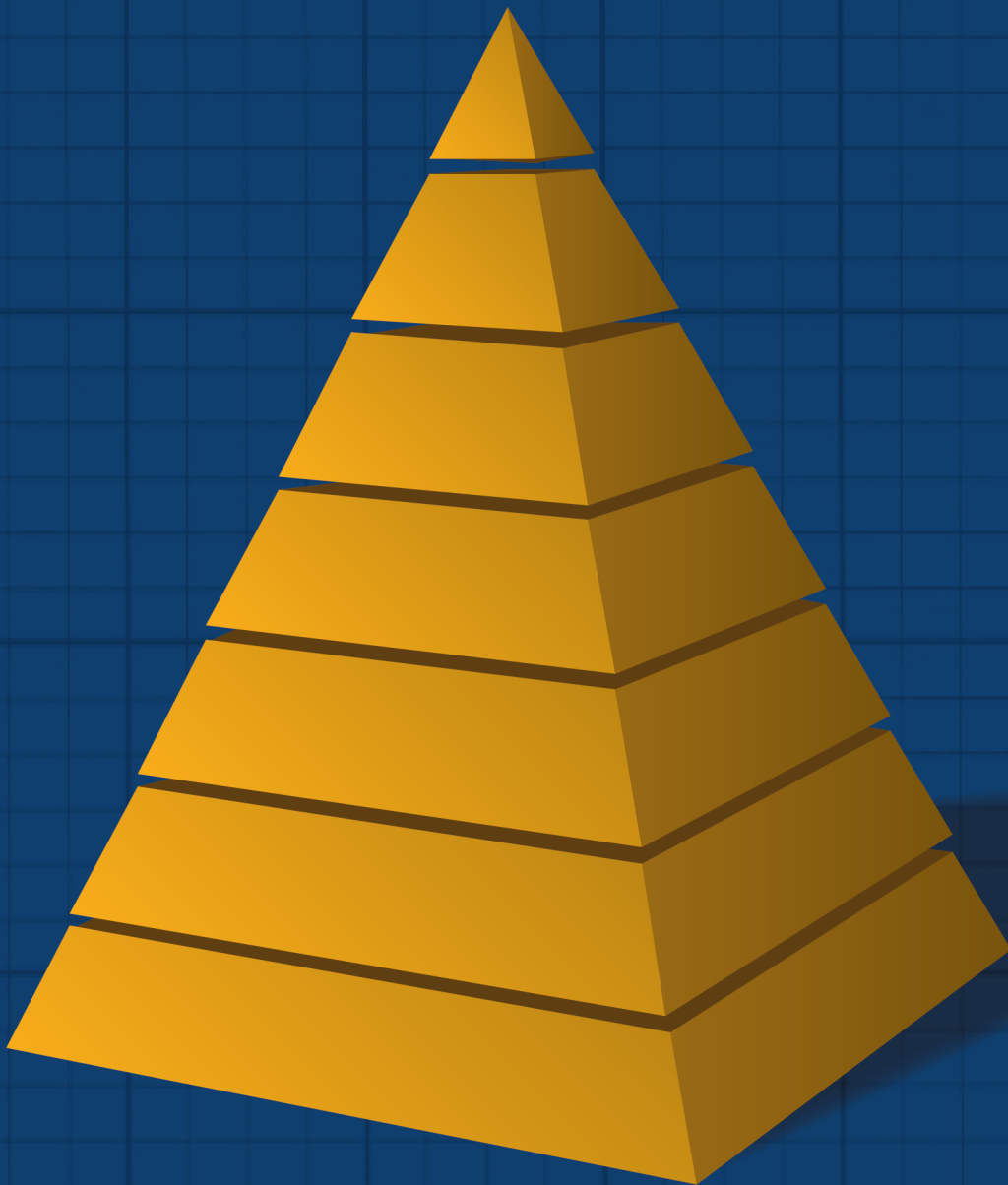


TECHNO FUNDA

Super 7 Picks - May 2023



B P W E A L T H



Techno Funda Report - May 2023

Performance Tracker January 2023

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	AMARAJABAT	Buy	540.5	606	SL triggered
2	BATAINDIA	Buy	1895	2130	SL triggered
3	BHARATFORG	Buy	775	875	Profit booked at 840
4	CIPLA	Buy	1050	1180	Target Achieved
5	GODREJCP	Buy	935	1070	SL triggered
6	MPHASIS	Buy	2140	2415	SL triggered
7	SBIN	Buy	550	610	Profit booked at 585

Techno Funda Return For January, 2023 : 0.31% , Nifty Return For January, 2023 : 0.40%

Performance Tracker February 2023

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	COFORGE	Buy	4303	4780	Exit at 4341
2	COROMANDEL	Buy	901	1000	Profit Booked at 921
3	EICHER MOTORS	Buy	3275	3700	Exit at 3147
4	EXIDE INDS	Buy	178	198	Profit Booked at 184
5	HINDUNILEVER	Buy	2601	2830	Exit at 2490
6	MGL	Buy	884	974	Target Achieved
7	ULTRATECHCEM	Buy	7072	7900	Profit Booked at 7216

Techno Funda Return For February, 2023 : 1.58% , Nifty Return For February, 2023 : -0.88%

Performance Tracker March 2023

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	ABCAPITAL	Buy	152.50	172	SL Triggered
2	ASIAN PAINTS	Buy	2802	3100	Exit at 2809
3	CROMPTON	Buy	307	350	SL Triggered
4	MUTHOOTFINANCE	Sell	934	800	SL Triggered
5	TORRENTPOWER	Buy	511	565	Profit Booked at 530
6	VBL	Buy	1339	1520	Profit Booked at 1425
7	ZYDUSLIFE	Buy	473	525	Profit Booked at 503

Techno Funda Return For February, 2023 : -0.33% , Nifty Return For March, 2023 : 0.66%

Performance Tracker April 2023

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	AB CAPITAL	Buy	157	170	Target Achieved
2	DR REDDY	Buy	4852	5158	Profit Booked
3	GODREJ CP	Buy	953	1054	SL Triggered
4	INDHOTEL	Buy	328	347	Target Achieved
5	INDIAMART	Buy	5391	5715	Profit Booked 5625
6	MGL	Buy	991	1055	Exit at 1003

Techno Funda Return For April, 2023 : 3.1% , Nifty Return For April, 2023 : 1.59%



Techno Funda Report - May 2023

Index

Company	Recommendation	Price (Rs)	Entry Range (Rs)	Target Price (Rs)	Stop Loss (Rs)	Page No.
ABCAPITAL	BUY	167	165-162	179	156	1
CUMMINSIND	BUY	1600	CMP-1570	1740	1508	2
COROMANDEL	BUY	948	CMP-922	1015	895	3
HAL	BUY	2938	CMP-2870	3165	2774	4
INDIANBANK	BUY	325	CMP-319	348	301	5
JINDALSTEL	BUY	592	CMP-581	632	559	6
RECL	BUY	136	134-128	144	125	7

Technical View (Weekly Chart)



Execution Data

Target (Rs)	179
Stop loss (Rs)	156
Buying Range (Rs)	165-162
Last Close Price (Rs)	167
% change Weekly	0.45

Weekly Oscillator Direction

13 WMA	UPWARD
21 WMA	UPWARD
50 WMA	UPWARD
RSI	BUY MODE
MACD	BUY MODE

Technical View

1. The price action rallied 274% from the all time lows of 37 levels. It underwent a 89 week long gestation period which indicates modest accumulation fueling for further upside.
2. The prior trend has shown its ability to rise in price and indicates buying interest in the stock.
3. The breakout from the gestation period in the form of rounding bottom was eventuated on monumental volume.
4. It formed a darvas box on improving relative performance compared to Nifty 50 after breaking out which is anticipated as another base of accumulation. It has potentially pierced above the darvas ceiling and thus we reckon a buy on the stock.

We recommend to BUY AB Capital from 165-162 for the target of 179 with a stop loss of 149 in short term

Investment Rationale

Strong performance in the NBFC business backed by a higher focus on Retail and SME mix

The NBFC business of Aditya Birla Capital Ltd. (ABCL) registered a 47% year-on-year (YoY) growth in its overall loan book to Rs.72, 994 crores. This increase in the overall loan book was driven by the company's aim to increase the focus on its Retail and SME segments wherein it recorded a 59% YoY growth in its loan book. Additionally, in Q3FY23 the share of the Retail and SME mix rose to 73% of the total disbursements. The total disbursements doubled to Rs. 13,099 crores in Q3FY23 compared to Rs. 6,623 crores in Q3FY22.

Robust growth in the First Year Premium (FYP) and healthy expansion of VNB margins in the Life Insurance Business

The Company's Life Insurance business segment recorded a 25% YoY growth in its FYP to Rs. 1,824 crores in 9MFY23 which is significantly higher than the industrial growth rate of 16%. Additionally, the total renewal premium grew at a 20.5% CAGR between the 9MFY21-9MFY23 period. Moreover, the Net VNB margins expanded by 430 bps YoY to 15.5% in 9M FY23, and the business recorded a consistent improvement in its persistency ratios as well (13th-month persistency stood at 86% compared to 84% a year ago).

Sector Outlook

Neutral

Stock

BSE code	540691
NSE Symbol	ABCAPITAL
Bloomberg	ABCAP IN
Reuters	ADTB.BO

Key Data

Nifty	18,148
52WeekH/L(Rs)	170/86
O/s Shares (mn)	2418
Market Cap (Rs bn)	407
Face Value (Rs)	10

Average volume

3 months	34,03,110
6 months	42,54,020
1 year	39,95,850

Technical View (Weekly Chart)



Execution Data

Target (Rs)	1740
Stop loss (Rs)	1508
Buying Range (Rs)	CMP-1570
Last Close Price (Rs)	1600
% change Weekly	1.56

Weekly Oscillator Direction

13 WMA	UPWARD
21 WMA	UPWARD
50 WMA	UPWARD
RSI	BUY MODE
MACD	BUY MODE

Technical View

- On the weekly chart, The stock has formed progressive Higher Highs and Higher lows which denotes the bullish trend in the stock with medium term perspective.
- Stock witnessed shallow correction post hitting an all time high, which got arrested around rising 20 WEMA. In the past, for multiple instances, price has bottomed around the 20 WEMA suggesting recent trough to act strong support and price to resume its prior uptrend.
- Around the same juncture, price has support of rising trendline and its previous resistance zone.
- The Relative line is trading inching north, highlights stock outperforming the head index.

We recommend to BUY CUMMINSINDS at CMP-1570 for the target of 1740 with a stop loss of 1508 in short term

Investment Rationale

Strong revenue growth prospects

Cummins India achieved strong revenue growth of 25% YoY in Q3FY23 despite supply chain constraints, with both domestic (industrial) segment picking up as orders from railways increase, and export demand is aided by the fit-to-market product launch strategy. Moreover, a recent investment of USD 1 billion by the global parent is likely to provide further technological and execution prowess to the group going forward. The company's EBITDA margin remained robust at an industry-leading 18.9%, indicating high localization and market share, and healthy pricing power.

Positive long-term outlook

Cummins India expects to deliver sustainable long-term growth even post the pre-buying in Q4FY23 and Q1FY24 due to CPCB4-related price hikes (~30-50%), on the back of industrial capex including data centers, infrastructure, real estate, and hospitality. The company has recently launched fuel-agnostic engines, addressing a key concern for the power generation business, and the management is confident of delivering sustained growth over the next two-three years.

Sector Outlook

Neutral

Stock

BSE code	500480
NSE Symbol	CUMMINSIND
Bloomberg	KKC IN
Reuters	CUMM.BO

Key Data

Nifty	18,148
52WeekH/L(Rs)	1707/947
O/s Shares (mn)	277
Market Cap (Rs bn)	445
Face Value (Rs)	2

Average volume

3 months	7,40,640
6 months	7,10,020
1 year	6,46,490

Technical View (Daily Chart)



Execution Data

Target (Rs)	1015
Stop loss (Rs)	895
Buying Range (Rs)	CMP-922
Last Close Price (Rs)	948
% change Weekly	0.60

Weekly Oscillator Direction

13 WMA	FLAT
21 WMA	FLAT
50 WMA	UPWARD
RSI	BUY MODE
MACD	BUY MODE

Technical View

- The stock bottomed out in late January 2023 around 854 levels. Post forming a bottom, price turned sideways and traded in defined range of 90 points, ranging from 925 to 855 levels.
- Recently the stock eventuated a breakout from the same indicates bullish bias for short to medium term trend.
- From the price pattern perspective, stock has staged a breakout from bullish Double bottom price pattern
- Also, The low formed at 854, coincided with PRZ of Bullish Reciprocal AB=CD Harmonic Pattern and 100 WEMA highlights robust chart structure

We recommend to BUY COROMANDEL at CMP-922 for the target of 1015 with a stop loss of 895 in short term

Investment Rationale

Strong growth and margin outlook in the manufactured fertilizers segment

Coromandel International has shown impressive revenue and EBITDA growth in Q3FY23, driven by strong performance in the fertilizer business. The company has revised its EBITDA/MT guidance upwards to Rs 5,500-6,000/MT, indicating a positive outlook for its margins. Additionally, the management is confident of maintaining this EBITDA/MT range going forward, aided by benefits of backward integration in phosphoric acid, sulphuric acid, and rock phosphate. This suggests a strong growth potential for the company.

New product launches and branding initiatives to support growth

In addition to its strong performance in the fertilizers segment, CRIN is also investing in R&D and distribution expansion to identify and launch new off-patented molecules. The company has already launched seven new formulations in the crop protection segment in 9MFY23, with plans to launch two new technical and three new formulations in 4QFY23. With a renewed focus on branding its products in both the nutrition and crop protection segments, CRIN is well-positioned to expand its market share and generate strong revenue growth in the medium to long term.

Sector Outlook

Neutral

Stock

BSE code	506395
NSE Symbol	COROMANDEL
Bloomberg	CRIN IN
Reuters	CORF.BO

Key Data

Nifty	18,148
52WeekH/L(Rs)	1094/838
O/s Shares (mn)	294
Market Cap (Rs bn)	278
Face Value (Rs)	1

Average volume

3 months	3,40,700
6 months	4,46,020
1 year	5,30,430

Technical View (Daily Chart)



Execution Data

Target (Rs)	3165
Stop Loss (Rs)	2774
Buying Range (Rs)	CMP-2870
Last Close Price (Rs)	2938
% change Weekly	0.62

Weekly Oscillator Direction

13 WMA	UPWARD
21 WMA	UPWARD
50 WMA	UPWARD
RSI	BUY MODE
MACD	BUY MODE

Technical View

1. The price action is showing tightening of the trading range by means of price and time taken.
2. This also indicates volatility compression. The 50 period comparative volatility shows reading near the lower levels on declining magnitude and so the probability of any unruly move is less likely.
3. This kind of contraction on improving relative performance compared to the 50 index is a healthy sign of garnering bullish strength before a potential upside rally begins.
4. The price action has taken out crucial pivotal resistance on tepid volumes.
5. The RSI is trading neutrally above their 60 readings on daily and higher timeframe and show no divergence against the price. This suggests room for further thrust in the price momentum.

We recommend to **BUY HAL** at **CMP-2870** for the **target of 3165** with a **stop loss of 2774** in short term.

Investment Rationale

Revenue visibility on strong order book

Hindustan Aeronautics Ltd. (HAL) recorded a strong order book of Rs. 82,000 crores as of 31st March 2023. During the fiscal year, the company added fresh contracts worth Rs. 26,000 crores which included manufacturing contracts for 70 HTT-40, 6 Do-228 Aircraft, and PSL V launch vehicles. Moreover, the company was rewarded ROH contracts worth Rs.16,600 crores. In FY23, the company registered its highest revenue of Rs. 26,500 crores, posting an 8% growth compared to the previous fiscal year. Thus, with a robust pipeline in place and expectations of a fair execution, we remain optimistic about the future revenue growth trajectory of the company.

Government's significant push toward the Aerospace & Defence industry

The defence budget increased to Rs. 5.94 lakh crores for FY24 from last year's allocation of Rs. 5.25 lakh crores. A total of Rs 1.62 lakh crores has been set aside for capital expenditure which includes purchasing new weapons, aircraft, warships, and other military hardware which makes well-established players like HAL a direct beneficiary of this move. Additionally, the government is focusing on developing civil MRO opportunities in India. Tapping into this growing space, the company has strategically emphasized diversifying into the civil market for both manufacturing and MRO opportunities going ahead. Further, the company also aims to strengthen its presence in the global markets as well.

Sector Outlook

Positive

Stock

BSE code	541154
NSE Symbol	HAL
Bloomberg	HNAL IN
Reuters	HIAE.BO

Key Data

Nifty	18,148
52WeekH/L(Rs)	2,958/1,468
O/s Shares (mn)	334
Market Cap (Rs bn)	983
Face Value (Rs)	10

Average volume

3 months	14,46,020
6 months	11,52,020
1 year	11,28,980

Technical View (Weekly Chart)



Execution Data

Target (Rs)	348
Stop Loss (Rs)	301
Buying Range (Rs)	CMP-319
Last Close Price (Rs)	329
% change Weekly	2.09

Weekly Oscillator Direction

13 WMA	UPWARD
21 WMA	UPWARD
50 WMA	UPWARD
RSI	BUY MODE
MACD	BUY MODE

Technical View

1. The price action has risen over 650% after hitting the rock-bottom in March 2020 and has offered multiple entry and long opportunities.
2. The price action has the tendency to scale up, base to garner further strength and continue to surge.
3. On that note the price action recently came out of its gestation period as it consolidated ahead the crucial pivotal resistance.
4. The sideways trend caused equilibrium between the buyers and sellers and gradually the buyers emerged stronger which has led to a trend continuation.
5. The stock also qualifies all the CANSLIM model criteria.

We recommend to BUY INDIAN BANK between CMP-319 for the target of 348 with a stop loss of 301 in short term.

Investment Rationale

Robust improvement in asset quality

Indian Bank posted impressive financial performance for the past seven quarters, with healthy levels of capitalization and liquidity. The bank's asset quality improved in Q3FY22, with Gross NPAs and Net NPAs reducing by 260 bps and 172 bps to 6.5% and 1.0%, respectively. The bank's PCR ratio grew to 85% in Q3FY23 from 72% in Q3FY22, reflecting prudent risk management practices.

Diversified portfolio and focus on margins

Indian Bank has a diversified portfolio of lending products, which includes corporate, retail, agri and SME/MSME lending. The bank has a strong focus on achieving growth without compromising on margins, so would avoid chasing growth in its corporate book and rather continue to focus on growing its RAM book (Retail, Agri, MSME). We believe that prudence in growing the loan book in a rising interest rate environment would prove beneficial for the company going forward.

Sector Outlook

Positive

Stock

BSE code	532814
NSE Symbol	INDIANB
Bloomberg	INBK IN
Reuters	INBA.BO

Key Data

Nifty	18,148
52WeekH/L(Rs)	331/137
O/s Shares (mn)	1,245
Market Cap (Rs bn)	410
Face Value (Rs)	10

Average volume

3 months	16,47,450
6 months	22,68,900
1 year	20,25,550

Technical View (Weekly Chart)



Execution Data

Target (Rs)	632
Stop Loss (Rs)	559
Buying Range (Rs)	CMP-581
Last Close Price (Rs)	592
% change Weekly	1.70

Weekly Oscillator Direction

13 WMA	FLAT
21 WMA	FLAT
50 WMA	UPWARD
RSI	BUY MODE
MACD	BUY MODE

Technical View

1. The metal stock in the past corrected about 47% in 49 trading sessions while it saw a strong upmove of ~105% in 153 trading sessions. It again slipped 15% amidst profit booking as it took a breather after an extended upmove.
2. The prior trend has shown its ability to rise in price and indicates buying interest in the stock.
3. As the general market remained corrective, the price action of JSPL based to form a cup and handle schematic also considered as trend continuation technical pattern. It has also given a fresh bullish breakout.
4. The RSI across its daily and higher timeframes are trading neutrally above their median and show no divergence against the price. This also indicates room for further thrust in the price momentum. Hence sustenance above the current readings can attract further bullish momentum.

We recommend to **BUY JSPL at CMP-592 for the target of 632 with a stop loss of 559 in short term.**

Investment Rationale

Strong financial performance and diversified business portfolio

Jindal Steel and Power has demonstrated strong financial performance over the past few years. The company has reported consistent revenue growth, with a CAGR of 14.6% over the past five years. The company has also been reducing debt and improving its debt-to-equity ratio, which is a positive sign for investors. Jindal also has a diversified business portfolio that includes steel and power production, mining, and infrastructure which provides range of revenue streams and a degree of protection against downturns in any one sector.

Healthy capex plans to drive business performance

Jindal Steel and Power has ambitious expansion plans that could lead to significant growth opportunities in the future like the upcoming capacity expansion of 6mtpa at Angul (Odisha), acquisition of Monnet Power Company's assets and commissioning of a 6mtpa pellet plant in Q4FY23 which will result in higher pellet sales from Barbil (Odisha). In addition, the company has plans to expand its footprint in the international market which would provide access to new customers and markets. The recent withdrawal in export duty for steel will be a positive for the overseas business and might see a healthy order pipeline of export orders.

Sector Outlook

Positive

Stock

BSE code	532286
NSE Symbol	JINDALSTEEL
Bloomberg	JSP IN
Reuters	JNSP.BO

Key Data

Nifty	18,148
52WeekH/L(Rs)	623/304
O/s Shares (mn)	1,020
Market Cap (Rs bn)	604
Face Value (Rs)	1

Average volume

3 months	24,20,400
6 months	31,25,170
1 year	46,03,30

Finance Term Lending

Technical View (Weekly Chart)



Execution Data

Target (Rs)	144
Stop loss (Rs)	125
Buying Range (Rs)	134-128
Last Close Price (Rs)	136
% change weekly	3.25

Weekly Oscillator Direction

13 WMA	UPWARD
21 WMA	UPWARD
50 WMA	UPWARD
RSI	BUY MODE
MACD	BUY MODE

Technical View

1. The price action had been trading in a multi-year consolidation on elevated swings longs with every contraction it witnessed from the crucial supply zone near 127 levels.
2. The elevated lows and shriveling of price depth and reducing time for every contraction is a potential sign of accumulating the available supply in the market.
3. This also suggest smart money participation in the stock. It managed to stage bullish breakout after a long gestation period on a tepid note.
4. The price action showed resilience to further supply amidst hostile market environment in the recent times which suggests strength in the price action.

We recommend to BUY RECL between 134-128 for the target of 144 with a stop loss of 125 in short term.

Investment Rationale

Second largest lender in the power sector

REC plays a major role in various power sector schemes of the Government of India and has recently been conferred 'Maharatna' status by the government, the highest recognition for a public sector company. REC has been focusing on expanding its book size in the renewable energy segment, which is in line with the government's plan for the sector. The recent approval from the power ministry for power finance companies to lend to infrastructure and logistic sectors further expands REC's lending opportunities. These efforts to diversify its lending portfolio and focus on high-growth areas could contribute to REC's revenue growth over time.

Improving financials and strong resource profile

REC's financials have been improving with sufficient capital adequacy levels, diversified resource profile, and declining NPAs. The company has been paying consistent dividends and is one of the top 15 highest dividend-paying companies in the listed space. The company has also been able to raise funds at competitive rates from various sources, such as long-term bonds, bank loans, and infrastructure bonds. This suggests that the company is well-positioned to support its business growth and investment plans in the future.

Sector Outlook

Neutral

Stock

BSE code	532955
NSE Symbol	RECLTD
Bloomberg	RECL IN
Reuters	RURL.BO

Key Data

Nifty	18,148
52WeekH/L(Rs)	138/82
O/s Shares (mn)	2,633
Market Cap (Rs bn)	359
Face Value (Rs)	10

Average volume

3 months	73,92,230
6 months	96,05,420
1 year	71,83,870



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