



# Technical Picks This Diwali 2020

## Happy Diwali

The festival of Diwali marks the victory of good over evil. The festival of lights, love, and happiness brings much-awaited hope and excitement. As a new Samvat begins, market participants consider Muhurat Trading as an auspicious time for new beginnings.



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**CEAT**



We hereby present our top technical recommendations for this new Samvat 2077.





# Technical Picks This Diwali 2020



**Bombay Burmah**

Bombay Burmah Ltd.(BBTC)

Target :  
Rs. 1780/2000      CMP:  
Rs. 1206

Stop Loss:  
Rs. 780



CCL India Ltd.

Target :  
Rs. 350/380      CMP:  
Rs. 243

Stop Loss:  
Rs. 170



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Finolex Industries Ltd.

Target :  
Rs. 740      CMP:  
Rs. 587

Stop Loss:  
Rs. 437



Ceat Ltd.

Target :  
Rs. 1532/1665      CMP:  
Rs. 1110

Stop Loss:  
Rs. 894



Deepak Nitrate

Target :  
Rs. 975/1051      CMP:  
Rs. 796

Stop Loss:  
Rs. 684





**Bombay Burmah**

Bombay Burmah Ltd.  
(BBTC)

Target :  
Rs. 1780/2000

CMP :  
Rs. 1206

Stop Loss :  
Rs. 780

% Upside :  
65.8% ▲



## Investment Rationale



The stock seems to clearly trade in an upward sloping parallel channel on the monthly charts indicating that the long-term uptrend is intact. The stock seems to have completed its wave 4 on the monthly charts and now wave 5 up seems to have started.

On the lower side 780 is very crucial support on the lower side as that is the lower end of the upward sloping channel. The positional targets on the upside are 1780 and 2000 levels. So, the risk to reward is also quite favorable for the investors.

The momentum indicator MACD is well in the buy mode on the monthly charts indicating that the long-term momentum has also turned positive.





CCL India Ltd.

Target :  
Rs. 350/380

CMP :  
Rs. 243

Stop Loss :  
Rs. 170

% Upside :  
56.4% ▲

**MARWADI**  
FINANCIAL SERVICES

## Investment Rationale



The stock is trading well in the upward sloping parallel channel on the monthly charts indicating that the long term trend is positive.

The stock seems to have completed a wave 4 correction on the monthly charts and wave 5 up seems to have started.

It has completed a 61.8% retracement in its wave 4 whereas wave 2 had retraced more than 78.6%, so it has reversed from the important Fibonacci retracement levels.

The volumes have started to increase from its March 2020 lows and the momentum indicator MACD has also provided a clear buy crossover on the monthly charts.

So, we recommend to buy it with a stop loss of 170 on a closing basis whereas the targets are 350 and 380 levels, so the risk to reward is absolutely in favor of the bulls.



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**Finolex Industries Ltd.**

Target :  
**Rs. 740**

CMP :  
**Rs. 587**

Stop Loss :  
**Rs. 437**

% Upside :  
**26.1%** ▲



## Investment Rationale



The stock seems to have reversed well from the lower end of the upward sloping parallel channel. It seems to have completed wave 4 of (3) and with the monthly momentum indicator MACD turning positive there is a high probability of wave 5 up of (3) from here on.

The wave 4 of (3) retraced 61.8% of its previous wave 3 of (3), so from here on wave 5 up of (3) seems to have ensued. The stop loss on the lower side is near 437 on a closing basis and the target on the upside is 740, hence the risk to reward ratio is absolutely in favor of the bulls.

Time frame 12-18 months

Closing price as on 11th Nov 2020 close





**CEAT**  
Ceat Ltd.

Target :  
Rs. 1532/1665

CMP :  
Rs. 1110

Stop Loss :  
Rs. 894

% Upside :  
50%



**MARWADI**  
FINANCIAL SERVICES

## Investment Rationale



Ceat seems to have completed its wave 4 of (3) up and it has taken good support at the lower end of the rising channel which is quite positive for the long term. The momentum indicator MACD has also provided a confirmation as it has provided a buy crossover meaning that the long term trend has reversed from down to up.

The stock has retraced a little more than 61.8% of its previous up move, hence it increases a probability of wave 5 of (3) from here on. The volumes seem to have started increasing since March 2020 which is a positive sign going ahead.

The stop loss on the lower side is 894 on a closing basis and the target on the upside is pegged at 1532 and 1665.







Deepak Nitrate Ltd.

Target :  
Rs. 975/1051

CMP :  
Rs. 796

Stop Loss :  
Rs. 684

% Upside :  
32%



## Investment Rationale



The stock has taken good support at the lower end of the rising channel and with that, it seems to have completed wave 4 on the daily charts. The momentum indicator MACD is well into buy mode on its daily, weekly, and monthly charts.

The volumes have been expanding which clearly indicates that bulls are well in command. The stock has reversed from its 38.2% retracement of the previous wave as well as from its 50DEMA so from here on wave 5 seems to have ensued.

The stop loss on the lower side is pegged at 684 on a closing basis whereas targets on the upside are 975 and 1051.





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## Key ratings

Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (>₹300Bn.)	15%	5%-10%	Below 5%
Mid/Small Caps (<₹300 Bn.)	20%	10%-15%	Below 10%

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