

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	22147	21778	22575	22173	20641	21821-22337	Sell at CMP. Targets at 21821/21451. Aggressive targets at 21191 zone. Stop at 22576.
BANK NIFTY	47574	46001	48701	46970	45666	46101-48401	Sell at CMP. Targets at 46175/45441/44875. Stop at 48702.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
SENCO GOLD	955	703	1119	804	-	Positive	Incorporated in the year 1994, Senco Gold & Diamonds (Senco) is a leading pan-India jewellery retailer with a legacy of more than Eight decades and the largest jewellery retail player in eastern India based on number of showrooms. The positive catalysts include calibrated focus on light, affordable jewellery with the intention to cater to the upwardly mobile and younger generation. The management has an optimistic outlook for the financial year 2024-25 (FY25), starting from Q1FY25 which has local new years (like Poila Baisakh/ Ugadi/ Baisakhi) and Akshay Tritiya starting from 10th May along with upcoming marriage season acting as tailwind for growth. Look to accumulate at CMP, and on dips between 771-800 zone, targeting 1067/1119 and then aggressive targets at 1251 with stop below 703. Holding Period: 12-15 months.

BUY SENC0 GOLD at CMP 955. Target 1119

CMP	955
Target Price	1119
52 Week H/L	1065.65 / 358.25
P/E	46.04
EPS (TTM)	20.71
Promoter Holding/DIIs/FIIs	68.46/21.5/14
Book Value	173.92
Market Cap (INR)	7,409.09 crores

Incorporated in the year 1994, **Senco Gold & Diamonds (Senco)** is a leading pan-India jewellery retailer with a legacy of more than Eight decades and the largest jewellery retail player in eastern India based on number of showrooms.

Senco Gold is a strong re-rating candidate even after last week's 19% surge in its stock price after the company reported strong financial performance with revenue growth in Q4 and FY24, along with increased gold and diamond volumes. The management has an optimistic outlook for the financial year 2024-25 (FY25), starting from Q1FY25 which has local new years (like Poila Baisakh/ Ugadi/ Baisakhi) and Akshay Tritiya starting from 10th May along with upcoming marriage season acting as tailwind for growth.

The other key positive catalyst continues to be:

Experienced management team and institutional investor support. Ranjana Sen is the Chairperson and Whole Time Director of the company. She has been associated with the company since the incorporation of the company and has over 29 years of experience in the jewellery industry.

Senco has been rated as 2nd Most Trusted Jewellery Brand 3rd year in a row by TRA and also amongst Most Desired Jewellery Brand by TRA in 2023. Senco has a manufacturing facility located at the Gems and Jewellery Park, Ankurhati in Howrah, West Bengal. Largest organized jewellery retail player in the eastern region of India based on number of stores.

Senco has over 155 showrooms spread across India with a mix of Own and Franchisee model and having various formats like Classic, D'signia, Everlite, Modern and House of Senco to cater to various customer segments. The D'Signia showroom format offers a premium jewellery retail shopping experience to its connoisseur customers while Everlite offers lightweight, modern and trendy collections. Strong 'Company Operated Showroom' base complemented by an established asset-light 'franchise' model leading to operating leverage.

Senco has achieved the milestone of being the first Indian jewelry brand to join the ONDC (Open Network for Digital Commerce) network. This collaboration will also align seamlessly with the company's visionary commitment to the 'Make in India' initiative, thus strengthening its presence across the nation.

Senco offers an extensive range of jewellery, including gold, diamond, silver, platinum, as well as precious and semi-precious stones. With a catalogue offering more than 130,000 designs for gold jewellery and more than 72,000 designs for diamond jewellery, Senco offers a large variety of designs of handcrafted jewellery, most of which are designed in-house by its designers in close collaboration with skilled local karigars in Kolkata and across the country. Senco's brand portfolio includes "Everlite" focused on lightweight jewellery; "Gossip" the silver and costume jewellery brand; and "Aham" catering to men. They also have Vivaha and Rajwada collection, which are premium wedding jewellery range.

Senco credit rating has upgraded ICRA for its Fund based Working capital facilities [ICRA]A and [ICRA]A2+ with "Stable" Outlook for Long term and short term respectively.

Calibrated focus on light, affordable jewellery with the intention to cater to the upwardly mobile and younger generation. ySystems and Procedures in place to mitigate risk and improve efficiencies

Senco Gold reported a 39% year-on-year increase in revenue, while for the entire fiscal year, the revenue saw a robust 28% year-on-year growth. Despite the upward trend in gold prices, the company achieved notable volume growth, with a 13% increase in gold and a 19% increase in diamond volumes compared to the previous fiscal year.

Furthermore, the proportion of old gold exchange as a percentage of sales rose from 29% to 32% year-on-year. Notably, 65% of the old gold exchanged came from non-Senco customers, indicating a notable shift from unorganised to organised players in the market, according to the company.

During the fiscal year 2023-2024, the Same Store Sales Growth (SSSG) reached 19% out of the total retail sales growth, and it was 23% out of a total 30% retail sales growth during Q4.

The company reported a consistent improvement in the stud ratio, with the blended stud ratio (including both own and franchisee showrooms) increasing to 11.4% from the previous year's 10.4%. Additionally, its own showrooms achieved a stud ratio performance of 13.1%, compared to 12.0% in the previous year.

Technically speaking, the stock price has just scaled a new all-time-high at 1066.50, which suggests strong bullish indicator and most importantly, is on backdrop of stock price potentially breaking out of previous trading ranges. Several indicators like the Keltner Channel, High Low Band, and MA Channel are showing strong bullish signals, indicating positive breakouts.

The ADX (Average Directional Index) is at 33, indicating an improving robust trend. An ADX value over 27 would typically indicate a stronger trend. Rate of Change and RSI (21) indicators are positive, suggesting upward price momentum.

The big long-term supports are placed at 771-800 area.

Look to accumulate at CMP, and on dips between 771-800 zone, targeting 1067 / 1119 and then aggressive targets at 1251 with stop below 703. Holding Period: 12-15 months.

Daily Chart of SENC0 GOLD :



Mehta Equities

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