

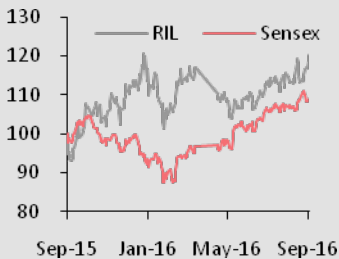
Sector: Oil & Gas

Analyst:
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Stock Data

Sensex:	28,634
52 Week h/l (Rs):	1,094/ 826
Market cap (Rs Cr) :	1,79,018
Bloomberg code:	RIL IN
BSE code:	500325
NSE code:	RELIANCE
FV (Rs):	10
Div yield (%):	0.98
<i>Prices as on 19-09-16</i>	

Shareholding Pattern

	Dec-15	Mar-16	Jun-16
Promoters	46.66	45.15	45.12
DII+FII	32.99	32.25	32.69
Individuals	20.34	19.50	19.25

Source: www.bseindia.com
Share Price Trend


“Rise of the Giant”

Reliance Industries (RIL) has been consolidating in a structured manner for the past 29-months. The stock has been coiling like a spring as the trading range has gotten narrower. RIL made an attempt to break out of the consolidation zone in January 2016 but failed to surpass the declining resistance trendline. However, after going through another 9-months of narrow range trading, the stock has finally exploded out from the long drawn accumulation pattern.

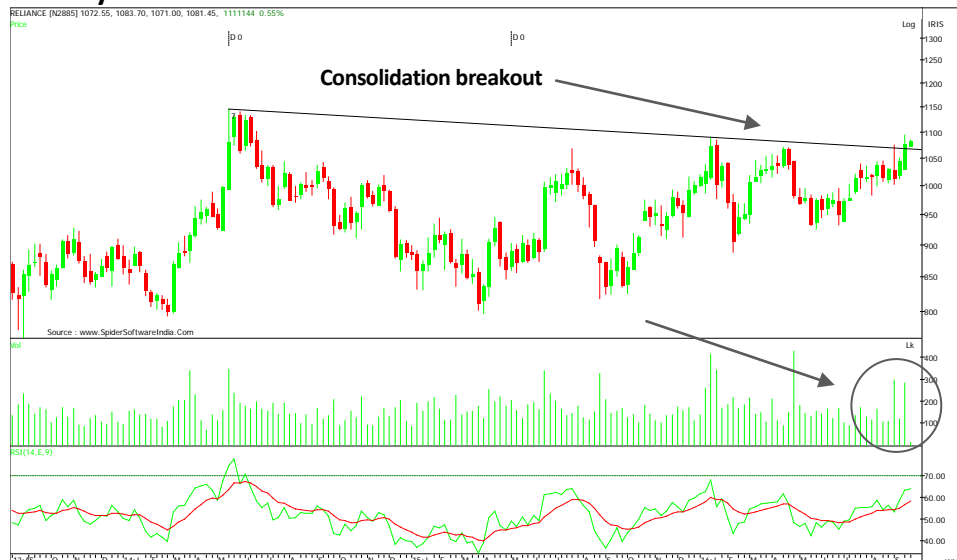
Higher top higher bottom cycle intact

After making an attempt to break past the declining trend line in January 2016, RIL once again entered another phase of sideways movement. However, the March 2015 low of Rs796 was the turning point for the stock as the whole cycle shifted to a higher top higher bottom cycle. A close above January 2016’s peak of Rs.1073 confirmed the continuation of the rising cycle.

Gathering ammunition for a multi-year breakout

RIL is not just stuck in a range for the past 29-months but for the past seven years. If the 29-months consolidation breakout unfolds the way it should then RIL may well be on the verge of a multi-year breakout which would lead the stock to uncharted territory. However to confirm the same, RIL has to convincingly surpass a closing of Rs.1145, post which fresh all time highs cannot be ruled out.

Based on the above evidence, the projection of the consolidation structure indicates a potential target of Rs.1280, translating into ~19% upside. The breakout would stand void if RIL ends below the rising trendline support of Rs.960 on closing basis.

Weekly Chart


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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