

Technical Stock Idea – A near term trading stock pick

Stock	CMP #	Recommended Action	Targets	SL*	Time Horizon
GHCL Ltd	Rs.231.50	Buy between CMP & Rs.213	Rs.262/290	Rs.207	1-2 Months

Note: * Place stoploss as per daily closing basis. Recommended to stagger buying/selling. If first target achieved, then revise stoploss to buying/selling price. # cmp at the time of issue of call.

GHCL Ltd: BUY



GHCL Ltd – Monthly timeframe

Observation:

- The attached long term chart (monthly chart) of GHCL Ltd is indicating a bottom reversal pattern now, post sharp decline of Sept month.
- After a consistent down trend in the last 6-7 months, the stock price has shifted into sharp upside bounce in last month and has erased some of monthly gains towards the end of month.
- The sharp upside bounce in the stock price has witnessed from near the strong support around Rs.200-210 levels (green dashed horizontal line), as per the concept of change in polarity. This could be positive indication for the stock price and one may expect further upmove in the stock price for near term.
- We also observe presence of another key support of 25m EMA (blue curvy line) at Rs.200, which has been consistently offering support for the stock price over the last few years. The larger positive sequence of higher tops and bottoms is intact and presently, the stock price is in the process of forming yet another higher bottom around Rs.210-220 levels.
- Monthly 8 period +DMI is showing positive signal buy sustaining above –DMI line. This is indicating that the strength of positive swing could increase further.
- The overall positive chart pattern in GHCL Ltd is suggesting a long trade set up. One may look to buy this stock as per the levels mentioned above.

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