



# DIWALI SPECIAL



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## Muhurat Picks

*Light up your Diwali with these sparkling stocks*

### Pipavav Defence and Offshore Engineering Co

The previous rise in the stock was a clear five-wave rise wherein wave 2 was an expanded flat pattern and wave 4 was a zigzag pattern. This five-wave rise completed a larger wave (1), following which wave (2) retraced 86% of wave (1). Now, it seems that the wave (3) has begun which has an equality target of Rs88. The stop loss for this trade is the swing low of wave (1), ie Rs30.80. Hence, the risk/reward ratio is quite favourable for bulls. The daily Know Sure Thing (KST) has come well into buy mode whereas the weekly KST is about to provide a buy cross-over. So, based on the above observations we recommend buying the stock.

#### Weekly chart



Stock	Action	CMP (Rs)	Target (Rs)	Stop Loss
Pipavav Defence	Buy	39.70	88	30.80

### Mangalam Cements

The stock has provided a clear break-out from the symmetrical triangular pattern of which wave E was an overshoot. The volumes had increased during the break-out which is one confirmation of an uptrend. The weekly Moving Average Convergence Divergence (MACD) is in sell mode but the monthly MACD is well in buy mode and that increases the probability of an up move. The minimum equality target on the upside comes to Rs561 whereas the stop loss on the lower side is pegged at Rs179, ie just below the break-out point. So the risk/reward ratio at the current market price of Rs239 is very favourable for the bulls. Based on these observations we recommend buying the stock for the above mentioned targets.

#### Weekly chart



Stock	Action	CMP (Rs)	Target (Rs)	Stop Loss
Mangalam Cements	Buy	244	561	179

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### Power Grid Corporation

The stock has provided a good break-out from four years of consolidation. It has provided a clear break-out from a parallelogram pattern, which was formed in wave X/B. Now wave Y/C up is expected. The momentum in the stock is expected to rise as the equality target for the stock is still a long way to go on the upside. The equality target on the upside comes to Rs213, which almost coincides with the upper end of the rising channel. The volume activity has picked up after the break-out compared with the volume of the sideways trend. The crucial support on the lower side is pegged at Rs117. Hence, that should be the stop loss for the trade.

Weekly chart



Stock	Action	CMP (Rs)	Target (Rs)	Stop Loss
Power Grid	Buy	140	213	117

### Jubilant FoodWorks

The stock seems to have completed W-X-Y pattern and wave 1 and wave I of 3 seems to have completed. Now wave III of 3 will begin which will have a minimum target of Rs2,125. On the other hand, the support on the lower side is pegged at Rs1,105, ie the swing low of wave 2.

Weekly chart

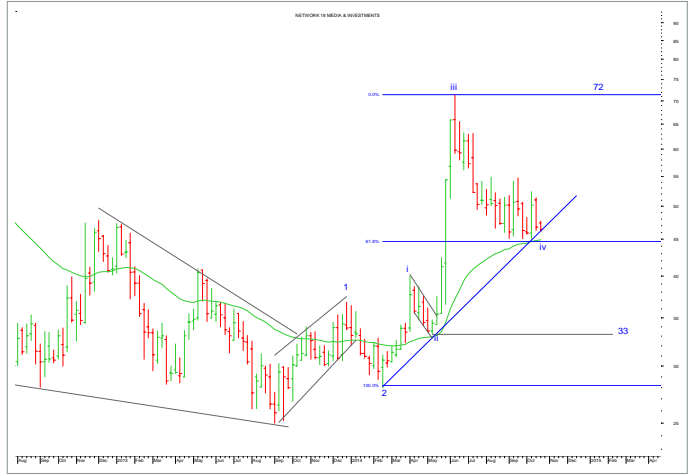


Stock	Action	CMP (Rs)	Target (Rs)	Stop Loss
Jubilant FoodWorks	Buy	1332	2125	1105

**Network 18 Media & Investments**

The stock has been correcting since June this year. Our sense is that the stock is in a strong uptrend and the current fall should be used as an opportunity to buy into it. The stock is currently trading near multiple supports, ie it is trading around the 40-week moving average; it is also trading around a medium-term rising support trend line. In terms of Fibonacci retracements, it has reached the 61.8% retracement level of the rise from Rs28 to Rs72, which is also a crucial support. It has been consolidating near these crucial supports and we sense that it is forming a base for the next up move. We expect this crucial support area to hold good and the stock should resume its uptrend very soon. Investors can buy the stock at the current market price for targets of Rs72, which is the high it touched in June this year, and Rs100, which is a psychological level. A stop loss should be placed at Rs33.

Weekly chart

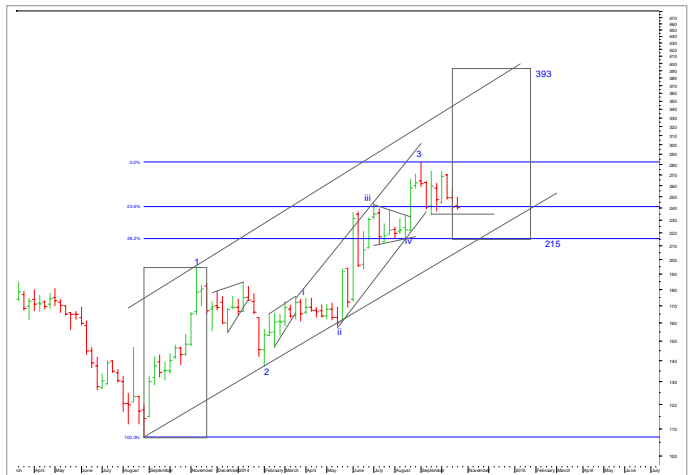


Stock	Action	CMP (Rs)	Target (Rs)	Stop Loss
Network 18 Media & Investments	Buy	49.30	100	33

**Eros International Media**

The stock has been consolidating in a sideways manner since early September this year. Our sense is that it is consolidating in wave 4 of a larger degree impulse formation, ie we expect the stock to form wave 5 on the upside. The current consolidation can continue for some more time and investors can use this as an opportunity to accumulate the stock at the current levels and add more if it falls to Rs215 levels. Rs215 is the 38.2% retracement level of the rise from Rs106 to Rs283. Wave 2 of the stock was sharp which retraced 61.8% of wave 1. Hence, we expect wave 4 to be sideways as per the guideline of alternation, which should terminate around the 38.2% retracement level (Rs215). The targets on the upside are placed at Rs349, which is the target for a truncated wave 5, and Rs393, which is the equality target (Wave 1 = Wave 5). A stop loss should be placed at Rs194, which is the high of wave 1.

Weekly chart



Stock	Action	CMP (Rs)	Target (Rs)	Stop Loss
Eros International Media	Buy	239	393	190



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