

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	19428	19303	19791	19240	18281	19303-19795	Sell at CMP Targets at 19303/19101/18851. Stop at 19791.
BANK NIFTY	44199	42751	46001	44715	42716	43771-45991	Sell at CMP. Targets at 43351/42751/41901. Stop at 46001.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
AVANTI FEEDS	410	343	471	397	387	Positive	Avanti Feeds is the leading manufacturer of shrimp feeds and Shrimp Processor with a capacity of 7,75,000 MT, and Shrimp Processor & Exporter with a capacity of 22,000 MT. The firm also commands a 45% market share in domestic shrimp feed market. The firm was incorporated in the year 1993 and is now having a market cap of Rs 5581 Crores. The company's strong cash rich balance sheet and most importantly, the high return ratios work in favor of long term investors. The other positive catalyst in favour of the firm at the moment are good monsoon and remarkably stable Soya DOC prices. A potential entrance exists at CMP, and on dips between 350-360 zone, targeting 471/500 mark and then aggressive targets at 521 mark. Stop below 343

CMP	410
Target Price	500
52 Week H/L	527.85/321.10
P/E	20.77
EPS	19.73
ROE	13.78%
Book Value	136.31
Market Cap (INR)	5580.62 crores

Daily Chart of AVANTI FEEDS :



BUY AVANTI FEEDS (CMP 410): Targets at 500.

Avanti Feeds is the leading manufacturer of shrimp feeds and Shrimp Processor with a capacity of 7,75,000 MT, and Shrimp Processor & Exporter with a capacity of 22,000 MT. The firm also commands a 45% market share in domestic shrimp feed market. The firm was incorporated in the year 1993 and is now having a market cap of Rs 5581 Crores.

Avanti Feeds started commercial operations in 1993 in technical collaboration with Pingtai Enterprises, Taiwan. The firm is now primarily a major exporter from India. The company produces international quality feeds for shrimp and fish in collaboration with world renowned shrimp & Fish feed manufacturers Thai Union Feed Mill Co.Ltd., Thailand and Pingtai Enterprises Co.Ltd., Taiwan. Shrimp feed is marketed under the brand name Profeed, Titan, Manamei and Champ while fish feed is marketed under the brand name Mermaid. The feed are sold in India and Bangladesh and contributes 78% of turnover. Additionally, in shrimp processing our penetration into the markets of the USA, Asia, EU and Canada has experienced increased traction, resulting in a significant boost to our overall performance.

Avanti has enhanced technical and marketing capabilities by bringing on board Thai Union Frozen Products PCL., Thailand, the world's largest seafood manufacturers and also having Feed Mill and Prawn Hatchery in Thailand. At the moment, Thai Union holds 24.21% stake in the company.

In addition to Avanti Feeds' core business, they operate four windmills located in Karnataka State, generating a total capacity of 3.2 MWs. During FY23, these windmills generated 47.95 lakh units, slightly lower than the previous year's 48.09 lakh units. The power generated was successfully sold to Karnataka Power Transmission Corporation Limited (KPTCL) under the Power Purchase Agreement (PPA).

The Indian aquaculture market reached a size of 12.4 million tonnes in 2022. According to market Analysts the country will be able to sustain an average CAGR of over 8% during 2023-28 to reach a market size of 20 million tonnes by 2028. The country achieved a record fish production of 162.48 lakh tonnes during 2021-22 with an impressive growth rate of 10.34%. The shrimp culture also showed huge promise with operations and conditions progressing smoothly in both the seasons. After a difficult time on the export front during 2022, the seafood exports are still facing challenges in 2023 and the industry forecast is that the year 2024 would be favourable for the industry. India is the unrivalled global leader in shrimp exports, with a vast farming area of 160,000 hectares, establishing its dominance in the market

The company's strong cash rich balance sheet and most importantly, the high return ratios work in favor of long term investors. The other positive catalyst in favour of the firm at the moment are good monsoon and remarkably stable Soya DOC prices. Please note, major raw materials for shrimp feeds are Soya DOC and Fish meal.

The Union Budget for 2023-24 too has given a boost to the aquaculture sector. The Pradhan Mantri Matsya Sampada Yojana (PMMSY), a new flagship programme with a significant investment of ` 20,050 Crores (US \$ 2.46 billion) for the growth and expansion of the fisheries sector in the nation, was recently unveiled by the Indian government

Technically, downside seen well supported at 350-365 zone. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 385-387 zone.

A potential entrance exists at CMP, and on dips between 350-360 zone, targeting 471/500 mark and then aggressive targets at 521 mark. Stop below 343.

Mehta Equities

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