

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	17559	17161	17992	16607	16979	17175-17771	Sell at CMP. Targets at 17161/16985. Stop at 17801.
BANK NIFTY	38987	37401	40650	36111	36299	37451-39891	Sell at CMP. Targets at 37401/36651/34775. Stop at 40650.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
GRSE	287	219	400	247	247	Positive	Incorporated in the year 1979, GARDEN REACH SHIPBUILDERS & ENGINEERS (GRSE) is a shipbuilding company in India under the administrative control of the MoD, primarily catering to the shipbuilding requirements of the Indian Navy and the Indian Coast Guard. GRSE was taken over by Government of India in the year 1960 and commands a (market cap of Rs 3301 Crore). The company has strong order book of more than 26,000 Cr. which is almost 20 times its FY20 business revenue. The firms' liquidity position which has improved substantially in last six months. A potential entrance exists at CMP, and on dips between 245-250 zone, with immediate targets at its all-time-high at 333 mark and then at 351. Place stop below 219. Aggressive long term targets at psychological 400 mark. Holding Period: 12-15 months+.

Garden Reach Shipbuilders & Engineers Ltd. (GRSE)

GRSE is a shipbuilding company in India under the administrative control of the MoD, primarily catering to the shipbuilding requirements of the Indian Navy and the Indian Coast Guard. GRSE was taken over by Government of India in the year 1960. GRSE derives a significant majority of its revenue from its shipbuilding division — building India's first indigenous warship—the INS Ajay, in the year 1961.

In addition to its ship and warship building capabilities, GRSE is also engaged in engine production and other engineering activities. The engineering division manufactures deck machinery items, pre-fabricated portable steel bridges and marine pumps.

GRSE's order book positions stands at Rs. 24000 Crs which is consists of: 1) Three P17 Alpha advanced frigate programme for Indian Navy with an order balance of ~Rs155bn; 2) four Survey Vessel Large (SVL) ships with an order balance of ~Rs17bn; 3) eight ASW Shallow Water crafts for Indian Navy with an order balance of ~Rs59bn; 4) one Fast Patrol Vessel for the Indian Coast Guard; 5) one Ocean-Going Passenger cum Ferry Vessel for the Republic of Guyana; and 6) eight patrol boats for Fisheries Department of the Government of Bangladesh.

All the projects shall start contributing to company's growth from hereon. Execution pick-up too expected in FY23E. With overlapping of several project revenues coming from FY 23, we may see a solid growth in financials from. With strong balance sheet containing enough cash to make up for any payment delays from government, the company may not require any debt to be raised in the medium term.

Also, in line with future plans of Indian Navy and Indian Coast Guard, GRSE is hopeful of winning few more orders in future. GRSE has been declared L-2 in a bid for next-generation ocean-going patrol vessels for the Indian Navy. At the moment, GRSE's one survey vessel is outsourced to L&T.

Technically, brace yourselves for a major 'higher consolidation' breakout play on monthly charts. An impulse uptrend quite likely with positive SAR series, major confirmation above its April 2022 highs at 333 mark.

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 245 zone. The level of Rs245 zone will act as a strong support zone and any corrective decline to the congestion zone should be used as an opportunity to initiate aggressive long positions.

A potential entrance exists at CMP, and on dips between 245-250 zone, with immediate targets at its all-time-high at 333 mark. Above 333 mark, major momentum buying likely which will take the stock towards its next goalpost at 400 zone. Holding Period: 12-15 months+. Place stop below 219

Daily Chart of GRSE :



Mehta Equities

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