellent upside bounce in the subsequent month of Oct-20.
- » Currently, the stock price is making an attempt to move above the multi-month hurdle of Rs 520-530 levels.
- » We observe a bullish sequence of higher tops and bottoms on the monthly timeframe chart. The stock price has also moved above the hurdle of monthly 10 period of EMA. The resistance of 20 EMA is now placed at Rs 550.
- » The monthly 14 period RSI has sustained above 40-45 levels and is gradually moving up. As per its range movement of 30-60 levels, the monthly RSI is expected to move up to 60 levels (from the current reading of 47).
- » Considering the Technical evidences discussed above, we recommend buying Axis Bank Ltd at CMP and average at 475, for the upside targets of 590 and 640, keeping a stop-loss on closing basis at 448.



Stock	CMP	Buying Range	Average Level	Targets	SL*	Time Horizon
Ceat Ltd	1109	1100-1130	1000	1230 and 1425	922	Till next Diwali

Note: * on daily closing basis

Monthly Chart:



Observation:

- » Stock price has surpassed the crucial resistance of its previous top placed at 1076 on the monthly chart.
- » Stock price has also taken out the resistance derived from the 50 month EMA, placed at 1031.
- » From the Month of April to Sep 2020, Volume rose along with the gradual price rise. In the month of October 2020, Stock price has risen with momentum and broke out from the long-term resistance.
- » Monthly Indicators and Oscillators like DMI, MACD and RSI have shown fresh buying signals on the charts.
- » Auto Sector has done exceptionally well since March 2020 bottom. Auto Ancillary space is also expected to continue their outperformance in the coming months.
- » Considering the Technical evidences discussed above, we recommend buying the stock at 1100-1130 and average at 1000, for the upside targets of 1230 and 1425, keeping a stoploss on closing basis at 922.

Stock	CMP	Buying Range	Average Level	Targets	SL*	Time Horizon
HPCL	187.15	189.8-186	171	210 and 223	166	Till next Diwali

Note: * on daily closing basis

Monthly Chart:



Observation:

- » Stock is currently trading near its long-term support zone of 180-160.
- » Stock has taken support of lower band of Bollinger band on the Monthly chart and is moving higher.
- » Bullish head and shoulder price pattern is formed on Daily charts and on 23rd October bullish engulfing is observed on the Weekly chart which indicate high probability of trend reversal in the near term.
- » Positive divergence is witnessed on RSI and SMI indicator on Monthly time frame which suggests price could move higher in the near term.
- » Also, positive divergence on RSI and SMI indicates that the current downward trend is losing its momentum which gives an early indication for trader/investor to create the long position at low risk near the end of the downtrend.
- » Considering the Technical evidences discussed above, we recommend buying the Hindustan Petroleum Corporation Ltd. at CMP (187.15) and average at 171, for the upside targets of 210 and 223, keeping a stop-loss on closing at 166.



Open Technical / E-margin Picks

B/S	Date	Company Name	Issued At CMP	Averaging Band	Stoploss	Target 1	Target 2	Time Horizon	Type
B	23-Oct-20	NB Ventures	54.85	55.25-51.60	50.4	60.5	66	3 Months	Technical Pick
B	23-Oct-20	NBCC	23.25	23.25-23.50	20.8	26.1	28	3 Months	Technical Pick
B	27-Oct-20	IRB Infra	116.35	116.35-117	103	131	150	3 Months	Technical Pick
B	04-Nov-20	Aurobindo Pharma	781.1	775-782	752	837	900	3 Months	Technical Pick
B	23-Oct-20	Dalmia Bharat	834.05	780	755	935	980	3 Months	E-margin
B	30-Oct-20	Nestle India	17119	16300	16048	19200	NA	3 Months	E-margin
B	4-Nov-20	Coromandel International	743.7	748-700	680	825	NA	3 Months	E-margin

Disclosure

Stock	Analyst	Educational Qualification	Holding
Amara Raja Batteries	Nandish Shah	MS FINANCE	No
Axis Bank	Nagaraj Shetti	Graduation-BA	No
CEALT Ltd	Vinay Rajani	MBA	No
HPCL	Nayak Ajit Srinivas	MBA Finance	No

Disclosure:

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Any holding in stock – No

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