

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	21353	20871	21721	21048	19573	20101-22000	Buy only above 21721. Targets 22001/22501. Stop at 21561.
BANK NIFTY	44866	44001	46001	46458	44706	44901-46444	Sell at CMP. Targets at 43711/42251/41451. Stop at 46555.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
KALPATARU PROJECTS	745	541	821	690	616	Positive	Incorporated in the year 1981, Kalpataru Projects International Limited (KPIL) is amongst the leading Engineering, Procurement, and Construction (EPC) companies with proven experience and expertise spanning over three decades. The positive catalyst continues to be the YTD FY24 order inflows which now stands at approximately Rs 17,685 crore, providing a robust foundation for sustained future growth. KPIL aims to achieve a target order inflow of Rs 26,000 crore for FY24. Simply buy at CMP, and on dips between 600-650 zone, targeting 821/875 mark and then aggressive targets at psychological 1000 mark. Stop at 541. Holding Period: 12-15 months.

BUY KALPATARU PROJECTS at CMP 745. Target 821

CMP	745
Target Price	821
52 Week H/L	761.4/480.2
P/E	24.1
EPS (TTM)	30.90
Promoter Holding/DIIs/FIIs	40.6/51.5/7.7
Book Value	336.14
Market Cap (INR)	12098.99 crores

Daily Chart of KALPATARU PROJECTS :



Theme:

Incorporated in the year 1981, **Kalpataru Projects International Limited (KPIL)** is amongst the leading Engineering, Procurement, and Construction (EPC) companies with proven experience and expertise spanning over three decades. KPIL is executing marquee projects with comprehensive capabilities that delivers complete solutions covering design, testing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis. KPIL is currently executing projects in over 30 countries and has a global footprint in over 70 countries.

The positive catalyst continues to be the YTD FY24 order inflows which now stands at approximately Rs 17,685 crore, providing a robust foundation for sustained future growth. KPIL aims to achieve a target order inflow of Rs 26,000 crore for FY24.

Quarterly Performance (Q2 FY24 vs Q2 Fy23):

- Revenue growth of 19% YoY to ₹4,518 Crores in Q2 FY24 led by robust execution and healthy order book in T&D, B&F and Water businesses.
- EBITDA grew by 6% YoY to ₹370 Crores; EBITDA Margin at 8.2% in Q2 FY24 given the change in project mix and lower profitability in international subsidiaries.
- PBT at ₹132 Crores in Q2 FY24 with margin at 2.9%.
- PAT of ₹90 Crores in Q2 FY24 compared to ₹ 98 Crores in Q2 Fy23.
- Order book at ₹ 47,040 Crores as of 30 Sep 2023, an increase of 22% YoY.

India, the fifth-largest economy in the world, may become the third biggest by 2030, overtaking Germany and Japan.

Infrastructure development has been a major focus area for the government so much so that it is slated to be instrumental in meeting the government's aim to become a \$5 trillion economy by 2025. According to the Department of Economic Affairs, GoI, the country needs to inject \$4.5 trillion in infrastructure development through 2030 to realise its \$5 trillion economy plan by 2025, and to continue growing at a fast pace. The huge outlay towards the infrastructure sector is expected to provide healthy growth opportunities for infrastructure companies like KPIL.

The merger of JMC with KPTL is a strategic culmination and the start of a new era as the merger provides with greater scale, diversified business mix, increase competitiveness, strong financial profile and wider geographic coverage.

Technically, brace yourselves with the sequence of a higher high/low formation on the daily/weekly and monthly time frames + a classic Flag pattern breakout pattern which indicates the uptrend seems quite sustainable. The price is seen comfortably trading above its 21, 50 and 200-day moving average and most importantly is just signalling a massive breakout on the long-term charts. The general rule is if a stock is trading above its 200-DMA, the trend is largely upward. An impulse uptrend is seen forming on the daily/weekly time scale with positive SAR series.

Add to that a bullish divergence and a rising stochastic signal (on daily charts) with recent increase in volumes signalling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 627-650 zone. The level of 627-650 zone will act as a strong support zone.

Simply buy at CMP, and on dips between 600-650 zone, targeting 821/875 mark and then aggressive targets at psychological 1000 mark. Stop at 541. Holding Period: 12-15 months.

Mehta Equities

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