

ValueMax

Monthly Investment Ideas

ValueMax helps clients to take a long stance on stocks from the **S&PBSE-100** universe. Comprising monthly technical investment ideas, **ValueMax** will have 10 stock recommendations, which will be issued at the beginning of every month. The selection and recommendation criteria will be based on **technical analysis**.

ValueMax will be made available to the dealers and relationship managers through Karvy Mail. A brief technical report on the ideas will also be released, justifying our view on the stocks and the reason for the selection. The report is also available on **Karvy online websites**. Book profit/exit messages will be communicated during the **LIVE market** on **NEST** (trading terminal) under the head **ValueMax**.

Please find the **ValueMax** investment ideas for **November 2017**.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
ACC	CEMENT	1809.50	Buy	1720	1675	1950	1980
CADILAHC	PHARMA	503.45	Buy	468	450	569	583
CONCOR	LOGISTICS	1382.35	Buy	1340	1300	1465	1521
HEROMOTOCO	AUTO	3849.90	Buy	3720	3659	4045	4100
ICICIBANK	BANKING	300.10	Buy	280	272	330	340
M&MFIN	BFSI	431.65	Buy	410	397	475	495
ONGC	ENERGY	191.10	Buy	181	173	210	218
TATAGLOBAL	FMCG	226.95	Buy	215	205	255	260
TCS	IT	2624.00	Buy	2500	2400	2910	2940
TITAN	CD	635.25	Buy	595	575	710	725

CMP: Current Market Price; **SL:** Stop Loss; **TGT:** Target

Note: All charts are sourced from Spider Software.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
ACC	CEMENT	1809.50	BUY	1720	1675	1950	1980



Key levels

Moving averages		Support	Resistance
21 day EMA	1754	1750	1850
50 day EMA	1718	1700	1900
200 day EMA	1651	1650	1950

- ✓ ACC has outperformed its key benchmark of Nifty Next 50 and has moved inline with its thematic index NIFTY COMMODITIES for the last month. The stock has gained nearly 9% during the same period while NIFTY Next 50 has gained nearly 8% and the NIFTY COMMODITIES has gained nearly 9% respectively.
- ✓ ACC has gained nearly 50% in the current swing from the lows of 1256 to the previous month life time highs of 1870 in a span of 11 months and it is in a structural bull market which is witnessed by its cycle of higher highs and higher lows on all major long term charts. Currently the stock is at a shouting distance from its life time high, and the broader market and its theme of commodities are placed at all time highs.
- ✓ Last month the stock has retraced nearly 50% of the said rally and reversed the correction at much faster pace, indicating strong hands are entering into the stock on every dips, which also adds to our bullish view on the counter.
- ✓ The trading volumes, delivery volumes and the derivative rollovers over last few months suggest that the current all time highs are likely to be taken out and move much higher into uncharted territory.
- ✓ On the Bollinger Band set up on weekly chart, the stock has touched its lower band and has moved above its mean indicating the probability of moving towards the upper band is higher. Even on monthly charts the price has taken support from the mean and is trading in the upper band over last few months, indicates the strength of the counter.
- ✓ On the oscillator front, the RSI on weekly charts is placed at 59 and flirting in the zone of 50 to 70 over last few months indicating more upside is likely for near term and by staying in this zone, the pace of the up move is also likely to accelerate from a medium term perspective.

Our take: Considering the above data facts, we recommend short to medium term investors to enter the stock at the current levels we expect the stock to continue its ongoing upward journey towards 52 week highs and then progress into uncharted territory while any correction towards the major medium term moving averages can be utilized to average the stock keeping stop loss below the recent major swing lows.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
CADILAHC	PHARMA	503.45	BUY	468	450	569	583



Key levels

Moving averages		Support	Resistance
21 day EMA	491	490	512
50 day EMA	493	468	569
200 day EMA	468	450	583

- ✓ CADILAHC witnessed a strong uptrend from the low of 289 levels forming higher highs and higher lows in weekly chart and has recorded a new all time high of 560. The stock has retraced around 38.2% Fibonacci retracement level of the rally and bounced back to just above its 23.2% Fibonacci retracement levels of the rally indicating underlying strength in the stock.
- ✓ The stock is trading well above all of its major moving average levels in daily charts as well as in weekly charts indicating strength in the counter in all time frames.
- ✓ On the weekly charts the stock took support at lower band and moving towards its Bollinger band mean indicating the positive momentum in the stock.
- ✓ Among the leading indicators, parabolic SAR and Heiken candlesticks indicate positive trend in daily chart and, while, 14 period RSI is quoting at 57.40 and is trading above the 9 period averages trading at 51.34 indicating positive momentum in the counter.
- ✓ Stock has given breakout from a sloping trend line drawn in line chart in daily chart, supporting our bullish conviction about the stock.

Our take: The recent price action suggests the momentum in the stock to continue in the coming month as well. Thus, we recommend buying the stock for targets of 569 and 583 levels with a stop loss placed below 450 levels.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
CONCOR	LOGISTICS	1382.35	BUY	1340	1300	1465	1521



Key levels

Moving averages	Support	Resistance
21 day EMA	1346	1480
50 day EMA	1315	1500
200 day EMA	1192	1521

- ✓ For the month, the stock has traded in the positive territory generating return of over 2%. Correction from the higher levels of 1409 was witnessed in the stock in September. However, the stock has held firmly to its support level of 1245-1250 and rebounded from that level making higher highs and higher lows.
- ✓ On the daily charts the stock is trading above all its major moving averages (21, 50, 100 and 200 DEMA) indicating inherent strength is still intact in the counter. Whereas, on the oscillator front, the 14 period RSI is placed near the upper band zone of 64-65 levels indicating more room in the counter on the higher side on weekly basis.
- ✓ On the monthly chart, prices are above its monthly parabolic SAR indicating long term up trend intact in the counter. And the stock is likely to trade in the uncharted territory in the coming future. . Among other indicators the MACD on daily and monthly charts is in buy mode, indicating bullish momentum to continue in near future.
- ✓ On the weekly basis, the stock has given the closing above the resistance levels of 1365-1365 on the back of decent volumes. On the monthly basis delivery volumes in the stock has been above 50% mark on an averages along with the rise in price suggesting that strong hands have been accumulating the stock resulting into sustainable rise in the price.

Our take: Considering all the above data facts, we recommend short to medium term investors to enter the stock at the current levels for targets of around 1465 levels followed by 1521 levels and any correction towards 1340 can be utilized to average the stock keeping stop loss below 1300 levels.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
HEROMOTOCO	AUTO	3849.90	BUY	3720	3659	4045	4100



Key levels

Moving averages		Support	Resistance
21 day EMA	3785	3800	3875
50 day EMA	3802	3720	4045
200 day EMA	3613	3660	4100

- ✓ HEROMOTOCO has witnessed a strong bounce back from the lower levels at 3660 after witnessing a profit taking move from its recent swing high 4092 levels. Recently, the stock has witnessed a good buying activity around above mentioned levels suggesting that market participants are expecting the stock to rally towards 4045- 4100 over the next one month, once the immediate resistance of 3875 is taken out on a sustainable basis.
- ✓ The stock is trading comfortably above all major moving averages mentioned above, indicating overall bullishness in the counter.
- ✓ Considering the chart structure of the stock, it can be clearly ascertained that the stock has seen cycles of higher highs and higher lows on weekly charts and a breakout above the recent swing high at 3875 levels can take the stock towards mentioned target levels. INFRATEL has also been witnessing good volume based buying from the past three weeks, clearly indicating positivity in the counter.
- ✓ On daily charts, technical parameters like the ADX (15.26), which determines the strength of the trend, indicating a turnaround from 15 levels suggests that the prevailing bullishness is likely to sustain and strengthen even more once the price crosses and sustains above the 3875 levels
- ✓ On the other hand, the RSI on daily charts is currently plotting at (58.34) and is positioned comfortably above the RSI Avg (50.14) is indicating that there is a lot of room left for the stock to move higher.
- ✓ Therefore, we recommend traders with a horizon of one month to buy the stock at current levels with a strict stop loss placed at 3659 for potential upside targets of 4045-4100 levels.

Our take: Considering all the above data facts, we recommend short to medium term investors to enter the stock at the current levels for targets of around 4045 levels followed by 4100 levels and any correction towards 3720 can be utilized to average the stock keeping stop loss below 3659 levels.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
ICICIBANK	BANKING	300.10	BUY	280	272	330	340



Key levels			
Moving averages		Support	Resistance
21 day EMA	283	285	310
50 day EMA	284	280	320
200 day EMA	275	275	335

- ✓ The overall chart structure of ICICIBANK suggests formation of cycles of higher tops and higher bottoms on weekly timeframe, clearly indicating that the stock is in an uptrend.
- ✓ The stock has also tried to break out from the falling trend line, joining the lifetime high of 357.60 (28/01/2015)) and 314.45 (27/07/2017) in the recent past and substantial volumes have been witnessed during the said attempt, indicating the revived grip of bulls in the counter.
- ✓ In its Q2 earnings, the stock posted stable asset quality numbers which stole the show for the private sector lender. This has also revived investor sentiment in the counter, adding to our bullish stance on the stock.
- ✓ The stock is trading above all short term moving averages like the 21 day EMA at 283, the 50 day EMA at 284 and also above its long term moving averages like the 200 day EMA at 275 levels.
- ✓ The stock also has immediate support around the 21 day EMA levels below which the next support can be seen around 285-283 levels.
- ✓ As far as technical parameters are concerned, the 14 period RSI on weekly charts is currently at 59.32 levels. The RSI has also given a positive crossover above the RSI Avg (52.47) a couple of weeks back and has a lot of room on the upside to pull the stock higher.
- ✓ On the other hand the ADX (19.36) on weekly timeframe is currently trading just below the 25 mark indicating that the stock can gain supreme strength once the 25 mark is crossed on a sustainable basis.

Our Take: We expect the stock to continue its strong uptrend from current levels and recommend that declines in the price of the stock must be utilized to average long positions. We recommend buying ICICIBANK around current levels with a strict stop loss placed below 272 for potential upside targets of 330-340 in the stipulated time frame.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
M&MFIN	BFSI	431.65	BUY	410	397	475	495



Key levels			
Moving averages		Support	Resistance
21 day EMA	422	421	440
50 day EMA	417	410	460
200 day EMA	371	399	475

- ✓ M&MFIN is trying to move out of a consolidation zone placed between 410-435, after witnessing correction from its lifetime high. In the recent past, the stock has also witnessed good buying activity around above mentioned consolidation zone suggesting that market participants are expecting the stock to rally towards 480-490 over the next one month, once the immediate resistance of 440 is taken out on a sustainable basis.
- ✓ The stock is trading comfortably above all major moving averages mentioned above, indicating overall bullishness in the counter. Considering the chart structure of the stock, it can be clearly ascertained that the stock has been forming cycles of higher highs and higher lows on weekly charts and a breakout above the lifetime high of 455.55 can take the stock towards mentioned target levels. M&MFIN has also been witnessing good volume based buying from the past two weeks, clearly indicating positivity in the counter.
- ✓ On weekly charts, technical parameters like the ADX (25.63), which determines the strength of the trend, clearly suggests that the prevailing trend is strong and is likely to strengthen even more once the stock re-enters the uncharted territory.
- ✓ On the other hand, the RSI on daily charts is current at (58.25) and is trading comfortably above the RSI Avg (51.68) is indicating that there is a lot of room left for the stock to move higher.
- ✓ Therefore, we recommend traders with a horizon of one month to buy the stock at current levels with a strict stop loss placed below 397 for potential upside targets of 475 levels followed by 495 levels.

Our take: We expect the stock to continue its strong uptrend from current levels and recommend that declines in the price of the stock must be utilized to average long positions and then continue to trade bullish for the mentioned targets within the stipulated time frame.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
ONGC	ENERGY	191.10	BUY	181	173	210	218



Key levels

Moving averages		Support	Resistance
21 day EMA	176	175	195
50 day EMA	172	181	210
200 day EMA	171	173	218

- ✓ ONGC has been one of the outperformer in the Oil & Gas space gaining more than 11% in the month of October 2017 with increasing number of volumes. The counter has given a massive breakout above the psychological levels of 175 mark in the last month supported by huge volumes leaving back unfilled gap around 165-167 levels on the daily charts.
- ✓ The stock is currently rolling on the upper band of the Bollinger band (20, 2) on the daily charts and is expected to trade well above the same in the coming weeks as well. On the other hand, both the bands of the Bollinger are turning in the opposite directions coupled with increasing trading volumes giving signs of burst in the volatility which is a positive sign for the counter.
- ✓ On the daily charts, the stock is trading above the major short to medium term moving averages with the overall trend of the stock on the higher side. On the oscillator front, the 14 period RSI is suggesting strength to continue in the coming trading sessions. The parabolic SAR (Stop & Reverse) is also below the trading price, suggesting northward momentum is likely to remain intact in the counter.
- ✓ On the other hand, the ongoing rise in the crude oil prices will also act as a additional catalyst for the stock to move higher as rise in the oil prices is considered to be beneficiary for the company. We expect the stock to continue the ongoing momentum in the coming weeks and may test its 52 week highs surpassing the psychological mark of 200 levels.

Our take: Considering all the above data facts, we recommend short to medium term investors to enter the stock at the current levels for the potential targets of 210-218 levels. And any dips towards the 181 levels may be utilized to average the stock keeping strict stop loss placed below 173 levels.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
TATAGLOBAL	FMCG	226.95	BUY	215	205	255	260



Key levels

Moving averages	Support	Resistance
21 day EMA	211	235
50 day EMA	203	255
200 day EMA	172	260

- ✓ Tata Global Beverages is the 2nd largest player in branded tea in the world and one of our preferred counter from FMCG space. The stock has outperformed NIFTYFMCG during the last month and has generated 10.54% return while the benchmark index INFTFMCG closed with a positive return of nearly 5% during last month.
- ✓ The stock is structurally in uptrend and has posted its all time high of 230.25 levels on 30th October 2017 and well placed above its 21/50/100/200 DEMA on daily chart with positive price structure, reflecting uptrend in the stock is likely to continue in the coming month as well.
- ✓ Among the indicators and oscillators, the 14-day RSI is pointing northwards and poised with bullish bias, clearly indicating the bullish trend in the stock is likely to continue and the counter is expected to head higher in the near term. The Parabolic SAR (Stop & Reverse) is placed well below the price on daily as well as on weekly chart, suggesting buying will remain intact in the counter in near term.
- ✓ The MACD is trading above the signal line in buy territory on daily chart, indicating positive momentum in the stock is likely to continue in coming trading weeks. On the Bollinger Band set up on weekly chart, the stock is trading near upper band of Bollinger Band and the band is widening, indicating that volatility has increased and the price action support that the current positive momentum is likely to continue in the stock. From the above observations it is evident that stock is likely to surge higher and outperformed its peers in coming trading weeks and move higher towards its resistance levels by next month

Our take: The recent price action suggests that the positive momentum in the stock is likely to continue in the coming trading sessions as well. Therefore, one may consider buying stock at current market price and average the stock price on any dip towards 215 levels for the upside target of 255 levels followed by 260 levels, keeping stop loss below 205 levels.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
TCS	IT	2624.00	BUY	2500	2400	2910	2940



Key levels

Moving averages	Support	Resistance
21 day EMA	2551	2800
50 day EMA	2517	2910
200 day EMA	2460	2940

- ✓ The stock has bounced well after making low of 2517.90 levels and price action from the said lower levels has shown "V" shape recovery on daily charts. Prior to that the stock has seen sharp fall from the high of around 2745 levels which dragged the stock to the low of 2052 levels. Thereafter, the stock has resumed its up move and any dip in the stock has attracted the market participants which boost our bullish sentiment in the counter.
- ✓ TCS is trading in the broad range of Rs.2250-2600 levels from last couple months. In the recent past stock price managed to surpass above the said range, which indicates renewed buying interest in the counter.
- ✓ From last few months stock price is hovering above its major 200-DEMA and also holds above its 21 & 50-DEMA. Technically, stock price found support on its rising trend line adjoined from the swing low of 2051 to next higher swing low of 2155 and gradually inching higher.
- ✓ On the momentum setup 14-period weekly RSI sustained above 40-levels from last couple of months, and on daily time frame chart oscillator is currently rising towards overbought territory reaffirming underlying strength in the counter. The parabolic SAR has freshly triggered buy in the stock and trading well below the same on weekly charts. Which indicates up move in the stock will remain intact.

Our take: In the last month stock found buying interest near previous swing low and bounced back. At the current juncture stock provides an excellent opportunity to accumulate for the upside target 2910-2940 over the next month, while any dip towards 2500 levels should be utilized to average the stock price, keeping stop loss below 2400 levels.

Stock	Sector	CMP	Action	Average	SL	TGT 1	TGT 2
TITAN	CD	635.25	BUY	595	575	710	725



Key levels

	Moving averages	Support	Resistance
21 day EMA	610	615	655
50 day EMA	603	595	700
200 day EMA	527	570	730

- ✓ Titan Ltd. is the market leader in watches and a pioneer in branded jewellery segment. In the long term stock price is in a secular bull trend, with typical behaviour of intermittent price correction after a steady run, eventually which gives an excellent opportunity to accumulate stock.
- ✓ In the end of Nov'16 after placing a swing low of 296 stock gained momentum which took prices towards its life time high of 654.20 levels placed in the end of Sept'17, clocked gain of 121% in almost a 11 month's. After posting a life time high stock price witnessed minor profit booking in last couple of trading sessions, where price correction remained limited.
- ✓ Technically, in the recent consolidation stock price found support on its 50-DEMA which was well respected in past and provided a support to prices, and holding well above its 200-DEMA. On the weekly technical setup momentum oscillator 14-period RSI sustained above 60-levels from last couple of months, and on daily time frame chart oscillator is currently rising towards overbought territory reaffirming underlying strength in the counter.
- ✓ From the above observations it is evident that stock is likely to surge higher towards its life time highs and eventually enter into an uncharted territory over the coming month.

Our take: The stock price is surging higher in last few sessions, and it seems that momentum is likely to continue over coming sessions as well, which may take prices further higher over the coming month. Hence one may consider buying stock at current market price and average the stock price on any dip towards 595 levels for the upside target of 710 and 725, placing a stop loss below 575 levels.

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