

STOCK OF THE WEEK

IDFC (106.000, 109.450, 104.200, 106.500, -0.45000)

IDFC

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Analyst is a Certified Financial Technician [CFTe, IFTA]

TECHNICALS

IDFC ~ *enabling India*

The Infrastructure Development Finance Company Limited (IDFC) is India's leading integrated infrastructure finance player providing end to end infrastructure financing and project implementation services. Formed in 1997 it became public company after listing its shares on NSE and BSE in 2005. With strong leadership, clean management & ethical practices; IDFC is a good bet to be next big blue chip and multibagger in making for next few decades.

IDFC offered shares at Rs 34 in mid 2005 and it doubled on listing day on 12th Aug 2005. However it remained sideways and weak till mid 2006, it made a life low of 43.35 in July 2006. Almost a year after its listing IDFC saw a powerful bull rally, galloping from 43.35 to 235 in early Jan 2008. Bear market of 2008 was equally punishing, IDFC retested life lows of around 44 in October 2008 & again in March 2009. In recent bull wave IDFC again made a high of 218.25. After almost a year into the bear market IDFC is again trading closer to 100 levels, retracing more than 62% of the previous upmove.

Long term investors should start accumulating gradually in parts from CMP and keep adding further in 10-15 Rs dips from last purchase. Short to medium term supports come around 97-84-74 areas, short to medium term resistances around 120-129-136. Short term traders can look for opportunity to buy dips around 97 with stops below 92 for bounces. Traders can sell short below 92 for lower levels.