

## The Story so far.....

Since its foundation in 1942, Asian Paints has come a long way to become India's leading and Asia's third largest paint company, with a turnover of Rs. 170.85 billion. We operate in 16 countries and have 25 paint manufacturing facilities in the world, servicing consumers in over 65 countries.

The stock was under consolidation for approximately 7-8 months between Sep'17 to Apr'18 within a price range of Rs. 1,100-1,250 before it broke out from the 45 degree resistance trendline to make a high at around Rs.1,231 in Apr'18.

However, before the breakout in Apr'18, the ride has been rough for the stock as it tested the supports at Rs.1,100/- multiple times and we also observed a failed triple bottom sell pattern between Dec'17-Mar'18 in the stock.

Slowly, the stock is coming out of whipsaw range of Rs.1,100-1,230 and charts indicate fresh buy signal as Sep'17 highs of Rs.1,250 is all set to get tested as a resistance. We believe that the stock will do well once the resistance of Rs.1,250 is conquered and it will open new doors for significant upside in the stock price from current levels of Rs. 1,225/-.

## Stock Snapshot

Price	Value	Date
All time High	1,262.00	13-Sep-2017
All time Low	7.84	28-Apr-1999
52 Week High	1,262.00	13-Sep-2017
52 Week Low	1,080.50	24-May-2017
Latest Close	1,209.90	08-May-2018
Average 12M Closing	1,154.84	08-May-2018
EMA	Value	Date
Short Term	1,168.54	08-May-2018
Medium Term	1,154.57	08-May-2018
Long Term	1,137.20	08-May-2018
CAGR	Percentage	Years
Since Inception -NSE	21.80	23.51
May-13	20.04	5.00
Details	Recommendation	
Recommendation	Buy	
Closing Price	1209.90	
Range	1200-1230	
Expected Target Price	1485.00	
Expected Return	22.74%	
Stop Loss	1155.00	
Expected Risk	-4.54%	
Minimum Holding Period	9 months	



## What is changing?

The 0.25% x 6 Box PF, indicating strong signals of a trend reversal after trading rangebound between Sep 2017 - Apr 2018. The recent breakout from the "45 degree bear trap resistance line" is an indication of resumption of the uptrend which only reaffirms our faith in the stock.

The 7-8 month correction / consolidation between Sep'17-Apr'18 from Rs.1,100/- to Rs.1,250/- is now turning out to be a shakeout given that the prices have now started to sustain near the Sep'17 highs of Rs. 1,250/- as observed on charts and also showing signs of sustaining around the Jan'18 peak of Rs.1,220/- we expect the stock to do well in the next 9 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.1,485/- or above in the next 9 months or more.

The stock has delivered approximately 21.80% CAGR since 1994 on NSE and a return of 20.04% CAGR in the past 5 years. We expect the stock to continue its recent uptrend and it appears to be a good time initiate longs in ASIANPAINT at current levels of Rs.1,225/-

A good way of accumulating the stock would be spread the purchases evenly between Rs.1,200-1,230 and keep a stop loss around Rs.1,155/- on a closing basis.

For further enquiries please contact:  
research@inanisec.in

## Disclosures Appendix

### Analyst certification

The following analyst(s), who is (are) primarily responsible for this report, certify (ies) that the views expressed herein accurately reflect his (their) personal view(s) about the subject security (ies) and issuer(s) and that no part of his (their) compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report.

**Disclaimer** This report is for the personal information of the authorized recipient and does not constitute to be any investment, legal or taxation advice to you. INANI SECURITIES LIMITED, (hereinafter referred as INANI) is not soliciting any action based upon it. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The intent of this document is not in a commendatory nature. The views expressed are those of analyst and the Company may or may not subscribe to all the views expressed therein. The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. INANI or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the report. Neither the firm, not its director, employees, agents or representative shall be liable for any damages whether direct or indirect, incidental, special or consequential including loss revenue or loss profit that may arise from or in connection with the use of the information. INANI or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true and are for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company/ies makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action. INANI Securities Ltd. and affiliates including the analyst who have issued this report, may, on the date of this report, and from time to time, have long or short positions in, and buy or sell the securities of the company/ies mentioned herein or engage in any other transaction involving such securities and earn brokerage or compensation or act as advisor or have other potential conflict of interest with respect to company/ies mentioned herein or inconsistent with any recommendation and related information and opinions. INANI Securities Ltd. and affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the company/ies referred to in this report, as on the date of this report or in the past. The author, directors and other employees of INANI and its affiliates may hold long or short positions in the above mentioned companies from time to time. Every employee of INANI and its associate companies are required to disclose their individual stock holding and details of trades, if any, that they undertake. The team rendering corporate analysis and investment recommendations are restricted in purchasing/selling of shares or other securities till such a time this recommendation has either been displayed or has been forwarded to clients of Inani. We are sorry if this mail has caused any distraction. If you want to be removed from the mailing list then you must reply to this mail with "Remove" in the subject line and e-mail for faster response and action.

INANI reserves the right to make modification and alterations to this statement as may be required from time to time.

### Inani Securities Limited

NSE: Membership ID No.08571, SEBI Registration No. INB230857131, BSE: Membership No. 941, SEBI Registration No. INB010857135  
CDSL: Membership ID No. DP ID is 036200, SEBI Registration No. IN - DP - CDSL - 269 - 2004

"B/1408", 14th Floor, Naman Midtown, Next Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Mumbai - 400 013  
India.

Tel: 91 22 43486000; Fax: 91-22-43486011

For More updates & Stock Research, visit [www.inanisec.in](http://www.inanisec.in)