

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	22476	22198	22775	22292	20782	22275-22744	Buy at CMP. Targets at 22801/23001. Aggressive targets at 23251 zone. Stop at 22175
BANK NIFTY	48924	47625	50001	47504	45830	47905-49851	Buy at CMP. Targets at 49651/50101/51000. Stop at 47551

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
BALRAMPUR CHINI	392	341	450	376	401	Positive	<p>Balrampur Chini Mills (BCM) was incorporated in the year 1975 and now having a market cap of Rs 7884 Crore — is one of the largest integrated sugar manufacturing companies in India — in a largest sugar consuming country. Meanwhile, BMC possesses a cane crushing capacity of 80,000 tonnes per day, distillery capacity of 1050 KL per day and saleable co-generation capacity of 175.7 megawatts. The Company has commissioned four distilleries in Balrampur, Babhnan, Mankapur and Gularia with a production capacity of 560 KLPD. The Company's distillery capacity is majorly dedicated to the production of ethanol for blending it with petrol and is supplied to Oil Marketing Companies. The total distillation capacity of the Company now stands at 1050 KLPD. The Company has a co-generation capacity of 278.47 megawatts India's sugar consumption this year is poised to hit a record high as demand during the peak summer season gets a boost from heat waves and the mobilisation of millions for elections in the scorching temperatures. Higher consumption would lift local prices and boost margins of sugar producers such as Balrampur Chini.</p> <p>Simply buy at CMP, and on dips between 345-360 zone, targeting 421/450 mark and then aggressive targets at psychological 500 mark. Stop below 341. Holding Period: 3-5 Months.</p>

BUY BALRAMPUR CHINI at CMP 392. Target 450

CMP	392
Target Price	450
52 Week H/L	485.8/343.45
P/E	16.28
EPS (TTM)	24.12
Promoter Holding/DIIs/FIIs	42.9/32/11.3
Book Value	154.84
Market Cap (INR)	7,921.68 crores

Daily Chart of BALRAMPUR CHINI :



Balrampur Chini Mills (BCM) was incorporated in the year 1975 and now having a market cap of Rs 7900 Crore — is one of the largest integrated sugar manufacturing companies in India — in a largest sugar consuming country. Meanwhile, BMC possesses a cane crushing capacity of 80,000 tonnes per day, distillery capacity of 1050 KL per day and saleable co-generation capacity of 175.7 megawatts. The Company has commissioned four distilleries in Balrampur, Babhnan, Mankapur and Gularia with a production capacity of 560 KLPD. The Company's distillery capacity is majorly dedicated to the production of ethanol for blending it with petrol and is supplied to Oil Marketing Companies. The total distillation capacity of the Company now stands at 1050 KLPD. The Company has a co-generation capacity of 278.47 megawatts.

India's sugar consumption this year is poised to hit a record high as demand during the peak summer season gets a boost from heat waves and the mobilisation of millions for elections in the scorching temperatures.

Higher consumption is likely to lift local prices and boost margins of sugar producers such as Balrampur Chini. The Company has grown its capacity by well-planned capacity expansion projects and the acquisition of existing companies.

By leveraging synergies between the Sugar and Distillate segments, BCM continues to maintain a solid balance sheet and generates healthy cash flows and has historically produced a high payout for shareholders through dividends and share buybacks. BCM strong balance sheet is primarily driven by structural changes in the industry and increased focus on working capital management. Improved working capital management also helped the firm maintain its ROCE at ~15% in the past three years.

BCM reported strong financial and operational performance in Q3FY2024, a 97% jump in consolidated net profit to Rs 91.32 crore on the back of better margins, against Rs 46.28 crore profit registered in the corresponding quarter last year.

Revenue from operations for the quarter ended was Rs 1230.39 crore as against Rs 981.16 crore in the corresponding quarter of the last year, representing an increase of 25%

Technically, brace yourselves for an oversold conditions play on the weekly time frames. The stock price should now attempt to rebound on the daily/weekly time-frame. An impulse uptrend quite likely above 410 mark. Above 410 mark positive SAR series likely.

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 400 zone. The level of 400-410 zone will act as a hurdle zone and any successive close above 410 will bigger buying momentum for aggressive long term investors.

Simply buy at CMP, and on dips between 355-360 zone, targeting 421/450 mark and then aggressive targets at psychological 500 mark. Stop below 341. Holding Period: 3-5 Months.

Mehta Equities

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