

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	19517	19303	19887	19140	18229	19303-19795	Sell between 19595-19621. Targets at 19303/19101. Stop at 19801.
BANK NIFTY	44880	43651	46001	44660	42599	43771-45991	Sell at CMP. Targets at 43651/42901/42351. Stop at 46551.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
COROMANDEL	1043	917	1107	963	929	Positive	Incorporated in 1961, CRIN is India's second-largest phosphatic fertiliser producer, the leading producers of NPK and SSP grade fertilizers, primarily operates in A) Specialty nutrients and other allied business B) Crop protection. CRIN's domestic phosphatic fertiliser market commands a share of 15%, while it has a significant presence in South India with a market share of 55-60%. The key positive catalyst in favor of CRIN is the government's drive to double farm incomes. Robust earning quite likely on hope of normal southwest monsoon in the current year as that augurs well for the consumption of fertilizers and agrochemicals. A potential entrance exists at CMP, and on dips between 975-990 zone, targeting 1107/1200 and then at psychological 1250 mark. Stop at 917. Holding period 9-12 Months.

CMP	1043
Target Price	1107
52 Week H/L	1094/838
P/E	15.01
EPS	69.45
ROE	28.78%
Book Value	284.03
Market Cap (INR)	30692.97 crores

Daily Chart of COROMANDEL :



BUY COROMANDEL (CMP 1043): Targets at 1107.

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Coromandel International Ltd (CRIN) was incorporated in 1961 by strong parentage of Murugappa group now has a market cap of Rs. 30,693 crores.

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- Specialty nutrients and other allied business.
- Crop protection.

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CRIN is the fifth-largest manufacturer of crop protection products with 10,000 dealers and over 60 brands.

Despite the challenging business environment resulting from a delayed monsoon that affected crop sowings and agri-input applications, Coromandel posted a steady performance in Q1, registering strong volume growth and maintaining profitability.

CRIN reported a slight 1% decrease in its consolidated net profit for the first quarter of 2023-24, with a profit of Rs 494 crore compared to Rs 499 crore for the same quarter in 2022. Coromandel's total income for the quarter ended June 2023 was also down marginally to Rs 5,738 crore versus Rs 5,783 crore for the quarter ended June 2022.

The key positive catalyst in favor of CRIN is the government's drive to double farm incomes. The parliament passing the three agricultural reform bills should improve price discovery, better storage infrastructure, and most importantly, provide farmers the opportunity to sell directly to companies.

Robust earning quite likely on hope of normal southwest monsoon in the current year as that augurs well for the consumption of fertilizers and agrochemicals. Also, the increasing share of unique-grade fertilizers and crop protection products should help tremendously in profit growth with long term perspective. CRIN is also in the process of de-bottlenecking its fertilizer plants, which will further increase its manufacturing capacities.

The strong fundamental story remains intact amidst increasing farmers' awareness about having balanced nutrients in crops, shift from urea to complex fertilizers and higher crop protection revenue.

Technically, brace yourselves with a probable 'Flag Pattern' breakout play on the monthly/quarterly time frames. The sequence of higher high/low is intact on time-frame. An impulse uptrend is seen forming on the weekly time scale too, with positive SAR series.

Add to that a bullish divergence and a rising stochastic signal (on daily charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 939 zone. The level of 939-950 zone will act as a strong support zones and any corrective declines to these levels offer opportunities to initiate aggressive long positions.

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Mehta Equities

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102