

May 13, 2019

TECHNICAL PICK

BIRLA CORPORATION LTD

BUY

CMP: Rs 546

TARGET PRICE: Rs653-760

TIME : 9-12 months

**Overview:** Birla Corporation Limited an Indian-based flagship company of the M P Birla group of companies, founded by Shri. Ghanshyam Das Birla in the late 1910's and carried on by Madhav Prasad Birla. Birla Corporation was a jute manufacturing company; but over time, it grew to operate four main divisions: namely cement, jute, linoleum and auto trim.

SNAPSHOT	
Market Cap (Cr)	4,204
52 week H / L (Rs)	818.75 / 440.00
BSE Code	500335
NSE Code	BIRLACORPN



**Investment Rationale:** After making an all time high of 1200, vertical fall was seen in the stock price and made a low around 440. Recently the stock has given a breakout from a falling wedge formation. Apart from falling wedge, pennant and pole pattern breakout was also observed in price as well as in RSI (Second Chart). Price breakout was confirmed with RSI and Volume breakout. Trend following indicator ADX also stands at a level of 21 indicating a start of new trend. +DMI has given a positive crossover.

**Recommendation:** We recommend a BUY on the company at current market price of Rs547 with the closing stop loss of Rs410 for a target of Rs653-Rs760 with the perspective of 9-12months.

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