

Sector: Defence

BUY

Upside: 27.5%

Stock Data

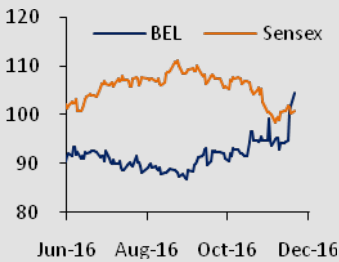
Sensex:	26,236
52 Week h/l (Rs):	1505.5/ 1008
Market cap (Rs Cr) :	8751
BSE code:	500049
NSE code:	BEL
FV (Rs):	10
Div yield (%):	1.25

Shareholding Pattern

	Mar-16	Jun-16	Sep-16
Promoters	75.02	75.02	75.02
DII+FII	18.69	18.86	18.53
Individuals	6.29	6.13	6.45

Source: www.bseindia.com

Share Price Trend



Prices as on 07/12/2016

“Rectangle continuation pattern breakout”

Bharat Electronics Limited (BEL) follows a typical pattern, and the current structure seems to be no different. The stock was stuck in the Rs 400 point congestion zone for the past 22 months. In January 2016, BEL attempted to surpass the upper range but failed to do so. This dragged the stock back to its lower range of Rs 1,000. However, since then BEL has shown tremendous strength and moved higher.

“Resumption of uptrend”

After going through multiple swings in the past 22 months, BEL has finally broken out from a rectangle pattern. The price outburst occurred with a large expansion in volume and a convincing move above resistance zone of Rs. 1,416. BEL has also sustained above the resistance zone for the second consecutive week confirming the breakout. Which in turn indicates resumption of its primary trend.

Based on the above evidence, we expect BEL to resume its northbound journey and move higher towards its potential target of Rs 1,860, translating into a 27.5% upside. The whole breakout would stand void if BEL cracks below Rs 1,260 on closing basis.

Weekly Chart



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Recommendation Parameters for Fundamental/Technical Reports:

Buy – Absolute return of over +10%
Accumulate – Absolute return between 0% to +10%
Reduce – Absolute return between 0% to -10%
Sell – Absolute return below -10%

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