

CholaFin – INR 1290

Target – 1400/1485

Buy

Stop Loss- 1225



Chola Finance touched its all time high of INR1760 in May 18 and then entered into a long term corrective phase. During its corrective decline it touched a low of 1038 in Oct'18 before recovering sharply. In Feb'19 it made a lower high of 1098, indicating initial signs of trend reversal. During first week of March scrip decisively broke above the falling trend line and gave a weekly close above resistance zone of 1240-1250 thus further confirming the medium term bullishness. The scrip is currently trading close to the 38.2% FR of its entire fall from 1760 to 1038. In coming sessions, we expect it to successfully negotiate 1314 levels and rally higher. A decisive move beyond 1320 will fuel this rally further and then the scrip will target 1400 (50% FR) and 1484 (61.8% FR).

We recommend a Buy on Chola Fin at CMP and on all declines with short term target price of INR 1400 and medium term price target of 1484. Maintain a closing price basis stop loss of INR 1225 for all Long positions.