

The Story so far....

Gujarat State Fertilizer & Chemicals (GSFC) has delivered average returns in the past 5 years to the investors. The initial rally in GSFC started in Dec'08 when prices bottomed out around closing lows of Rs.13/- on the PF charts.

The rising trend then saw the prices of GSFC surging to as high as Rs. 122/- in Nov'14 and thereafter entered into a 28-30 month of sideways congestion between Rs.59-122/-.

Presently, we believe that the stock has already come out of a 28-30 month consolidation in Mar'17 and is in a post-break out consolidation which will be shorter in time and same should be over in a few weeks from now. We expect the stock price to appreciate significantly from current levels of Rs.140/-.



What is changing?

The consolidation which started in Nov'14 got over in Mar'17 and after a brief rally to Rs.150/-, the stock is into post breakout consolidation mode since May'17.

The **1.2% x 10 Box PF**, indicating strong signals of a breakout after 28-30 months of sideways congestion as prices appear to break past above the highs of Rs.144-146/-. The same is reaffirmed on the **0.8% x 15 Box PF** charts as well.

The recent pullback after an up move has only strengthened the breakout in **GSFC** and we expect the stock to do well in the next 6 months or so.

What is in store?

We applied "*horizontal count method*", to ascertain the probable target for the uptrend in the stock and based on that, we expect the stock to trade around Rs.247-248/- or above in the next 6 months or more.

The stock has delivered approximately 5.66% CAGR since 1994 on NSE but a slightly better return of 12.79% CAGR in the past 5 years. We expect the stock to continue its uptrend after having traded sideways between Nov'14-Mar'17 before breaking out again to a new high of Rs.146/- and it appears to be a good time initiate longs in **Gujarat State Fertilizer & Chemicals** at current levels of Rs.140/-

A good way of accumulating the stock would be spread the purchases evenly between Rs.130-150 and keep a stop loss around Rs.115/- on a closing basis.

Price	Value	Date	CAGR	Percentage	Years
All time High	150.90	07-Sep-2017	Since Inception -NSE	5.66	22.73
All time Low	1.62	18-Sep-2001	Sep-12	12.79	5.00
52 Week High	150.90	07-Sep-2017	Details Recommendation		
52 Week Low	73.30	29-Sep-2016	Recommendation	Buy	
Latest Close	141.40	20-Sep-2017	Closing Price	141.40	
Average Closing CY 2017	124.80	20-Sep-2017	Range	130-150	
EMA			Expected Target Price	247.00	
Short Term	139.14	20-Sep-2017	Expected Return	74.68%	
Medium Term	132.23	20-Sep-2017	Stop Loss	115.00	
Long Term	118.11	20-Sep-2017	Expected Risk	-18.67%	
			Minimum Holding Period	6 months	

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