

The Story so far....

Mining and metal stocks have been out of flavour for past 5 years now and slowly we have started witnessing, buy signals, in some large names from this sector.

The initial rally in GMDC started in Oct'2000 when prices bottomed out around lows of Rs.2.45/- on a monthly closing basis.

The bull market then saw the prices of GMDC Ltd. surging to as high as Rs. 317/- in Oct'07 and thereafter it was a one way journey down to Rs. 25/- by Dec'08.

Presently, we believe that the stock is coming out of a 53 month consolidation which started in Dec'12 and finally appears to be concluded in May'17 and we expect the stock price to appreciate significantly from current levels of Rs.135/-.



Charts signaling an end of 53 month downtrend

What is changing?

What really caught our attention, was the fact that GMDC Ltd. has managed to trade above the monthly closing of Dec'14 off late and volumes are supporting the price trend.

The **1.4% x 5 Box PF**, showed a breakout after 53 months of sideways congestion when price broke out from a 45 degree down trend line.

The latest up move has only confirmed the breakout in **GMDC Ltd.** within next 6 months time frame.

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.189/- or above in the next 6 months.

Given that the stock has delivered 12.11% CAGR since listing on NSE and negative 4.75% in the past 5 years, there is significant catching up to be done by the stock after having traded sideways for past 5 years and it appears to be a good time initiate longs in GMDC Ltd. at current levels of Rs.135/-

A good way of accumulating the stock would be spread the purchases evenly between Rs.130-145 and keep a stop loss around 114 on a closing basis.

Price	Value	Date	CAGR	Percentage	Years
All time High	316.18	12/Nov/2007	Since Inception -NSE	12.11	19.39
All time Low	2.42	31/Oct/2000	May-12	-4.75	5.00
52 Week High	144.95	10/May/2017	Details commendation		
52 Week Low	65.25	06/Jun/2016	Recommendation	Buy	
Latest Close	135.05	26/May/2017	Closing Price	135.05	
Average Closing CY 2017	119.20	26/May/2017	Range	130-145	
EMA			Expected Target Price	189.00	
	Value	Date	Expected Return	39.95%	
Short Term	128.08	26/May/2017	Stop Loss	114.00	
Medium Term	120.53	26/May/2017	Expected Risk	-15.59%	
Long Term	107.08	26/May/2017	Minimum Holding Period	6 months	

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