

# LIC Housing Finance – BUY

## Sector: Housing Finance

Sensex:	18,945
CMP (Rs):	243
Reco type:	Technical
Target 1 (Rs):	290
Stop Loss (Rs):	220
Upside (%):	18.8
52 Week h/l (Rs):	299 / 151
Market cap (Rscr) :	11,589
6m Avg vol ('000Nos):	8,666
No of o/s shares (mn):	475
FV (Rs):	2
Bloomberg code:	LICHF IS
Reuters code:	LICH.BO
BSE code:	500253
NSE code:	LICHGSFIN

Prices as on 30 June, 2011

## Shareholding pattern

March '11	(%)
Promoters	36.5
Institutions	47.2
Non promoter corp hold	2.7
Public & others	13.6

## Performance rel. to sensx

(%)	1m	3m	1yr
LIC Housing	1.9	6.5	15.4
HDFC	1.8	3.0	13.3
GIC Housing	(5.1)	7.0	(6.9)

## Share price trend



After consolidating for the past three months, LIC Housing Finance has broken out of a symmetrical triangle pattern on the daily charts. Breakout is accompanied with an increase in trading volumes. LIC is trading above its critical moving averages; another vital observation is that the 50-DMA has crossed the 200-DMA on the daily charts.

The stock has been trading in a higher top and a higher bottom pattern, which is considered to be a bullish pattern. LIC has witnessed neat accumulation between the Rs190-230 levels. On the daily chart, the stock has broken above its upper trading range. In addition, RSI also is indicating strength in the current upswing.

On the Weekly chart, LIC has been in an uptrend for the past six weeks. The ascending trendline on the weekly chart has made us further bullish. This trendline, which has stood the test for the past 6 months, has acted as a strong support on every decline.

Keeping in mind the above mentioned technical observations, we recommend traders to buy the stock between Rs238-245. We advice every long to be backed with a strict stop loss of Rs220 for a target of Rs290.

## Daily Candle chart



Source: Metastock

## Technical Analyst

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**Recommendation parameters for fundamental reports:**

**Buy** – Absolute return of over +10%

**Market Performer** – Absolute return between -10% to +10%

**Sell** – Absolute return below -10%

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