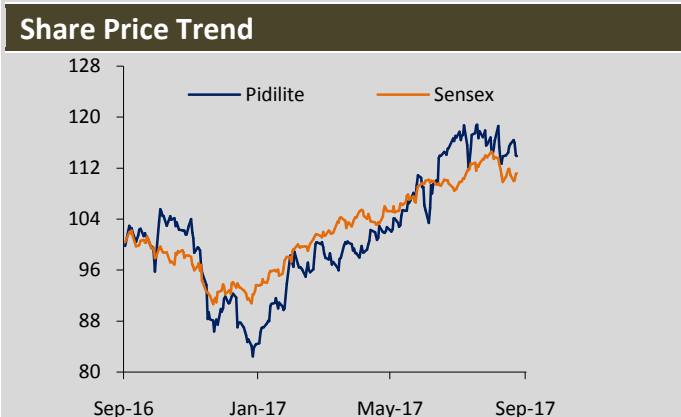


Sector	Specialty Chemicals
Recommendation	BUY
Upside	19.2%

Stock Data	
Sensex	31,702
52 Week h/l (₹):	849.5/567.7
Market cap (₹ Cr) :	42,860
BSE code:	500331
NSE code:	PIDILITIND
FV (₹):	1
Div yield (%):	0.56

Shareholding Pattern			
	Dec-16	Mar-17	Jun-17
Promoters	69.59	69.59	69.61
DII+FII	19.37	19.20	19.24
Individuals	11.14	11.21	11.15

Source: Source: www.bseindia.com



Prices as on 04/09/2017

Analyst- Hadrien Mendonca
research@iifl.com

September 05, 2017

Classic Flag Pattern Breakout

Pidilite Industries Ltd has been stuck in a narrow trading range for the past 10 weeks. This consolidation phase saw the stock gyrating in a 55 point trading range. After taking a pause from June to August, 2017, Pidilite has finally seen a price outburst on the weekly charts indicating a "Flag Pattern" breakout. This suggests the stock is all set to resume its northbound journey.

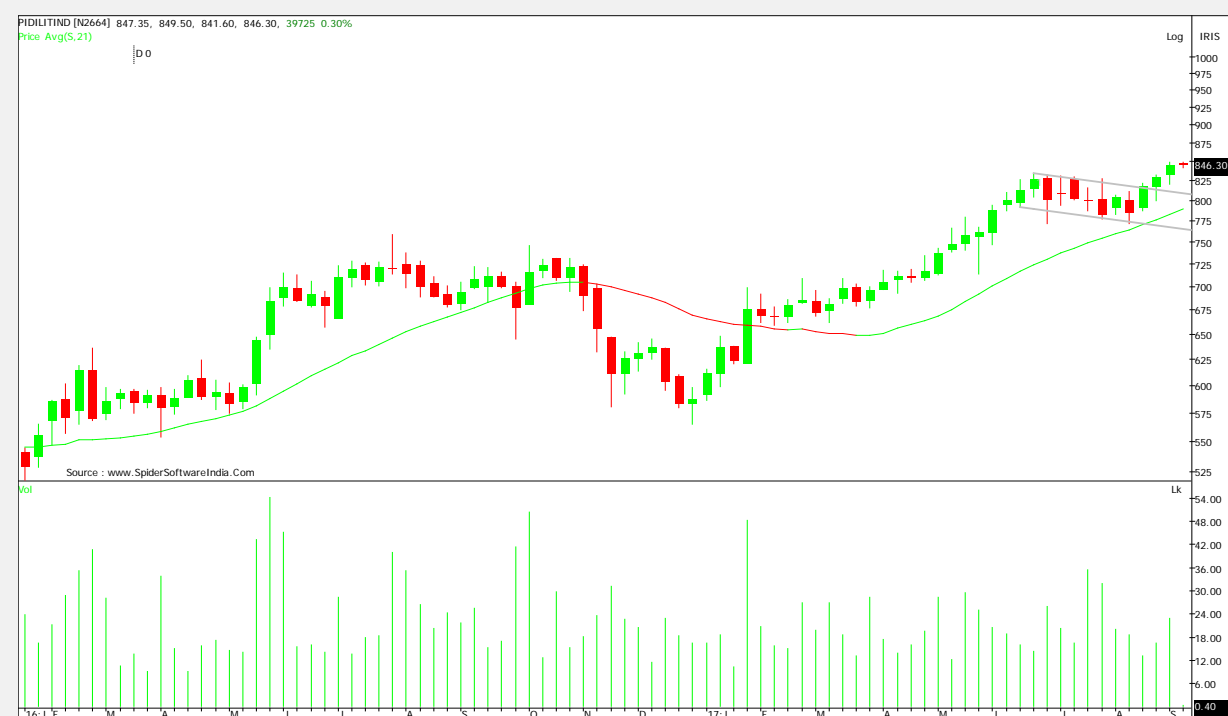
Pivotal 21-WMA

The 21-WMA has acted as an important support zone for the stock. Our weekly charts analysis indicates that since January 2017, the stock has maintained well above the pivotal weekly moving average which makes it a strong support zone for the stock.

In addition, the price outburst has been accompanied with a smart increase in traded volumes and Pidilite has also managed to sustain above the breakout zone for two consecutive weeks which further accentuates our bullish stance on the stock.

If the breakout plays out the way it should then projection of the structure indicates that Pidilite has a potential first target of ₹972 and second target of ₹997 translating into 19.2% upside. The breakout will stand void if ₹756 is broken on weekly closing basis.

Weekly Chart



Source: Company, IIFL Research

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%

Please refer to <http://www.indiainfoline.com/research/disclaimer> for recommendation parameter, analyst disclaimer and other disclosures.

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For Research related queries, write at research@iifl.com

For Sales and Account related information, write to customer care: cs@iifl.com or call on 91-22 4007 1000