

**Sector: Auto Ancillary**

## BUY

### Upside: 30%

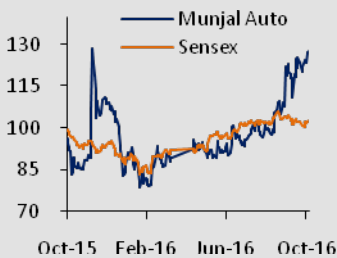
**Stock Data**

Sensex:	28109
52 Week h/l (Rs):	113/ 62
Market cap (Rs Cr) :	549
BSE code:	520059
NSE code:	MUNJALAU
FV (Rs):	2
Div yield (%):	1.83

**Shareholding Pattern**

	Dec-15	Mar-16	Jun-16
Promoters	74.8	74.8	74.8
DII+FII	0.12	0.13	0.13
Individuals	25.1	25.0	25.0

Source: www.bseindia.com

**Share Price Trend**


Prices as on 24/10/2016

## Multi-Week Breakout

Munjal Auto has been stuck in a narrow trading range for the past 24-months. During this phase, the stock went on to create a strong base indicating accumulation. Munjal Auto slipped almost seven times in past 2-year and every time it declined Rs 66 turned out to be a strong support which aided the stock to form a formidable horizontal support line. Since March 2016, the stock has been in a credible upswing and for the first time Munjal Auto breached the declining resistance line in last week of September 2016. In addition, the price outburst has also sustained the breakout indicating strength in the current move. The ongoing move indicates that Munjal Auto is all geared up to test its previous life time high of Rs 134, which is the first target.



### “Maintains Higher Top Higher Low cycle on Monthly charts”

Munjal Auto is a classic case of higher top higher low cycle on monthly time frame charts. Since start of Jan 2009, stocks primary trend has been up and the uptrend still remains intact. The projection of the structure indicates that that the stock has a potential target of Rs145 in 4-6 months, translating into ~30% upside.

**Based on the above evidence, we recommend to Buy Munjal Auto at current level.** The breakout would stand void if Munjal Auto moves below the breakout mark of Rs.99 on closing basis.

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**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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