

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	19332	19055	19512	18579	17990	19101-19500	Buy only above 19512. Targets at 19650/19751. Stop at 19055.
BANK NIFTY	44925	43451	46251	43936	42003	43651-46001	Buy at CMP. Targets at 45651/46001/46251. Stop at 43401.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
GAIL	111	93	130	107	99	Positive	GAIL (India) Limited is a Government of India undertaking, and India's leading natural gas company with diversified interests across the natural gas value chain of trading, transmission, LPG production & transmission, LNG re-gasification, petrochemicals, city gas, E&P, etc. It owns and operates a network of around 15413 km of natural gas pipelines spread across the length and breadth of country. GAIL commands ~70% market share in gas transmission and has a Gas trading share of over ~ 50% in India. The positive catalyst in favour of GAIL in FY 24 is expected earnings recovery across business segments on backdrop of stabilising global LNG supplies and prices. <b>Look to buy at CMP, and on any corrective dips between 100-102.50 zone, targeting 121/130 zone and then aggressive bigger 15-18 months targets at 175 mark. Stop at 93</b>

CMP	111
Target Price	130
52 Week H/L	189.30/80.35
P/E	13.73
EPS	8.06
ROE	20.28
Book Value	77.35
Market Cap (INR)	72786.35 crores

Daily Chart of GAIL :



Incorporated in 1984, **GAIL (India) Limited** is a Government of India undertaking, and India's leading natural gas company with diversified interests across the natural gas value chain of trading, transmission, LPG production & transmission, LNG re-gasification, petrochemicals, city gas, E&P, etc.

It owns and operates a network of around 15413 km of natural gas pipelines spread across the length and breadth of country. It is also working concurrently on execution of multiple pipeline projects to further enhance the spread. GAIL commands ~70% market share in gas transmission and has a Gas trading share of over ~ 50% in India.

GAIL and its Subsidiaries / JVs also have a formidable market share in City Gas Distribution space. GAIL has a joint-venture interest in Petronet LNG Ltd, Ratnagiri Gas and Power Pvt Ltd, and in the CGD business in several cities. GAIL has wholly owned subsidiaries in Singapore and the US for expanding its presence outside India in the segments of LNG, petrochemical trading and shale gas assets.

In the Liquefied Natural Gas (LNG) market, GAIL has significantly large portfolio. GAIL is also expanding its presence in renewable energy like Solar, Wind and Biofuel.

GAIL commands a market cap of Rs 72786 Crore. Promoters held 51.91 per cent stake in the company as of 31-Mar-2023, while FIIs owned 16.4 per cent, DIIs 17.92 per cent.

GAIL in its March 2022 quarter reported that its revenue from operations stood at Rs 32,858.20 crore, up 21.8 per cent against Rs 26,968.21 crore. On a sequential basis, the profit surged 145.6 per cent while the revenue slipped 7.12 per cent. On a consolidated basis, net profit came in at Rs 634.18 crore, down 81.6 per cent YoY but up 53.2 per cent QoQ.

<b>Market Cap</b>	<b>72786</b>
<b>Stock P/E</b>	<b>13</b>
<b>Book Value</b>	<b>98.80</b>
<b>Dividend Yield</b>	<b>3.61%</b>
<b>ROE</b>	<b>8.67%</b>

The positive catalyst in favour of GAIL in FY 24 is expected earnings recovery across business segments on backdrop of stabilising global LNG supplies and prices.

Technically, brace yourselves for a major breakout play from a probable classic 'flag pattern' breakout on the weekly. An impulse uptrend is seen forming on the daily time scale, with positive SAR series, with recent sequence of higher high/low intact on the daily time frame.

Add to that a bullish divergence and a rising stochastic signal (on weekly 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 102 zone. The level of Rs 100-105 zone will act as a strong support zone.

**Look to buy at CMP, and on any corrective dips between 100-102.50 zone, targeting 121/130 zone and then aggressive bigger 15-18 months targets at 175 mark. Stop at 93.**

## Mehta Equities

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