

Jan 01, 2018

TECHNICAL PICK

SUN PHARMACEUTICAL INDUSTRIES

BUY

CMP: Rs 575

TARGET PRICE: Rs.730-780

TIME : 6-9 months

Overview: Sun Pharmaceutical Industries Limited is an Indian multinational pharmaceutical company headquartered in Mumbai, Maharashtra that manufactures and sells pharmaceutical formulations and active pharmaceutical ingredients (API) primarily in India and United states. It also provides APIs such as warfarin, carbamazepine, etodolac, and clorazepate, as well as anticancers, steroids, peptides, sex hormones, and controlled substances.

SNAPSHOT

Market Cap (Cr)	1,38004
52 week H / L (Rs)	728.45/433.15
BSE Code	524715
NSE Code	SUNPHARMA



Investment Rationale: Sun Pharmaceutical Industries Limited exhibiting a classic bottom out pattern i.e. Inverted Head and Shoulder. Stock has been underperformer for the year along with the sector. Stock has made a top around 1170 and continued to slide lower and lower. Pattern breakout is also confirmed with breakout in RSI and Volume. MACD is already in buy mode. ADX is at 25 suggesting a trending stock. +DMI is about to give positive crossover to -DMI. With the ADX at 25 and Bullish pattern suggesting a change of trend and likely to start the journey towards north.

Recommendation: We recommend a BUY on the company at current market price of Rs 575 with a closing stop loss of Rs490 for a target of Rs650-Rs720 with a perspective of 6-9 months.

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