

**INTELSENSE**

HITPICKS

Technofunda Stocks

Balaji Amines



Scrip Code	BSE:530999, NSE: BALAMINES
Date	01-JUL-2020
Price	491.1

Research Report prepared by Abhishek Basumallick

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Weekly Chart



Daily Chart



Technofunda Summary

- Double bottom breakout on weekly chart
- Inverse head and shoulders breakout with large spike in volume.
- Could come back and test breakout level.
- CMP (current market price) above 50, 100, 200 DEMA (day exponential moving average)
- Largest manufacturer of Aliphatic Amines in India. The industry is expected to grow at 5-7%.
Most of the company's products fall under category of essential commodities which act as intermediates for pharmaceutical (51%) and agrochemical companies (26%), two sectors which have the lowest impact due to Covid.
- Has signed contracts with leading Indian agrochemical companies for their requirements in Q1FY21 and envisage to sign long-term contracts with them going ahead.
- Capex coming thru by end of fy 21, which should provide growth for fy 22.
- PE = 16, ROCE = 25%, Debt/Equity = 0.37

Recommendation

- Target: 725 – 770
- Buy between 480-495.
- Breakout level is 480 and stock price can come down to test breakout level and often goes a little bit lower than that.
- Look to buy 30-50% of quantity at 480-495 levels and add the remainder slowly.
- Put stop loss at 440 raise trailing stop loss progressively.
 - ~~(UPDATE 05-Aug-20: STOP LOSS raised to 550)~~
 - ~~(UPDATE 12-Aug-20: STOP LOSS raised to 595)~~
 - **(UPDATE 14-Aug-20: STOP LOSS raised to 640)**
- Timeframe: Medium term (3-6 months)

Disclosure

This report has been prepared by Abhishek Basumallick, SEBI Registered Research Analyst - Registration Number: INH300006607.

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