

Sector: NBFC

BUY

Upside: 22%

Stock Data

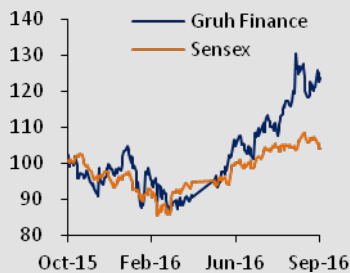
Sensex:	28,310
52 Week h/l (Rs):	350/ 226
Market cap (Rs Cr) :	12,000
BSE code:	511288
NSE code:	GRUH
FV (Rs):	2
Div yield (%):	0.96

Shareholding Pattern

	Dec-15	Mar-16	Jun-16
Promoters	58.5	58.5	58.5
DII+FII	17.2	17.4	18.2
Individuals	24.1	23.9	23.1

Source: www.bseindia.com

Share Price Trend



Prices as on 04/10/2016

Multi-month consolidation Breakout

After hitting a fresh life time high of Rs 317.7 on January 16, 2015, Gruh Fin entered into a consolidation phase which lasted ~18 months testing lows of Rs 189.50. In the consolidation process, the stock formed a symmetrical triangular pattern, breaking out convincingly only in the last week of August 2016, surging past the January 2015 high. The breakout was also preceded with a small trading range breakout at Rs 290 where Gruh Fin spent a lot of time in the past few weeks.



“Maintains Higher Top Higher Low Cycle”

Gruh Fin is a classic case of higher top higher low cycle. After hitting lows of Rs 243, the stock maintained its upward cycle and has not slipped below its support of 50-DMA further accentuating our bullish stance on the stock. With its previous trend being up, we expect the current breakout to augur well for Gruh Fin.

“Retesting the Breakout Zone”

Post the breakout which took the stock to fresh life time highs, the stock did not manage to hold those levels, and it came to retest the breakout zone around Rs 308-309. Post the retesting, Gruh Fin managed to bounce back, and the theory of “retesting and moving up” is gearing up well for this stock. Also, RSI indicator is showing double bottom breakout, with range shifting above 60 levels indicating strength for the stock to move upwards.

Based on the above evidence, the projection of the consolidation structure indicates a potential target of Rs 410, translating into ~22% upside. The breakout would stand void if GRUH Fin moves below the breakout mark of Rs 305 on closing basis.

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October 04, 2016

Recommendation Parameters for Fundamental 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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