

Genus Power Infrastructures

Electrifying gains in the offing

Inverted Head and Shoulder breakout:

Genus Power has been stuck in a long drawn consolidation phase since late 2010. During this period, the stock witnessed a very neat rounding bottom formation. The stock, which fell by a whopping 70% from 2010 to 2012 managed to make a smart comeback since then retracing over 100% of its decline. However the stock was unable to carry forward the momentum and slipped to lows of Rs. 21 in June 2015 only to see another phase of smart accumulation. Finally, after a wild journey, Genus Power has broken out from a classic "Inverted Head and Shoulder" pattern. The stock breached the neckline of the pattern in the previous week, which was placed at Rs. 42 confirming the out-burst. What's more compelling is that the bullish pattern and the base building, both have taken place around its all time low favoring the risk-reward ratio.

If the inverted H&S unfolds the way it should, then we expect a minimum upside potential for Genus Power of around Rs.16 which suggests that the stock would attempt at least Rs. 62 in 9-12 months. On the downside, Rs. 34 is critical support for the stock.

Negation of death cross-over:

What is a Death Cross-Over?

The Death cross occurs when a short-term moving average crosses below a major long-term moving average to the downside, and is signaling a definitive downward turn in price in a market. (Investopedia)

On analyzing the daily charts, Genus Power had gone through a death cross-over in March 2015, post which the stock was expected to fall sharply. However, the decline was not very sharp. In fact, price began making a comeback and finally managed to negate the death cross-over, which indicated the strength in the current up move.

It is said that history tends to repeat itself and this time it has indeed repeated.

Interestingly on looking back at price movement, the death crossover has been negated twice in quick succession in the recent past.

- 1) Death cross-over first occurred in June 2013 and was quickly negated by November 2013. Since then the stock saw a sharp rally of over 80% in two months.
- 2) The negative cross-over once again occurred in March 2014 only to be negated by May 2014. Since then the stock delivered a whopping 145% returns in four months.

Rating: BUY

Target (9-12 months): Rs62

CMP: Rs44

Upside: 40.9%

Stop loss: Rs34

Sector: Capital Goods

Sensex: 28,355

52 Week h/l (Rs): 46 / 21

Market cap (Rscr) : 1,143

6m Avg vol ('000Nos): 455

Bloomberg code: GPIN IS

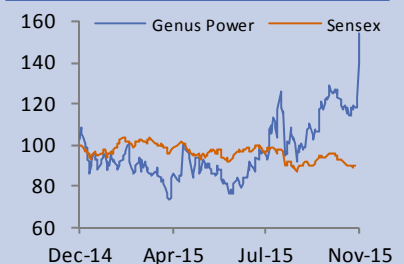
BSE code: 530343

NSE code: GENUSPOWER

FV (Rs): 1

Prices as on November 27, 2015

Share price trend



Share holding pattern

(%)	Mar-15	Jun-15	Sep-15
Promoter	50.6	50.6	50.6
Insti	0.3	0.4	0.4
Others	49.1	49.0	49.0

Technical Analyst:

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Weekly chart



Source: Spider Software India, India Infoline Research

'Best Broker of the Year' – by Zee Business for contribution to broking

Nirmal Jain, Chairman, IIFL, received the award for The Best Broker of the Year (for contribution to broking in India) at India's Best Market Analyst Awards 2014 organised by the Zee Business in Mumbai. The award was presented by the guest of Honour Amit Shah, president of the Bharatiya Janata Party and Piyush Goel, Minister of state with independent charge for power, coal new and renewable energy.

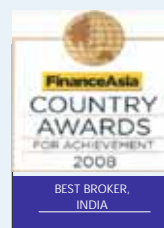
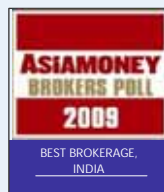
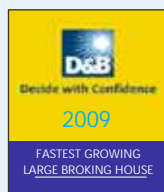
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IIFL has been awarded the 'Best Broker in India' by Finance Asia. The award is the result of Finance Asia's annual quest for the best financial services firms across Asia, which culminated in the Country Awards 2011

Other awards



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