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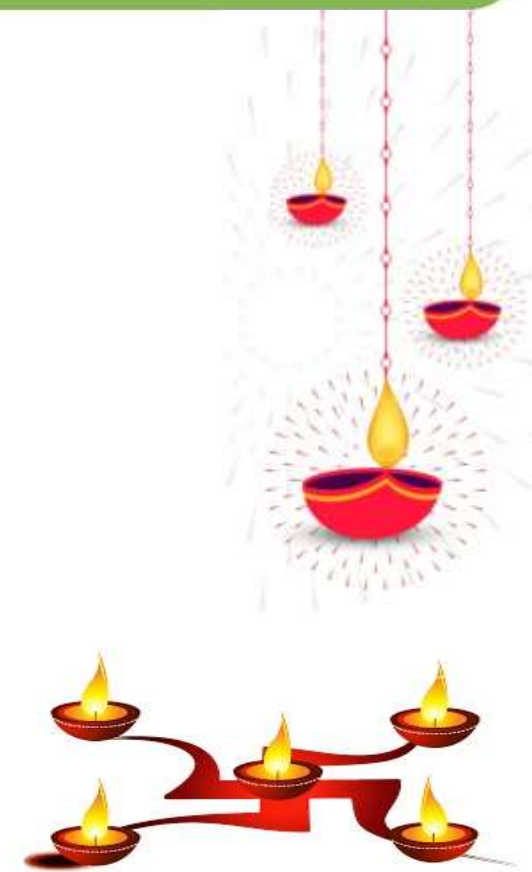


We wish you all a Happy Diwali and a Prosperous New Year !!



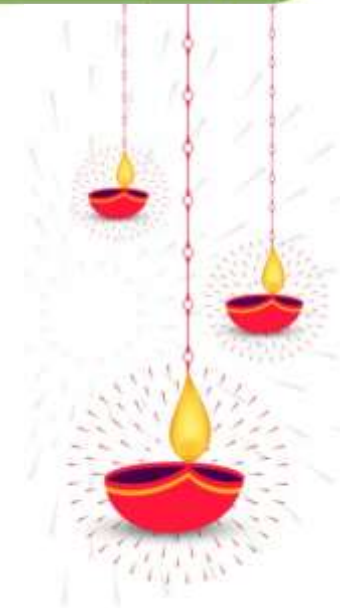
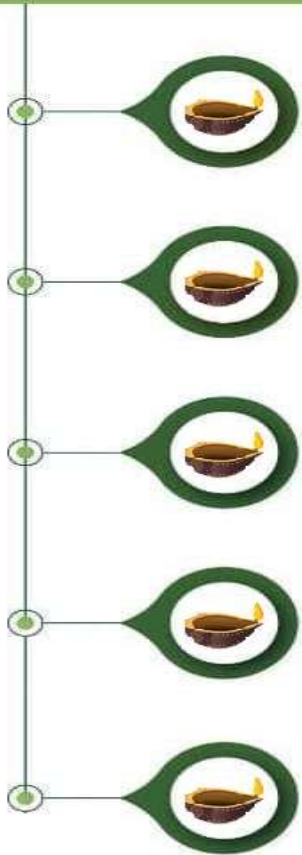
Technical Picks:

-  MONTE CARLO 
-   HINDUSTAN FOODS LIMITED
-  **DATAMATICS**
-  
-  **avantel**
connect • create • conserve



* Investment in Securities are subject to market risk, read all the related documents carefully before Investing.

Fundamental Picks:



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Market Overview

During the last one year, the benchmark index has shed more than 5% while the average portfolio holdings of investors are down around 15-20% in general. The underperformance was triggered by global liquidity tightening that led to flee of funds from riskier assets like Equities to safer assets like Sovereign Bonds. Further, the geopolitical tension between Russia & Ukraine has led to sharp rise in commodity prices from Food to Oil, exposing almost 30% of the world economies to the verge of Defaults.

The global economy continues to face challenges, including inflation, tighter financial conditions, Russia's invasion of Ukraine and looming energy crisis in Europe. Global growth is expected to slow further next year. More than a third of the global economy is expected to contract in 2023. **India has not remain unimpacted in terms of economic growth when everyone is slowing down, but is doing better and is in a relatively bright spot compared to other countries.** As per IMF, India's CY23 GDP growth is likely to be at 6.1% and will be the fastest-growing major economy in the world. **India will reap benefits of recent softening in commodity prices.** Credit growth is now recovering after 3 years of lull and reflects the confidence and optimism of Indian consumers and corporates.

The NIFTY 50 PE (TTM) is 20.8x which is reasonable.



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Monte Carlo Fashions Ltd

Cmp: 700

Buy around current levels (695-705) & Add in Dips till 650 levels; Target 1020 & 1130 with Stop Loss at 540 (closing basis)



In weekly scale, **Monte Carlo** has given breakout above its 7 years resistance around 650 levels. Post Pandemic lows made around 130 levels in Mar'20, the stock price is making consistent higher highs & higher lows with strong uptick in volume activity. Moreover, the stock is also seen moving in a **"Parabolic Curve"** pattern which indicates underlying strength in price – volume action.



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Hindustan Foods Ltd

Cmp: 466

Buy around current levels (460-470) & Add in Dips till 450 levels; Target 580 & 630 with Stop Loss at 400 (closing basis)



In weekly scale, we see a formation of “rectangle pattern” that is in existence for the last 20 months. The RSI in weekly scale is placed above 60 which is favoring the bulls. Over the Medium-term the stock has the potential to build on its momentum and scale upwards backed by strong volume activity seen around the resistance levels.



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Datamatics Global Services Ltd

Cmp: 310

Buy around current levels (310-315) & Add in Dips till 280 levels; Target 430 & 490 with Stop Loss at 230 (closing basis)



In daily scale, **Datamatics** is forming a “Rounding Bottom” pattern with good accumulation seen in every dips supported by good volumes.



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Tarsons Products Ltd

Cmp: 806

Buy at current levels (800-810)& Add in Dips till 760 levels; Target 920, 1030 & 1140 with Stop Loss at 710 (closing basis)



In weekly scale, **Tarsons** is making higher troughs while taking support of the upward rising trendline. Meanwhile, a “Cup and Handle” pattern formation is taking shape with rise in volume activity on every bounce back from dips.



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Avantel Ltd

Cmp: 310

Buy around current levels (300-310) & Add in Dips till 280 levels; Target 410 & 470 with Stop Loss at 240 (closing basis)



In daily scale, **Avantel** is forming a “Rounding Bottom” pattern with good accumulation seen in every dips supported by descent volumes.



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Panama Petrochem Ltd **Cmp: 274 Target: 410 (1-2 Years)**

Panama Petrochem Ltd (PPL): Manufacturer of petroleum specialty products; produces over 80 different variants of petroleum specialties catering to about six to seven different industrial segments. Exports are 43% of the total revenues.

100% capacity utilization at all units and the company has a plan of continuously increasing capacity in the coming years. This year, PPL plans to add another 30,000 tonnes, which will be commercialized in the second half of FY23.

Value-added products give a margin of about 14% to 17% against regular products which is about 10% to 13%. Currently, the contribution from value-added product stands at around 67%.

Current installed capacity is 240,000 tonnes on a consolidated basis. Currently running at over 100% capacity utilization, but the capacity is expandable about 15% to 20% over the installed capacity. This year, PPL have already planned an addition of 30,000 tonnes to its existing capacity. And in the coming years, PPL have further plans to increase about 30,000 tonnes per year in each of the coming two or three years. **Overall, CAPEX of about Rs. 100 Crores which PPL have planned expansions or through its internal accruals. Most of this addition is on the value-added products almost 70%.**

Reasonable Valuation of 7x (10 Yr Median PE 11x) with RoCE of 40% & **Debt Free.**



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Vishnu Chemicals Ltd **Cmp: 1890 Target: 2410 (1 Year)**

Vishnu Chemicals manufactures Specialty Chemicals and is a dependable supplier for customers across industries like pharmaceutical, coatings, automobile, glass, refractory and tiles, among others.

The company mainly operates in 2 chemistries: (i) Chromium Chemistry and (ii) Barium Chemistry

- (i) **Chromium Chemistry:** > ~83% of consol. revenues > Market Leadership in India as well as South Asia > Diversified product mix. > Domestic : Export 55:45 > 3 manufacturing units.
- (ii) **Barium Chemistry:** ~17% of consol. revenues > Leading manufacturer globally > Domestic : Export 45:55 > 1 manufacturing unit.

The company has Long standing relationships with domestic and overseas marquee customers. **Consolidated export turnover grew by 3x in last 6 years as a result of operational flexibility and improved quality, meeting export requirements.**

Reasonable Valuations: PE 26x (Median 3Yr PE 18x) with improving financials.

Till FY16, the company was pretty much focused on two products. In the last few years, it has invested and focused on derivatives to mitigate product and end use industry risk. Overall, Vishnu's established market position, niche chemistry expertise, wide product range, diversified end-user industries and strong penetration will help boost future growth.



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Deep Industries Ltd

Cmp: 294 Target: 375 (1-2 Years)

Deep Industries Ltd (DIL): Pioneered natural gas compression services on charter hire basis in India and are one of the largest Company in India to provide high pressure Natural Gas Compression Services. DIL is also specialized in providing Drilling and Workover Services, Gas Dehydration Services, and also having expertise in Integrated Project Management Services. The Company has grown up to be a "One Stop Solution" provider for every need in Oil and Gas field operations by providing various equipment and services under rental and chartered-hire basis.

Deep Industries is the market leaders in gas compression business in India with an estimated market share of ~75%.

Deep has a strong consolidated order book of over Rs 760 Cr which gives good revenue visibility for around next 2-3 years.

The "Dolphin Offshore" Acquisition will not be immediately value accretive but will start contributing in Financials from FY24.

Reasonable Valuation of 12x (10 Yr Median PE 9x) and **Almost Debt Free**. DIL has reduced its long-term debt from Rs 231 Cr in FY18 to Rs 17 Cr in FY22.



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DIWALI

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FREEDOM TO LEAD A SECURE LIFE**



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