

CMP Rs. 86.90 **Target Rs. 97** **Stop loss: Rs 83.50** **BUY**

Price Chart of Deepak Fertilizers



TECHNICAL ANALYSIS

Trend Analysis:

> The scrip is in a short term uptrend, which is characterized by sharp advance in prices. Intermediate trend reversal is also seen with the stock trading above medium term moving averages.

Moving averages:

- > 13 day Exponential Moving Average (EMA) has just moved above the 30 day EMA and confirmed the trend reversal.
- > The stock has breached a strong resistance at 83.50 provided by 200 day EMA with high volumes.

Price Retracement:

> Taking the decline from 97.30 to 70.10 (27.20 points fall) the important retracement levels are: 86.90 / 88.30.

Oscillators:

Moving Average Convergence Divergence (MACD):

- > Positive divergence is seen on the MACD Daily charts. The oscillator is trading above the triggerline and has just moved in the bull zone.
- > MACD Weekly is on the verge of moving above the triggerline.

Relative Strength Index (RSI):

> RSI Daily has surpassed a stiff resistance at 49 and is currently trading at 67.85. Is moving in tandem with the scrip.

Volumes:

> Although last few trading sessions have seen expansion in volumes but there has not been any conspicuous increase in the same. So, the upmove should be taken with a pinch of salt.

Resistance: 88.50 / 92 / 97.30 **Support:** 86.50 / 83.70 / 81

Bollinger bands:

> The scrip has moved outside the bollinger bands and has signalled the continuation of the ongoing bull move. Sharp movement in prices could be seen as contraction of bands were seen.

RECOMMENDATION:

> Go long on the stock with a price target of Rs 97. Keep the Stop Loss at Rs 83.50.

DISCLAIMER: This represents views based purely on technical studies and can be at odds with our fundamental views. This document is for private circulation only. Neither the information nor any opinion expressed constitutes an offer, or any invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ("related investments"). SKP Securities Ltd. or any of its associates or employees does not accept any liability whatsoever direct or indirect that may arise from the use of the information herein. SKP Securities Ltd. and its affiliates may trade for their own accounts as market maker, block positioner, specialist and/ or arbitrageur in any securities of this issuer(s) or in related investments, and may be on the opposite side of public orders. SKP Securities Ltd., its affiliates, directors, officers, employees and employee benefit programs may have a long or short position in any securities of this issuer(s) or in related investments. No matter contained herein may be reproduced without prior consent of SKP. While this report has been prepared on the basis of published/ other publicly available information considered reliable, we are unable to accept any liability for the accuracy of its contents.

SKP Securities Ltd. (Member of NSE & BSE)

Analyst: Kishan Gupta, CFA
Cell no: +919830521341
Calcutta office:
Tel: (033) 22821500 (Ex - 40), Fax: (033) 22827553
E-mail: kishan.gupta@skpmoneywise.com
E-mail: research@skpmoneywise.com

Institutional Sales (Mumbai)
Tel: (022) 22819012 / 13
Fax: (022) 22830932
E-mail: dealingdesk@skpmoneywise.com