



Action: BUY	CMP: ₹1574.00	TGT1/TGT2: ₹1692.10/ ₹1800.00	Stop Loss: ₹1419.55	Time frame: 9-10 WEEKS
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Pidilite Industries Limited is a leading manufacturer of adhesives and sealants, construction chemicals, craftsmen products, DIY products, and polymer emulsions in India. Most of the company's products have been developed through strong in-house R&D. Its flagship brand name, Fevicol, has become synonymous with adhesives for millions in India and is ranked amongst the country's most trusted brands. Some of the company's other major brands include M-Seal, Fevikwik, Fevistik, Roff, Dr. Fixit, Fevicryl, Motomax, HobbyIdeas, and Araldite. EBITDA Margins: Management expects to maintain margins within the historical corridor of 20% to 24%. Volume Growth: The company targets continuous double-digit underlying volume growth (UVG) with a ~100 bps expansion, but is withholding specific annual targets due to dynamic macroeconomic uncertainties. Pricing & Inflation: Facing a steep 40% to 50% raw material inflation, the strategy is to pass on absolute rupee cost increases through calibrated price hikes, prioritizing market growth over short-term margins. Capital Expenditure: Capex will remain at 3% to 5% of revenue, funding capacity expansion, automation, and entry into new categories.

Company 5-year revenue increase from ₹7,293Cr (FY21) to ₹14,601Cr (FY26) at 14.89% CAGR. Company YOY revenue increase from ₹13,140 Cr (FY25) to ₹14,601Cr (FY26) at 11.12%. The Company operating margin has been stable at 24% for (FY26). Company Net Profit has increased from ₹2,096Cr (FY25) to ₹2,471Cr (FY26) at 17.89%.

Key Data	
Nifty 50	24053.00
Sector	Specialty Chemicals
52 Week H/L(Rs)	1,589.95/1,259.45
Market Cap (Rs Cr)	160198.00
Face Value (Rs)	1.00
Daily Oscillator Direction	
20 DEMA	+ve
50 DEMA	+ve
100 DEMA	+ve
200 DEMA	+ve



TECHNICAL RATIONALE

- The chart is showing a bullish breakout from a long-term Downward Channel.
- Price has moved above all major moving averages, indicating improving momentum and strengthening trend structure.
- RSI is near the bullish zone around 65, reflecting firm momentum with room before overbought territory, supporting further upside without signalling exhaustion.
- We recommend to buy at current market price ₹1,574.00 with short-term targets of ₹ 1692.10,-1,800.00, and keep a stop-loss at ₹1419.55.

TECHNICAL GLOSSARY:

- **Symmetrical Triangle Breakout:** A chart pattern where the price consolidates within converging trendlines, forming lower highs and higher lows. A breakout above the upper trendline signals bullish momentum, while a breakdown below the lower trendline indicates bearish movement. Volume expansion during the breakout strengthens confirmation.
- **Channel/trendline Breakout:** A technical event where the price moves above the resistance or below the support line of a price channel/trendline, signaling a potential trend continuation or reversal.
- **Retest:** The price action where the stock revisits a previously broken resistance (now acting as support) to confirm the breakout's validity.
- **MACD (Moving Average Convergence Divergence):** A trend-following momentum indicator that shows the relationship between two moving averages of the stock price. Used to identify bullish or bearish signals.
- **Positive Crossover (MACD):** Occurs when the MACD line crosses above the signal line, often interpreted as a buy signal or bullish momentum.
- **RSI (Relative Strength Index):** A momentum oscillator that measures the magnitude of recent price changes to evaluate whether a stock is overbought (above 70) or oversold (below 30).
- **DEMA (Daily Exponential Moving Average):** A type of moving average that places a higher weight on recent prices, making it more responsive to recent price changes compared to a simple moving average (SMA). It is widely used in technical analysis to identify trends, support/resistance levels, and momentum.
- **A higher high occurs** when the price reaches a new peak above the previous high, indicating strong buying pressure and an ongoing uptrend in the market.
- **A higher low forms** when the price pulls back but remains above the previous low, signaling sustained buying interest and confirming the continuation of an uptrend.
- **The signal line in technical analysis** is a smoothed moving average of an indicator, such as the MACD, used to generate buy or sell signals by identifying crossovers, confirming trends, and enhancing decision-making for traders and investors.



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