**MEHTA**
REWARDING RELATIONSHIPS

01st - 06th February, 2025

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

## Weekly View: Nifty, Bank Nifty:

| Indices | CMP | Support | Resistance | 50 DMA | 200 DMA | Range | Preferred Trade |
|---|---|---|---|---|---|---|---|
| NIFTY | 25321 | 24500 | 26000 | 25876 | 25199 | 24500-26000 | Buy only above 25800. Targets at 26300/26500. Aggressive targets at 26750. Stop at 25300. |
| BANK NIFTY | 59610 | 58200 | 61700 | 59384 | 56792 | 58900-61200 | Buy at CMP. Targets at 60300/61700 Aggressive targets at 63000. Stop at 57500. |

## Medium Term Pick:

| Stocks | CMP | Support | Resistance | 50 DMA | 200 DMA | Bias | Preferred Trade |
|---|---|---|---|---|---|---|---|
| CENTUM ELECTRONICS | 2324 | 1895 | 3038 | 2300 | 2347 | Positive | **Centum Electronics** is an advanced electronics systems design & manufacturing (ESDM) company catering to high-technology segments such as defence, aerospace, space, industrial electronics, transportation, and healthcare with global clients across India, Europe and North America. Exposure across defence, space, communications and transport reduces dependence on any single vertical. Consolidated order book at INR 18,151 Mn. The stock at the moment is signalling massive consolidation breakout on the upside, confirmation of strength above its biggest hurdles at 2660 levels. **Look to buy at CMP (2324), and on dips between 2100-2150 zone, targeting 2550/3037, and then aggressive targets at 3600 mark. Stop below 1895. Holding Period 12-15 Months.** |

**CENTUM ELECTRONICS**

| | |
|---|---|
| CENTUM ELECTRONICS | BUY |
| CMP | 2324 |
| Target Price | 3600 |
| Stop | 1895 |
| 52 Week H/L | 3046/1140 |
| P/E | 147 |
| EPS (TTM) | 46.31 |
| Promoter Holding/FIIs/DIIs/FIIs/Public | 46.99%/2.85%/19.29%/30.85% |
| Book Value | 275 |
| Market Cap (INR) | 3425 |

**Daily Chart of CENTUM :**

# Centum Electronics is a Bengaluru-based advanced electronics systems design & manufacturing (ESDM) company catering to high-technology segments such as defence, aerospace, space, industrial electronics, transportation, and healthcare with global clients across India, Europe and North America. Exposure across defence, space, communications and transport reduces dependence on any single vertical. Consolidated order book at INR 18,151 Mn. Centum Electronics (NSE: CENTUM) is experiencing strong momentum in late 2025/early 2026, driven by defense/space contracts, strategic partnerships (e.g., Thales, Indra), and a 18% Q2 FY26 revenue growth. The company is actively expanding in high-value, tech-driven areas while restructuring, including stopping certain Canadian operations.

**# Q2 FY26 Highlights**

Revenue: Consolidated revenue up around 11.85% YoY to ₹290.62 Cr; Standalone revenue grew ~18% to ₹206 Cr.

Profit: Returned to profitability with PAT of ₹4.23 Cr (vs. loss in Q2 FY25), but operating margins were pressured.

**# Positive Catalysts / Strengths**

1) Strategic Sector Exposure: Positioned in defence & aerospace electronics, benefiting from India's push for technology indigenisation and rising defence budgets.
2) Scalable Order Book: Healthy order pipeline in high-entry-barrier segments supports revenue visibility.
3) Conservative Balance Sheet: Low leverage (debt-to-equity remains low), giving financial flexibility through cyclicality.
4) Institutional Interest Rising: Mutual fund and FII holdings have increased over the past year, indicating confidence in long-term prospects.
5) Innovation Led businesses, with 16 Patents and 125+ publications. Multidisciplinary capabilities across RF, Digital, Power, and Software

**# Key Risks:**

1) Earnings Quality Weakness: Profit largely bolstered by other income rather than core operations, raising sustainability questions.
2) Cyclical Demand: Defence & aerospace spending can be lumpy, potentially affecting near-term consistency.

**# Technical Outlook:** The stock at the moment is signalling massive consolidation breakout on the upside, confirmation of strength above its biggest hurdles at 2660 levels. The stocks 200-DMA is placed at 2346 levels.

**# Preferred Strategy:** Look to buy at CMP (2324), and on dips between 2100-2150 zone, targeting 2660/3037, and then aggressive targets at 3600 mark. Stop below 1895. Holding Period 12-15 Months.


**Mehta Equities**

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