

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

| Indices | CMP | Support | Resistance | 50 DMA | 200 DMA | Range | Preferred Trade |
|------------|-------|---------|------------|--------|---------|---------------|--|
| NIFTY | 16719 | 16340 | 17001 | 16070 | 17051 | 16521 - 17001 | Buy at CMP. Targets at 17001/17251/17601. Stop at 16340. |
| BANK NIFTY | 36739 | 35113 | 38001 | 34427 | 36422 | 35601-38001 | Buy at CMP. Targets at 37301/38001/38671. Stop at 35001. |

Medium Term Pick:

| Stocks | CMP | Support | Resistance | 50 DMA | 200 DMA | Bias | Preferred Trade |
|----------------------|------|---------|------------|--------|---------|----------|---|
| POLYPLEX CORPORATION | 2368 | 1819 | 2670 | 2273 | 2079 | Positive | Polyplex Corporation has the seventh-largest capacity of polyester (PET) film globally. Polyplex's capabilities include both thin and thick PET film in a wide range of thickness and surface properties covering a spectrum of applications. Polyplex's products are used in packaging (73%) and in Industrial and electrical industry (27%). Global thin PET film industry is likely to grow between 5-6% years & India is world's biggest and fastest growing flexible packaging market which is expected to grow at 9%-10%. Simply buy at CMP, targeting 2670/2871 mark and then targets at the psychological 3000 with stop below 1819. Holding Period: 5-8 Months. Aggressive 1-year targets seen at 3500 mark. |

Incorporated in 1984, **Polyplex Corporation Ltd. (Polyplex)** has the seventh-largest capacity of polyester (PET) film globally. Polyplex's capabilities include both thin and thick PET film in a wide range of thickness and surface properties covering a spectrum of applications. A Small-Cap company now having a market cap of Rs 5,296 Crore)

The diversified business portfolio also includes BOPP, Blown PP/PE and CPP films produced in state-of-the-art plants with economic size. Integrated downstream capabilities of Metallizing, Holography, Silicone Coating, Offline Chemical Coating, Extrusion Coating and Transfer Metallized Paper deliver further value-added products.

Polyplex is the Group Holding Company with economic interest in the overseas businesses is 51%. Polyplex is listed on BSE/NSE in India and its Thai subsidiary (PTL) on the Stock Exchange of Thailand (SET).

- Polyplex's products are used in packaging (73%) and in Industrial and electrical industry (27%). The total base film capacity of 3, 81,837 MT per annum and delivers its products to more than 80 countries. Polyplex has large international presence, supplying to about 1950 customers in 75 countries across Europe, the Americas, and the Indian sub-continent, Far East, Asia Pacific and the Middle East. Being one of the leading PET Film manufacturers, Polyplex operates close to its key regional markets, with manufacturing and supply points across the world. We run integrated manufacturing & distribution operations in six countries viz. India, Thailand, Turkey, U.S.A., Indonesia & Netherlands.
- Dividend paid every year since 1993-94.
- Demand growing at 5-6% due to design versatility, resource economy, low carbon footprint, cost advantage and retail format/packaging innovations. India is world's biggest and fastest growing flexible packaging market which is expected to grow at 9%-10%. Polyplex growth more than the average market growth rate, Capacity CAGR at 10%.
- Approx. 1.79 Million Tons of Capacity (more than 61% in China) to be further added in Thin PET by 2024 globally.
- Versatility and high performance of polyester film leads itself to a wide range of 100+ applications in both industrial & consumer staples and consumer discretionary sector.
- Newer applications in healthcare & electric vehicle (EV) battery could result in new stream of sustainable demand growth.
- Polyplex consolidated debt declined to Rs.734 crores in Dec 2020 from Rs.1294.33crores in FY16.

Technically, brace yourselves for an impulse uptrend seen forming on the daily time scale, with positive SAR series, with recent sequence of higher high/low intact on weekly & monthly time frames.

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 2078-2101 zone. The level of Rs 2100 zone will act as a strong support zone and any corrective declines to these levels should be used as an opportunity to initiate aggressive long positions.

Simply buy at CMP, targeting 2670/2871 mark and then targets at the psychological 3000 with stop below 1819. Holding Period: 5-8 Months.

Aggressive 1-year targets seen at 3500 mark.

Daily Chart of POLYPLEX CORPORATION :



Mehta Equities

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102