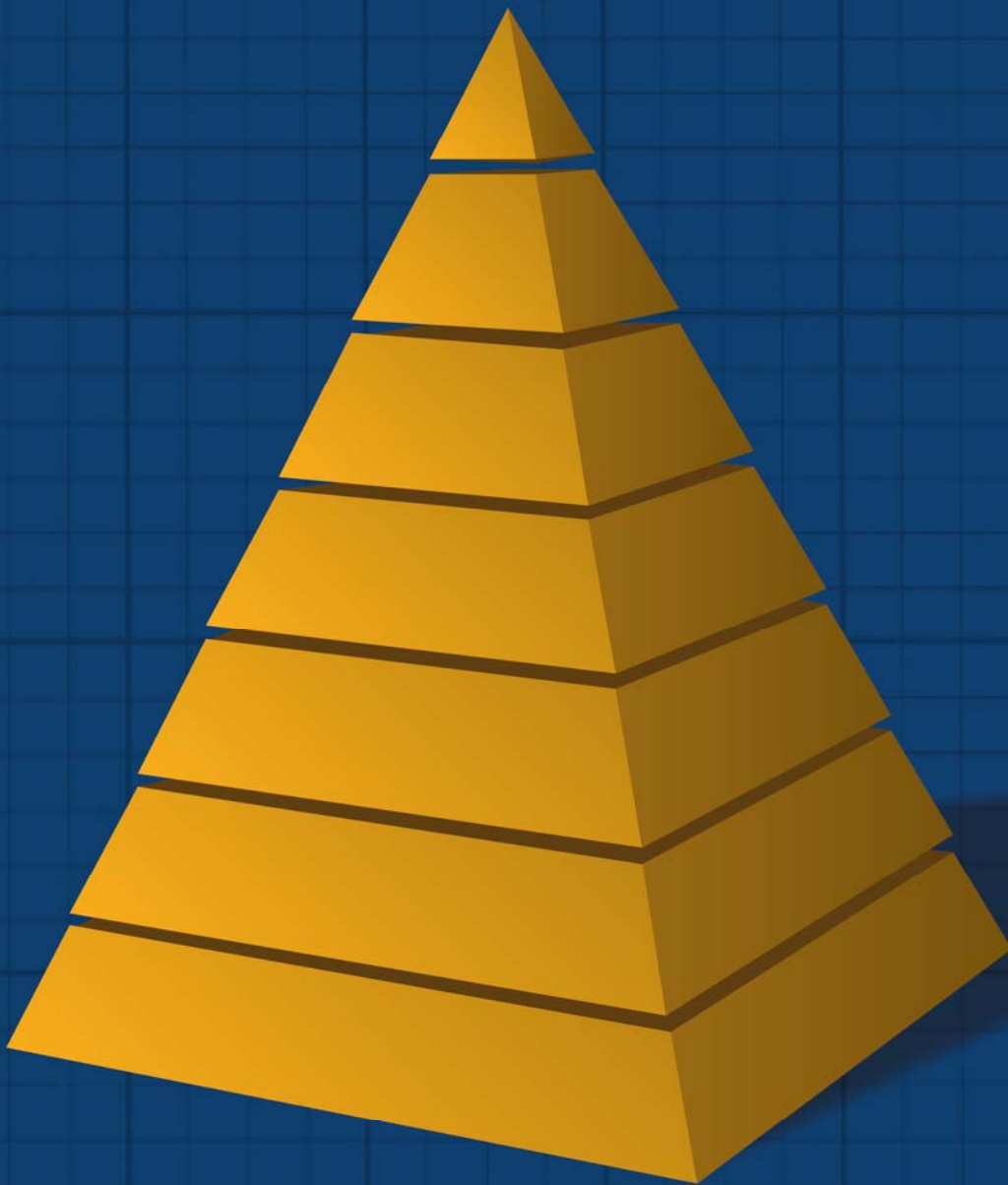


# TECHNO FUNDA

Super 7 Picks - June 2021



BP WEALTH



## Techno Funda Report - June 2021

## Performance Tracker Feb 2021

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	CONCOR	Buy	474	558	Target Achieved
2	GUJGASLTD	Buy	380	460	Not initiated
3	HEROMOTOCO	Buy	3361	3950	Exit at 3300
4	ITC	Buy	230	270	SL triggered
5	IOC	Buy	102.4	126	Exit at 99
6	SUNPHARMA	Buy	635	750	Exit at 604
7	TATAPOWER	Buy	85	108	Not initiated

**Techno Funda Return For Feb, 2021 : -0.85% , Nifty Return For Feb, 2021 : -2.6%**

## Performance Tracker March 2021

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	COALINDIA	Buy	148	185	SL triggered
2	HDFCLIFE	Buy	690	830	Exit at 694
3	HINDPETRO	Buy	238	285	Exit at 237
4	MGL	Buy	1141	1350	Profit booked at 1181
5	NTPC	Buy	104.5	127	Profit booked at 107.9
6	SYMPHONY	Buy	1150	1380	Target Achieved
7	UPL	Buy	570	670	Profit Booked at 650

**Techno Funda Return For March, 2021 : 2.9% , Nifty Return For March, 2021 : 2.3%**

## Performance Tracker April 2021

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	ACC	Buy	1913	2240	Exit at 1888
2	BAJAJ-AUTO	Buy	3743	4220	SL triggered
3	DIVISLAB	Buy	3578	4070	Target Achieved
4	HCLTECH	Buy	1003	1130	SL triggered
5	ICICIBANK	Buy	594	690	SL triggered
6	ITC	Buy	220	270	SL triggered
7	NAVINFLUOR	Buy	2738	3170	Target Achieved

**Techno Funda Return For April, 2021 : 0% , Nifty Return For April, 2021 : -1.6%**

## Performance Tracker May 2021

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	BALKRISIND	Buy	1745	2100	Target Achieved
2	CIPLA	Buy	910	1070	Exit at 935
3	FEDERALBNK	Buy	78	98	Profit booked at 89
4	IPCALAB	Buy	2105	2500	Profit booked at 2300
5	MFSL	Buy	896	1030	Profit booked at 960
6	POWERGRID	Buy	220	260	Profit booked at 238
7	RELIANCE	Buy	1962	2320	Profit booked at 2090

**Techno Funda Return For May, 2021 : 6.30% , Nifty Return For May, 2021 : 5.50%**



## Index

Company	Recommendation	Price (Rs)	Entry Range (Rs)	Target Price (Rs)	Stop Loss (Rs)	Page No.
AXISBANK	BUY	744	744	890	685	1
BHARAT FORG	BUY	676.8	CMP-650	830	620	2
CANBK	BUY	161.45	CMP-155	195	145	3
METROPOLIS	BUY	2524	CMP-2450	3010	2310	4
PEL	BUY	1783	1783	2130	1655	5
RELIANCE	BUY	2094	CMP-2050	2430	1940	6
TECHM	BUY	1026	1026	1260	950	7

### Technical View (Weekly Chart)



### Execution Data

<b>Target (Rs)</b>	890
Stop loss (Rs)	685
Buying Range (Rs)	CMP
Last Close Price (Rs)	740
% change Weekly	1.22

### Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

### Technical View

Stock has earlier registered breakout from long term falling resistance trend line and post that price witnessed profit booking which reversed taking support near the same trend line which is bullish signal for medium term trend. Also, recently price witnessed breakout from intermediate falling trend line which coincides with 21 EMA which indicates bullish signal for short term trend. RSI has formed bullish reversal pattern which is bullish signal and compliments bullish view on price. We recommend to BUY AXISBANK at CMP for the target of 890 with a stop loss of 685 in short term.

### Investment Rationale

#### Increasing presence across various financial services value chain

Axis Bank is increasing its presence across the financial services value chain, with presence in businesses such as brokerage, asset management, life and general insurance, investment banking and payment platforms. The bank also has a NBFC - Axis Finance Limited providing real estate financing, securities-backed lending services and other retail financial products. Overall, the bank's subsidiaries have been growing in size and scale as it continues to make investments in building these capabilities.

#### Strong market position with extensive branch network

Axis Bank is the third largest bank in the private sector banking space with total assets size of Rs.9,961 bn, registering a 10.6% CAGR during FY17-21. The bank has established a robust franchise having pan-India presence through a network of 4,584 domestic branches and extension counters and 11,333 ATMs and 5,485 cash recyclers spread across the country in FY21. Further, the Bank also has its overseas presence spread across eleven international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Colombo, Shanghai and Gift City-IBU, representative offices at Dhaka, Dubai, Abu Dhabi and Sharjah.

### Sector Outlook

Positive

### Stock

BSE code	532215
NSE Symbol	AXISBANK
Bloomberg	AXSB IN
Reuters	AXBK.BO

### Key Data

Nifty	15,436
52WeekH/L(Rs)	800/360
O/s Shares (mn)	3,065
Market Cap (Rs bn)	2,268
Face Value (Rs)	2

### Average volume

3 months	1,75,10,650
6 months	1,89,44,410
1 year	2,60,08,120

### Casting/Forging

#### Technical View (Weekly Chart)

BHARATFORG[N422] 648.70, 694.85, 646.80, 677.55, **12969140**, **5.10%**  
Price Avg (E, 21)



#### Execution Data

Target (Rs)	830
Stop Loss (Rs)	620
Buying Range (Rs)	CMP-650
Last Close Price (Rs)	678
% change Weekly	5.10

#### Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

#### Technical View

The stock has been forming series of higher highs and higher lows which signifies uptrend in the stock for medium term trend. Recently stock witnessed breakout from consolidation pattern which is bullish signal for short term trend. MACD inching higher and has given bullish crossover which is bullish signal and compliments bullish view on price. We recommend to BUY BHARATFORG at CMP-650 for the target of 830 with a stop loss of 620 in short term.

#### Investment Rationale

##### Leadership position in CV engine and chassis components segment; strong customer base in domestic and international markets facilitated by strategic acquisitions

BFL is the market leader in the domestic chassis and engine component segments for CVs. It is the main supplier to leading domestic CV OEMs. Along with its subsidiaries, the company supplies forged components to all major global CV OEMs. Over the years, it has added new customers and geographies to diversify its business profile and clientele. With CV cycle on cusp of cyclical recovery both domestically as well as globally (including US class 8 trucks), top line growth is expected to be robust at Bharat forge going forward.

##### Diversification through investments in industrial components, defense, aerospace and locomotive sector support long-term growth

To de-risk its business model from the cyclical nature of the automobile industry, BFL has been increasingly focusing on its industrial business with a varied product mix including forged and machined products. The company has been supplying industrial segments for applications in oil and gas, wind energy and a range of heavy engineering applications, which accounted for 40% of its consolidated turnover in FY2020. Stable Brent crude prices at ~US\$50- 50/barrel are also seen supportive of Oil & Gas segment revenues in times to come.

#### Sector Outlook

Neutral

#### Stock

BSE code	500493
NSE Symbol	BHARATFORG
Bloomberg	BHFC IN
Reuters	BFRG.BO

#### Key Data

Nifty	15,436
52WeekH/L(Rs)	695/301
O/s Shares (mn)	466
Market Cap (Rs bn)	3152
Face Value (Rs)	2

#### Average volume

3 months	23,14,620
6 months	29,17,460
1 year	32,16,080



## Bank

## Technical View (Weekly Chart)



## Technical View

The stock reversed strongly taking support at lower end of the rising channel trend line, also near the same juncture stock has given bullish confirmation forming bullish candlestick pattern around 50 EMA. The stock has also registered breakout from intermediate falling trendline which is bullish signal. RSI has reversed from taking support at trendline and has formed positive reversal pattern against price which signifies strength in price and compliments bullish view on price. We recommend to BUY CANBK in the range of CMP-155 for the target of 195 with a stop loss of 145 in short term.

## Investment Rationale

## Significant stake by Government of India to provide strong support

The GoI holds 69.3% stake in the entity with an infused equity capital of ~Rs. 21,449 cr (including e-SB) during FY16-20, which has supported the bank's capital profile even though it reported huge losses. The same has enabled the bank to improve its Net NPA and maintain the regulatory capital ratios. The GoI has budgeted a capital infusion of Rs. 20,000 crore for PSBs in FY21, and Canara Bank has proposed a capital raise of ~Rs. 8,000 crore (equity capital of up to Rs. 5,000 crore and debt capital of up to Rs. 3,000 crore). Therefore, such capital infusion for the bank will help to maintain the regulatory levels as well as its solvency profile while achieving growth.

## Healthy market position

Canara Bank is one of India's larger PSBs, with total advances and deposits of Rs 6.7 lakh crore and Rs 9.7 lakh crore, respectively in 9MFY21. With merger of eSyndicate Bank, the market position of the bank has further strengthened. It has a pan-India branch presence, with around 10,491 domestic branches and 12,973 automated teller machines (ATMs) across the country as on Dec'20. It also has overseas branches at five locations. The revenue is diversified across businesses, products and geographies, augmenting the strong overall market position. The bank also has a strong franchise in the large and mid-size corporate banking segments.

## Execution Data

Target (Rs)	195
Stop loss (Rs)	145
Buying Range (Rs)	CMP-155
Last Close Price (Rs)	162
% change weekly	5.92

## Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

## Sector Outlook

Neutral

## Stock

BSE code	532483
NSE Symbol	CANBK
Bloomberg	CBK IN
Reuters	CNBK.BO

## Key Data

Nifty	15,436
52WeekH/L(Rs)	174/81
O/s Shares (mn)	1646
Market Cap (Rs bn)	266
Face Value (Rs)	10

## Average volume

3 months	2,17,73,200
6 months	2,99,96,060
1 year	2,12,07,650

### Technical View (Weekly Chart)



### Execution Data

Target (Rs)	3010
Stop loss (Rs)	2310
Buying Range (Rs)	CMP-2450
Last Close Price (Rs)	2524
% change Weekly	10.55

### Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

### Technical View

After sharp up move the stock underwent sideways consolidation and gave a breakout from the same in April'21, after initial breakout from the consolidation stock witnessed a throwback and now has retraced back to the breakout point and consolidation there which suggests change of polarity. The stock has formed bullish reversal candlestick around 13 EMA, this average has acted as good support on intermediate declines in past which suggests the recent trough to act as strong support. RSI has reversed from its oversold zone and moving higher which is a bullish signal and compliments the bullish view of price. We recommend to BUY METROPOLIS at CMP-2450 for the target of 3010 with a stop loss of 2310 in short term.

### Investment Rationale

#### Proven track record of the promoters and robust market positioning

The founder, Dr Sushil Shah, is a pathologist with industry experience of over three decades. Ms Ameera Shah has played a key role in driving growth through a prudent mix of organic and inorganic expansion, while availing of minimal debt for funding acquisitions. The Metropolis group is among the top three diagnostic chains in India and has a large, well-established pan-India network of about 125 pathology labs and 2,555 service centers. With intention to acquire a meaningful player to accelerate growth and gain market share, Metropolis Healthcare has acquired Dr. Ganesan's Hitech Diagnostic Centre (100% stake) for a consideration of INR 618cr. The acquisition should aid Metropolis's aggressive expansion plans to achieve its targeted B2C revenue contribution of 65% in focus cities. Hitech Diagnostic Centre is well established in Tamil Nadu, Karnataka, Kerala, Andhra Pradesh and Pondicherry, and is the second largest player in Chennai, next only to Metropolis.

#### Healthy operating efficiency driven by prudent working capital management

International and national laboratory accreditations, servicing customers through a hub-and-spoke model, strong quality controls and continuous process improvement through an in-house research and development set-up contribute to healthy operating efficiency. Furthermore, working capital is prudently managed, as reflected in receivables of under two months and minimal inventory. This has resulted in strong operating margin and return on capital employed of 29% and 40%, respectively, in fiscal 2021.

### Sector Outlook

Neutral

### Stock

BSE code	542650
NSE Symbol	METROPOLIS
Bloomberg	METROHL IN
Reuters	METP.BO

### Key Data

Nifty	15,436
52WeekH/L(Rs)	2613/1312
O/s Shares (mn)	51
Market Cap (Rs bn)	129
Face Value (Rs)	2

### Average volume

3 months	1,41,920
6 months	1,31,150
1 year	1,49,060

**Technical View (Weekly Chart)**



**Execution Data**

<b>Target (Rs)</b>	2130
Stop loss (Rs)	1655
Buying Range (Rs)	CMP
Last Close Price (Rs)	1786
% change Weekly	3.31

**Weekly Oscillator Direction**

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

**Technical View**

After sharp up move the stock underwent sideways consolidation and gave a breakout from the same ,post initial breakout from the consolidation stock witnessed a throwback and now has retraced back to the breakout point and consolidation there which suggests change of polarity. The stock has formed bullish reversal candlestick around 21 EMA, this average has acted as good support on intermediate declines in past which suggests the recent trough to act as strong support. RSI has reversed from its neutral zone and inching higher which is a bullish signal and compliments the bullish view of price. We recommend to BUY PEL at CMP for the target of 2130 with a stop loss of 1655 in short term.

**Investment Rationale**

**Significant financial flexibility led by equity infusion, stake sale of business and investment in Shriram group**

Piramal Enterprise has been successful in raising equity capital to provide growth capital to its subsidiaries including Pharma and financial services. In FY20, company raised nearly INR.145 bn of capital in the form of stake sale in Shriram Transport, Sale of its Healthcare and Analytics business, Rights issue and Preferential allotment. Moreover, it has successfully refinanced some of the loans in its NBFC subsidiaries to longer tenures, albeit at a higher cost. The Group also holds a 10% stake in Shriram City Union Finance and 20% stake in Shriram Capital which can be divested to further raise liquidity. Therefore, such flexibility, allows them to un-tap new opportunities by expanding their presence.

**Strong position in pharmaceutical business coupled with well-equipped manufacturing facilities across geographies**

Company has a unique business model in the Pharma vertical, with a strong presence in Contract Development and Manufacturing Outsourcing, Complex Hospital Generics and India Consumer Products. Currently it has 14 manufacturing facilities for its contract development and manufacturing operations (CDMO) and complex hospital generics with a large global distribution network spanning across 100 countries. The contract manufacturing business has strong capabilities in high potent APIs (HPAPI) and antibody drug conjugates (ADCs), injectables and hormonal products.

**Sector Outlook**

Neutral

**Stock**

BSE code	500302
NSE Symbol	PEL
Bloomberg	PIEL IN
Reuters	PIRA.BO

**Key Data**

Nifty	15,436
52WeekH/L(Rs)	2,008/524
O/s Shares (mn)	225
Market Cap (Rs bn)	403
Face Value (Rs)	2

**Average volume**

3 months	11,31,430
6 months	16,29,440
1 year	17,38,360



## Refineries

### Technical View (Weekly Chart)

RELIANCE[N2885] 2008.00, 2105.00, 1960.00, 2094.80, 52657730, 4.61%  
Price Avg (E, 50)



### Execution Data

Target (Rs)	2430
Stop loss (Rs)	1940
Buying Range (Rs)	CMP-2050
Last Close Price (Rs)	2095
% change Weekly	4.61

### Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

### Technical View

Earlier the stock registered breakout from the rising resistance trend line and post breakout the stock reversed finding support near the same trendline which shows change of polarity and is bullish signal for medium term trend. The stock has reversed strongly after taking support near its previous swing low. Also, near the same juncture stock has support of 50 WEMA which suggests recent through to act strong support and suggests bullish signal for medium term trend. RSI has reversed from its neutral zone and inching higher which is a bullish signal and compliments the bullish view of price. We recommend to BUY RELIANCE at CMP-2050 for the target of 2430 with a stop loss of 1940 in short term.

### Investment Rationale

#### Leadership in the petrochemicals industry in India

RIL is among the top global petrochemical manufacturers. It is the largest producer of Paraxylene, and the second largest for polyester fibre. Moreover, it is the fourth largest producer of Purified Terephthalic Acid (PTA) and the fifth largest for Polypropylene. In India, RIL accounts for nearly half of the total domestic cracker (ethylene) capacity, and has a production share of more than 50% in the polymers (PE, PP and PVC) market. Its strong market position helps it operate its petrochemical plants at full capacity and also benefits from its large scale. RIL also benefits from its extended value chain from feedstock to advanced materials such as glass fibres, carbon fibres, composites, and other materials, some of which are marketed under proprietary brands such as Recron, R Elan, and Rel-Wood.

#### Exceptional financial flexibility

RIL's financial flexibility is demonstrated by its ability to raise resources by tapping the capital markets and through its large cash and liquid investments. The financial flexibility is also supported by unutilized bank lines. The company has a strong financial risk profile underpinned by stable, healthy profitability, and strong debt protection metrics.

### Sector Outlook

Neutral

### Stock

BSE code	500325
NSE Symbol	RELIANCE
Bloomberg	RIL IN
Reuters	REU.BO

### Key Data

Nifty	15436
52WeekH/L(Rs)	2368/1453
O/s Shares (mn)	6762
Market Cap (Rs bn)	14165
Face Value (Rs)	10

### Average volume

3 months	90,15,560
6 months	1,13,36,330
1 year	1,58,25,290

## Technical View (Weekly Chart)

TECHM[N13538] 979.80, 1033.00, 975.10, 1026.25, 14797100, 4.67%  
Price Avg (E, 21)



## Technical View

The stock has been trading in strong uptrend and previous week price registered breakout from small consolidation which is bullish signal for short term trend. Also, the stock has formed bullish reversal candlestick around 21 EMA which suggests recent through to act strong support for the short term trend. RSI has reversed from neutral zone and formed a bullish reversal pattern against price which is bullish signal and compliments bullish view on price. We recommend to BUY TECHM at CMP for the target of 1260 with a stop loss of 950 in short term.

## Investment Rationale

## Established presence with significant track record

Over the years, Tech Mahindra has grown organically and inorganically, adding diverse business verticals, geographies and clientele. The merger of TechM with Mahindra Satyam Limited (MSL) and series of acquisitions led to improvement in overall business risk profile of the company. The management team is led by its promoters who oversees the day to day operations of the company, has more than three decades of experience in the areas of international business development, Joint Ventures, and Mergers & Acquisitions. Therefore, such strong team of company bring in global business perspective and provide the necessary guidance to the management.

## Diversified business verticals, client mix and wide geographical presence

Company has deep capabilities across verticals – Communication and Enterprise [Manufacturing, Banking, financial services and insurance (BFSI), Technology, Media and Entertainment (TME), Retail, transport and logistics (RTL), healthcare etc, catering to more than 970 active clients (with a ~92% repeat business) built on the foundation of strong customer relationships. The customer base is spread across Americas, Europe and rest of the world. The company continues to derive significant share (~42%) of revenue from the communication vertical which exposes them to cyclicity or slowdown in discretionary IT spends by these clients. Although, concentration in communication vertical declined in last few years which continues to benefit from a well-diversified clientele base.

## Execution Data

Target (Rs)	1260
Stop loss (Rs)	950
Buying Range (Rs)	CMP
Last Close Price (Rs)	1026
% change Weekly	4.67

## Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

## Sector Outlook

Neutral

## Stock

BSE code	532755
NSE Symbol	TECHM
Bloomberg	TECHM IN
Reuters	TEML.BO

## Key Data

Nifty	15,436
52WeekH/L(Rs)	1,081/525
O/s Shares (mn)	968
Market Cap (Rs bn)	994
Face Value (Rs)	5

## Average volume

3 months	40,53,990
6 months	44,03,440
1 year	50,75,670

**Disclaimer Appendix****Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

**General Disclaimer**

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

**Corporate Office:**

4th floor,  
Rustom Bldg,  
29, Veer Nariman Road, Fort,  
Mumbai-400001  
Phone- +91 22 6159 6464  
Fax-+91 22 6159 6160  
Website- [www.bpwealth.com](http://www.bpwealth.com)

**Registered Office:**

24/26, 1st Floor, Cama Building,  
Dalal street, Fort,  
Mumbai-400001  
BP Equities Pvt. Ltd.  
CIN No: U67120MH1997PTC107392