

Bosch Ltd.

BUY

CMP	Rs. 17750
Target Price	Rs. 22750
Time Frame	9-12 months
Risk	Low
Sector	Auto



Price & Volume Analysis

% Change from previous Day	0.66%
% Change from previous Month	-0.25%
52 Week High	19245
52 Week Low	12940
Weekly H/L	17881/16700
Deliverable	35.76%
Book Value / Share	3623
EPS	438
Market Cap (Rs. CR)	52,395

Bosch Limited is a leading global supplier of technology and services and its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. In India, the firm primarily manufactures a wide range of automotive parts including, fuel injection pumps, spark plugs, including nozzles and nozzle holders, elements, delivery valves, filters and filter inserts, glow plugs, starter motors, alternators and wipers. Bosch also manufactures hydraulics and pneumatic equipment and electric power tools and fixtures.

Momentum Analysis

RSI (14, E9) Monthly	55
Smoothed RSI	53.5
Stochastic oscillator monthly (1,3,3)	82.65

The technical landscape of momentum oscillators is enticing as the 14-period RSI witnessed a positive reverse divergence when the prices were making higher lows suggesting a strength in up-move. The technical indicators head north almost vertically. Stochastics also gave a positive crossover after reversing from the Double bottom levels.

Support & Resistance Analysis

Support 1	17000
Support 2	16200
Resistance 1	19275
Resistance 2	22575

A classic 'Flag Pattern' breakout is being witnessed on the weekly charts with the recent sequence of higher high/low intact on all time frames. Above 19275, the next hurdles are seen at 22575 (August 2018 highs).

The bullish takeaway is that BOSCH is now flirting at its highest level in 3-years. The clear bullish momentum on the monthly charts hints at a bullish breakout with aggressive targets 22750 mark.

Trend Analysis

Moving Average - 50 Days	16569
Moving Average - 200 Days	15707
ADX (14d)	21.78
Bollinger Band Weekly	217/168
MACD Weekly	9.39

The positive takeaway is that BOSCH's stock price is consistently taking supports at its 200-DMA and regathering momentum. The bounce is now resulting into a massive rebound on the upside on the monthly/weekly charts. ADX indicator too suggesting robust positive bias.

CONCLUSION

"Bosch, the leading supplier of technology and services, is expanding its AIoT (artificial intelligence of things) activities in India. It is doing this by transforming its headquarters in Aduodi, Bengaluru, into a new smart campus called Spark.NXT. AIoT is the combination of artificial intelligence (AI) technologies and the Internet of Things (IoT) infrastructure, where devices communicate with each other intelligently.

Bosch Limited delivers strong revenue growth in its Q1FY23 as its Automotive products segment grew 15% QoQ to Rs. 3,109 crore while consumer goods & others segment de-grew 30% QoQ to Rs. 439 crore. The positive takeaway was that the total operating income grew 7% QoQ to Rs. 3,544 crore and the PAT was at Rs. 334 crore in Q1FY23 vs 351 crore in Q4FY22. the disruption in the automotive sector due to semiconductor shortage, uncertainty in the market with regards to fuel and higher commodity prices were primary headwinds.

Any resolution of semiconductor shortage is likely to help in top line growth. Bosch is also likely to enjoy industry tailwinds in the form of healthy volume growth, diesel powertrain gaining traction domestically and incremental role to play amidst more stringent emission control norms. Leadership positioning in powertrain technology with parent supported ready solutions for Flex Fuel, BS VI phase II transition, EVs and hybrid.

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**Msearch's Recommendation (Absolute Performance) Buy: > 20% within the next 12 Months
Accumulate: 5% to 20% within the next 12 Months Sell : < -20% within the next 12 Months**

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