

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	19795	19475	20001	19583	18771	19575-19999	Buy at CMP. Targets at 19999/20251/20510. Stop at 19475.
BANK NIFTY	43769	42651	45001	44052	43355	42961-45001	Buy at CMP. Targets at 45001/45651/46201. Stop at 42651.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
COROMANDEL INTERNATIONAL	1135	975	1201	1119	1002	Positive	Incorporated in 1961, Coromandel International Ltd (CRIN) is amongst India's pioneers and leading Agri solutions provider, offering diverse products and services across the farming value chain. It operates in two major segments: Nutrient and other allied businesses and Crop Protection. These include Fertiliser, Crop Protection, Bio Products, Specialty Nutrients and Organic businesses. 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 1025-1050 zone, targeting 1167/1200 and then at psychological 1250 mark. Stop at 989. Holding period 9-12 Months.

CMP	1135
Target Price	1200
52 Week H/L	1185/838
P/E	16.16
EPS	70.25
ROE	28.78%
Book Value	304.76
Market Cap (INR)	33,415.14 crores

Daily Chart of COROMANDEL INTERNATIONAL :



BUY COROMANDEL INTERNATIONAL (CMP 1135): Targets at 1200.

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

CRIN Coromandel International Limited is amongst India's pioneers and leading Agri solutions provider, offering diverse products and services across the farming value chain. It operates in two major segments: Nutrient and other allied businesses and Crop Protection. These include Fertiliser, Crop Protection, Bio Products, Specialty Nutrients and Organic businesses.

The Company is 2nd largest manufacturer and marketer of Phosphatic fertiliser in India. The Company's Crop Protection products are marketed in India as well as in international geographies, offering wide range of technical and formulation products. The Specialty Nutrients business of the Company focuses on water soluble fertiliser and secondary & micronutrients segments. The Company is leading marketer of Organic fertiliser in India. The Bio Products business of the company focusses on plant extractions for various applications. It also operates a network of around 750+ rural retail outlets across Andhra Pradesh, Telangana and Karnataka. Through these Retail outlets, the Company offers farming services including crop advisory, soil testing and farm mechanization to around 3 million farmers.

The Company has a strong R&D and Regulatory setup, supporting the businesses in process development and new product introduction. The Company has 18 manufacturing facilities, producing wide range of Nutrient and Crop Protection products, which are marketed through an extensive network of dealers and its own retail centers.

The Company clocked a turnover of Rs.29,799 Crores during FY22-23. Its efforts towards environment have been well recognized by international organizations like UNDP and has also been voted as one of the ten greenest companies in India by TERI. Coromandel is a part of the INR 742 billion (INR 74,220 Crores) of the Murugappa Group.

Coromandel posted a robust performance in the quarter ended 30th September 2023., registering strong volume, growth, maintaining profitability, primarily led by high subsidy and MRP in the Nutrients business and volume led growth in others. The agricultural environment remained favourable in most of the key operating markets with above average monsoon, normal crop sowing coupled with favourable policies from the Government.

Highlights – Standalone Results:

- Total Income in Q2 was at Rs. 7,031 Cr vs Rs. 10,140 Cr over previous year, registering a de-growth of 31%
- EBITDA for Q2 was Rs. 1,064 Cr vs. Rs. 1,055 Cr in Q2 of previous year, registering a growth of 1%
- PAT for Q2 was Rs. 762 Cr vs Rs. 738 Cr in Q2 of previous year, registering a growth of 3%.
- Total Income in H1 was at Rs. 12,771 Cr vs Rs. 15,916 Cr over previous year, registering a de-growth of 20%
- EBITDA in H1 was at Rs. 12,771 Cr vs Rs. 15,916 Cr over previous year, registering a de-growth of 20%
- PAT for H1 was Rs. 1,267 Cr vs Rs. 1,234 Cr in H1 of previous year, registering a growth of 3%

Coromandel's total income for the quarter ended September 2023 was at Rs. 7,033 Cr vs. Rs. 10,145 Cr for the quarter ended September 2022. The profit after tax for the quarter was at Rs. 755 Cr as against Rs. 741 Cr for the quarter ended September 2022.

Coromandel's total income for the first half was at Rs. 12,771 Cr vs. Rs. 15,927 Cr in the corresponding period of the previous year. The profit after tax for the first half was at Rs. 1,249 Cr as against Rs. 1,240 Cr in the corresponding period of the previous year.

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 above average monsoon, normal crop sowing in the current year as that augur 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 1030 zone. The level of 1030-1050 zone will act as a strong support zones and any corrective declines to these levels offer opportunities to initiate aggressive long positions.

A potential entrance exists at CMP, and on dips between 1025-1050 zone, targeting 1167/1200 and then at psychological 1250 mark. Stop at 989. Holding period 9-12 Months.

Mehta Equities

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