

Oct22, 2018

TECHNICAL PICK

GUJARAT FLUOROchemicals LTD

BUY

CMP: Rs 894

TARGET PRICE: Rs.1030-1160

TIME : 9-12 months

Overview: Gujarat Fluorochemicals Limited (GFL) is a part of the \$2 billion INOX Group of Companies. INOX Group is a family owned, professionally managed business group, with market leadership in diverse businesses including Industrial Gases, Refrigerants, Chemicals, Cryogenic Engineering, Renewable Energy and Entertainment.

SNAPSHOT	
Market Cap (Cr)	9,856
52 week H / L (Rs)	959/690.95
BSE Code	500173
NSE Code	GUJFLUORO



Investment Rationale: Gujarat Fluorochemicals Ltd is in secular uptrend and recently given a breakout from the two pattern. 1) Inverted Head and Shoulder and 2) Symmetrical Triangle. Price breakout is also confirmed with the volume breakout. RSI has given a breakout way back and with the breakout in price, RSI has completed its pullback. +DMI has given a positive crossover to ADX. With the level of 25.80 in ADX suggesting a start of the new trend. MACD has already given a buy signal. Stock price is quoting well above all leading moving averages.

Recommendation: We recommend a BUY on the company at current market price of Rs894 or decline up to Rs860 with the closing stop loss of Rs760 for a target of Rs1030-Rs1160 with the perspective of 9–12 months.

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Registered Office Address:
Progressive Share Brokers Pvt. Ltd.
122-124, Laxmi Plaza, Laxmi Indl Estate,
New Link Rd, Andheri West,
Mumbai-400053;
Tel No.: 022-40777200;
www.progressiveshares.com
Contact No.:022-40777500.

Compliance Officer:
Mr. Shyam Agrawal,
Email Id: compliance@progressiveshares.com,
Contact No.:022-40777500.