

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	22420	22198	22775	22235	20718	22275-22744	Buy at CMP. Targets at 22778/23001. Aggressive targets at 23251 zone. Stop at 22175.
BANK NIFTY	48201	47625	49001	47244	47541	47775-49001	Buy at CMP. Targets at 49001/49651/50101. Stop at 47551.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
DEEPAK NITRITE	2477	2127	2750	2233	2184	Positive	<b>Deepak Nitrite</b> is a chemical manufacturing company and enjoys a leading market position in basic chemicals, fine & speciality chemicals with manufacturing facilities located at Nandesari, Dahej (Gujarat), Roha, Taloja (Maharashtra) and Hyderabad (Telangana). The firm commands around 80% domestic market share in sodium nitrite and 50% market share in nitro toluene. The firm's research and development facility is located at Nandesari (Gujarat). The Company also offers color intermediates. The Company's products cater to several industries, such as colorants, petrochemicals, agrochemicals, rubber, pharmaceuticals, paper, textile and detergents. <b>A potential entrance exists at CMP, and on dips between 2250-2300 zone, targeting 2551/2750 and then aggressive targets at psychological 3000 mark. Stop below 2127. Holding Period: 12-15 Months.</b>

**BUY DEEPAK NITRITE at CMP 2477. Target 2750**

CMP	2477
Target Price	2750
52 Week H/L	2535/1863.65
P/E	80.76
EPS (TTM)	30.67
Promoter Holding/DIIs/FIIIs	49.13/26/6.7
Book Value	208.20
Market Cap (INR)	33,785.24 crores

Incorporated in the year 1970, Deepak Nitrite is a chemical manufacturing company and enjoys a leading market position in basic chemicals, fine & speciality chemicals with manufacturing facilities located at Nandesari, Dahej (Gujarat), Roha, Taloja (Maharashtra) and Hyderabad (Telangana). The firm commands around 80% domestic market share in sodium nitrite and 50% market share in nitro toluene. The firm's research and development facility is located at Nandesari (Gujarat). The Company also offers color intermediates. The Company's products cater to several industries, such as colorants, petrochemicals, agrochemicals, rubber, pharmaceuticals, paper, textile and detergents. Deepak Nitrite commands a market cap of Rs 33,785 Crore.

Over the last decade, the chemical industry in India has demonstrated remarkable growth, surpassed expectations and this impressive foundation has positioned India as a promising contender to become a leading global hub for chemical manufacturing.

The Global Chemical sector is expected to grow significantly from 2021 to 2040, with a strong growth rate of 11 to 12% in the period of 2023-2027 and a 7 to 10% growth rate from 2027-2040. This growth will triple the sector's global market share by 2040. India's contribution to global chemical consumption growth is projected to be over 20% in the next two decades, with domestic demand for chemicals in India surging from USD 170 billion in 2021 to an impressive USD 850 billion to USD 1,000 billion by 2040. India's chemicals sector is well-positioned to become a preferred destination for Companies seeking to fortify their supply chains due to its compelling value proposition and the changing geopolitical landscape.

Additionally, India's speciality chemicals segment, particularly the Agrochemicals and Food and feed ingredient chemicals subsegments, demonstrates robust performance and strong market attractiveness, with projected significant growth rates. The Agrochemicals market in India is valued at USD 5.5 billion and is expected to represent nearly 40% of India's total chemicals exports by 2040. The Food and feed ingredient chemicals sub-segment, valued at USD 3 billion, anticipates a growth rate of 7 to 9%.

The company could also benefit if global companies look to diversify their sourcing requirements from China.

Technically, brace yourselves for an impulse uptrend on the daily time scale with positive SAR series with probable 'higher consolidation pattern' on the monthly charts. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 2183 zone.

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Daily Chart of DEEPAK NITRITE :



### Mehta Equities

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