



# Long Term Power Pick (a technical perspective)

05<sup>th</sup> September 2023



GAIL (India) Limited

**Rating: Buy @ 115-123** (Add on dips till 105-102)

**Upside Potential: 37.70%**

## Technical View:

The MahaRatna company GAIL (India) Limited is India's leading natural gas company with diversified interests across the natural gas value chain of trading, transmission, LPG production & transmission, LNG re-gasification, petrochemicals, city gas with 70% market share in gas transmission and has a Gas trading share of over 50% in India.

GAIL - Monthly Chart:

GAIL [N4717] 122.70, 6.70%  
Price Avg(E,3) Avg(E,9) Avg(E,100) Avg(E,200)



## Recommendation

CMP (₹) as on 04th Sep 2023	122.70
Buy on Dips till (₹)	105-102
Target 1 & 2 (₹)	161/168
Stoploss (₹)	89
Time Frame	8- 12 Months

According to technical analysis, GAIL has been consolidating between 83 and 115 since February 2021 and has broken the upper trading range of 115 in the month of July 2023 with steady volumes supported by good buying interest among traders. With medium term price pattern resembling an inverted head and shoulder structure which is a long-term bullish continuation pattern, it paves way for sharp upside from current levels. On the monthly chart, the stock has been trading well above its major exponential moving averages (100 days – 89 & 200 days – 76) suggesting medium to long term trend on GAIL continues to remain bullish.

On momentum indicators front, the MACD is a popular momentum indicator that helps identify potential changes in a stock's trend. A Bullish MACD Crossover suggests a shift from bearish to bullish momentum and is often considered a buying opportunity.

## Key Data

Nifty/Sensex	19528.80/65628.14
BSE Code	532155
NSE Symbol	GAIL
Bloomberg Code	GAIL:IN
Industry	Gas
Market Cap(₹ Lakhs)	8047647.26
Face Value(₹)	10
52 week High/Low	123.75/83

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GAIL has shown a remarkable return in the month of July 2023 and has recently experienced a Bullish MACD Crossover. This suggests a potential upward trend in the stock's price. RSI is also showing rising trend indicating accumulation can be witnessed on long side. The trend indicator ADX indicates the current trend is expected to witness further upside which could take the next technical level of 145/158 in the short term to medium term scenario.

There has been a fresh breakout above the 113-115 levels with rising volumes and after consolidation, the stock is ready for an up move. This uptrend could get damaged if the stock closes below its long term 100 days EMA (89) & 200 days EMA (76) levels. Going forward, GAIL now faces a resistance at 129/135 levels and should have a minimum upside till that level. Sustaining above 129 levels can invite further buying and then the stock may face the upside projected targets of 161 and 168 levels in the medium to long term scenario. On the downside the support for the stock is seen at 83/89 and 76 levels. Keeping in mind the above-mentioned evidence, we recommend investors to buy GAIL in the range of 115-123 and add on dips till 102-105 with stop loss of 89 for a targets of 161/168.

## Technical Indicators/Overlays

Bollinger Bands	120-82
20 days & 50 Days EMA	103 & 96.50
Annualised Volatility	31.52
ADX	25.98
MACD	6.52
RSI	65.75
Average True Range(ATR)	10.85
AD Line	104.15 Cr

## Share Holding Pattern

Particulars	Q1FY24 (%)
Promoters	51.52
FPIs	15.97
MFs/Insti	8.27
Public	15.55
Others	8.69

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