

## Pick of the Week: CANARA BANK.

15<sup>th</sup> July, 2017

- Canara Bank Ltd. is an India-based bank. The Bank's segments include Treasury Operations, Retail Banking Operations, Wholesale Banking Operations and Other Banking Operations. The Bank provides personal banking, corporate banking, non-resident Indians banking, Internet banking, and micro, small and medium enterprises (MSME) banking services.
- Its retail lending operations include education loans and vehicle loans. Its other services include merchant banking; depository services; executor, trustee and taxation services, and online payment services. It handles various government business products consisting of direct and indirect tax collections; payment of pensions of Central Government and State Government; handling of postal transactions and State Government treasury transactions; public provident fund scheme and senior citizens' saving scheme, and issue of inflation indexed bonds of Reserve Bank of India. It has approximately 5,850 branches, including over eight overseas branches.
- The Bank has successfully completed Aadhaar seeding through BC Terminal. The Bank has Implemented renewal of Subscription for Social Security Schemes (PMJJBY & PMSBY), mobile banking registration, and tax paid receipt/certificate for the mortgaged property.

### Technical Outlook

- On a weekly chart, the stock has formed Hammer Candlestick with the support of its 21 weeks moving average which was placed at 327 level. Even we got the bullish reversal confirmation, as very next proceeding candles are trading with higher low than the hammer candle as well as sustain above the high of Hammer. This type of setup on chart confirms the surrender from sellers, as buyers have determined the price is too attractive to pass up and quickly get into the stock.
- Apart from this, the stock has been trading with its double crossover of 21\*50 weeks moving average which can be considered as a bullish crossover and based on which the stock may give good upside movement.
- Additionally, recent correction in the stock from its topical high of 416, has halted at a 313-315 level which is a 61.80% Fibonacci retracement level of its previous up move from 249 level to 416 level, this type of structure indicates a resume of the primary trend.
- Even on a daily chart, the stock has managed to close above its 50 days moving average which is placed at 355 level which shows a positive trend of the stock. Furthermore, the stock has been trading above its 100 days moving average which shows strength in the counter.
- A weekly RSI reading is at 62.70 with a positive crossover, besides the RSI has been trending with its upward rising trend line, moreover, it has further room to move forward which points out for a positive breath in the stock.
- Based on the above technical parameters, we are expecting a good upside movement in the counter in near future.

<b>Company</b>	CANBK
Recommendation	Buy
Sector :	PSUBANK
Buying Range :	367 & Upto 360
Price Potential :	425
Stop Loss (Closing Basis):	340
Mkt Cap (Rs. Cr.):	21,956
TTM EPS (Rs.)	18.78
TTM Sales (Rs. Cr.)	41,388
BVPS (Rs.)	474
Reserves (Rs. Cr.)	27,715
P/BV	0.78
PE	19.57
Bloomberg Code :	CBK: IN
Reuters Code :	CNBK: NS



\*Please Refer Disclaimer on Website

TW = Twelve Months  
 TTW= Trailing 12 months

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