

## New recommendations

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)	Duration
17-May-22	Tata Chemical	TATCHE	940-965	1,085.00	864.00	12%	3 Months

## Open recommendations

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)	Duration
16-May-22	Greaves Cotton	148.00	170.00	127.00	154.50	4%	3 Months
9-May-22	Mahindra CIE	205.50	235.00	179.00	192.00	-7%	3 Months
29-Apr-22	Maruti	7,610.00	8,500.00	7,190.00	7,532.00	-1%	3 Months
29-Apr-22	Coromandel International	902.00	1,030.00	840.00	945.00	5%	3 Months
26-Apr-22	Jamna Auto	113.50	132.00	99.00	111.00	-2%	3 Months

All the recommendations are in Cash segment

May 18, 2022

## Open Recommendations

### Momentum Picks

Scrip	Time Frame
Coforge	14 Days
Indian Hotel	14 Days
Mazgoan	07 Days

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Our Products

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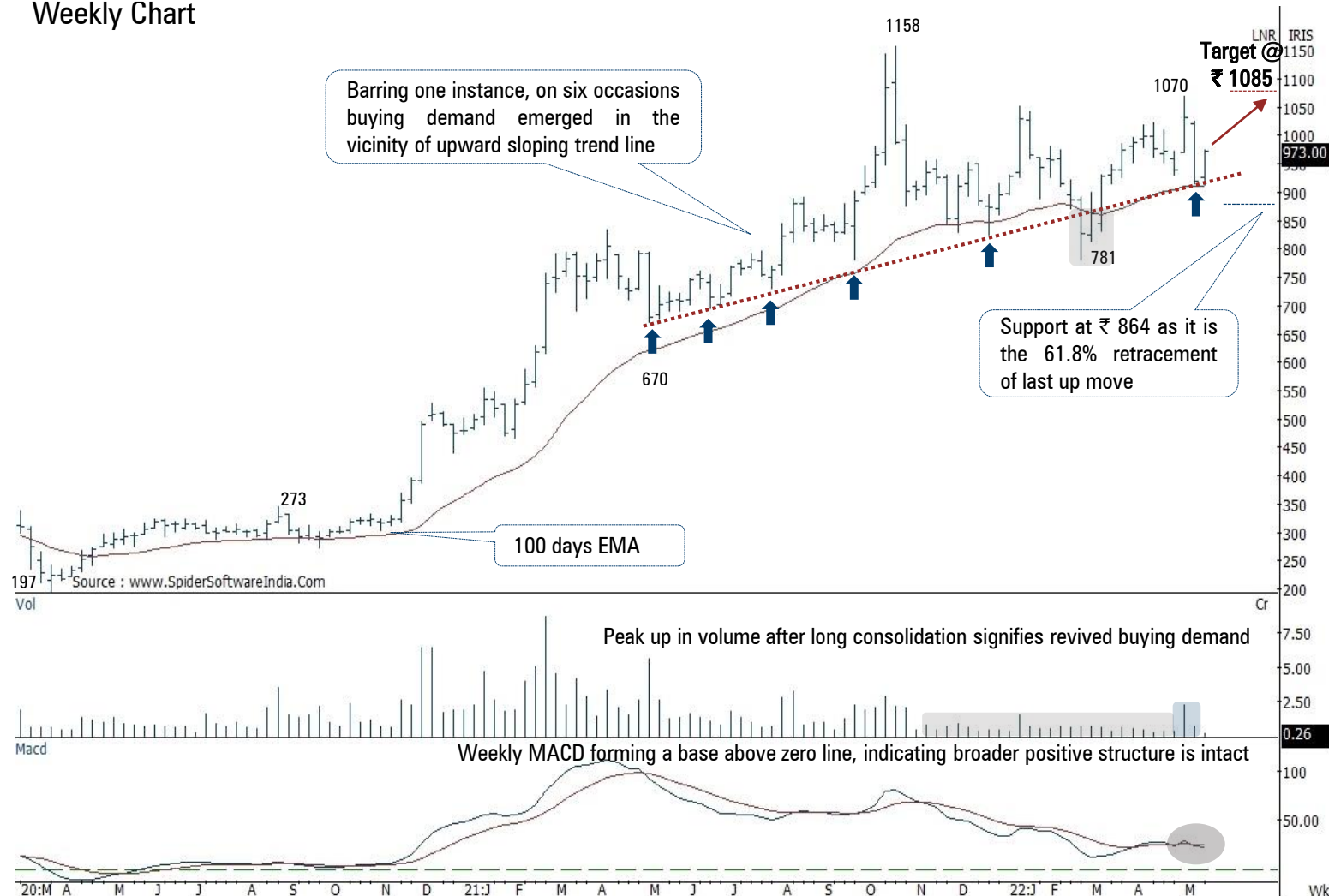
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# Tata Chemical (TATCHE): Base formation at 100 days EMA offers fresh entry opportunity with favourable risk reward...

Rec. Price	940.00-965.00	Target	1085.00	Stop loss	864.00	Upside	13%
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## Weekly Chart



- The chemical sector is undergoing a higher base formation with stock specific outperformance after witnessing a stupendous rally in CY21. Tata Chemical is one such stock. We remain constructive on the stock as after witnessing slower pace of retracement it is forming a higher base above 100 days EMA, which has acted as strong support on multiple occasions since April, 2020. Hence, it offers a fresh entry opportunity with favourable risk reward
- We believe the stage has been set to accelerate upward momentum and gradually head towards ₹ 1085 in coming months as it is the 80% retracement of October 2021 to February 2022 decline (₹ 1158-781)
- Key point to highlight since May 2021 is that, barring one instance, on six occasions buying demand emerged in the vicinity of upward sloping trend line, highlighting inherent strength that augurs well for the next leg of the up move

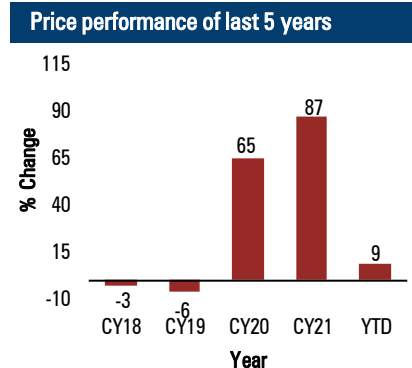
# Fundamental View: Tata Chemical (TATCHE)

- Commencing operations in 1944, Tata Chemicals has come a long way to become one of the top five players in the global soda ash market. Under basic chemical, TCL offers soda ash, sodium bicarbonate, cement, salt, marine chemicals and crushed refined soda. Speciality chemical consists of solution towards agro chemical through Rallis and other specialty solutions such as nutritional products and HDS. Basic chemical forms 75% of overall revenue while the rest comes from speciality products
- TCL's operations are spread across India (Tata Chemicals), US (Tata Chemicals North America), UK (Tata Chemicals Europe) and Kenya (Tata Chemicals Magadi). Both the US and Kenya units produce natural soda ash. Both these plants have access to huge raw materials resources – the US plant is in Wyoming that has the world's largest deposits of trona. The Kenya plant is near Magadi Lake, which is a regenerating lake. On the other hand, Europe and India produce soda ash through the Solvay process. These two units also manufacture sodium bicarbonate
- Globally, soda ash players have been operating at more than 90% utilisation levels. Since no new capacity is lined up to come on stream except Tata chemical's, we expect the soda ash market to be largely a supplier's market given that there is tailwind in demand from flat glass industry. Thus, it can provide impetus towards higher realisations, going ahead
- We expect any softness in crude and power cost to help players like Tata Chemicals to improve EBITDA/tonne meaningfully. Moreover, it is also increasing its share in the specialty portfolio such as HDS, FOS. Thus, higher share of specialty in the overall portfolio over the long run, can help it to demand better valuations

Particulars	
Particular	Amount
Market cap (₹ Crore)	24,463
FY22 Total Debt (₹ Crore)	7,025
FY22 Cash & Inv (₹ Crore)	2,791
EV (₹ Crore)	28,697
52 Week H/L	1158/671
Equity Capital (₹ Crore)	254.8
Face Value (₹)	10

Financials				
Particular	FY21	FY22	FY23E	FY24E
Revenue	10,199.8	12,622.1	15,100.7	16,356.7
EBITDA	1,500.6	2,304.6	2,888.1	3,201.9
EBITDA%	14.7	18.3	19.1	19.6
Net Profit	410.6	1,174.1	1,540.5	1,825.8

Valuation				
Particular	FY21	FY22	FY23E	FY24E
PE(x)	95.4	20.2	15.1	13.2
Price/Book(x)	1.7	1.3	1.2	1.2
EV/EBITDA(x)	18.9	12.5	9.2	6.9
ROCE(%)	4.1	6.6	8.4	9.0
RoE(%)	1.8	6.6	8.3	8.8



## Summary Performance - Recommendations till date

Total Recommendations	754	Open	5
Closed Recommendations	749	Yield on Positive recommendations	16.0%
Positive Recommendations	558	Yield on Negative recommendations	-8.0%
Closed at cost	21		
Strike Rate	77%		

# Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
17-May-22	Coforge	NIITEC	3820-3885	4090.00	3660.00	14 Days
17-May-22	Indian Hotel	INDHOT	224-229	244.00	214.00	14 Days
17-May-22	Mazagoan	MAZDOC	285-292	306.00	276.00	07 Days

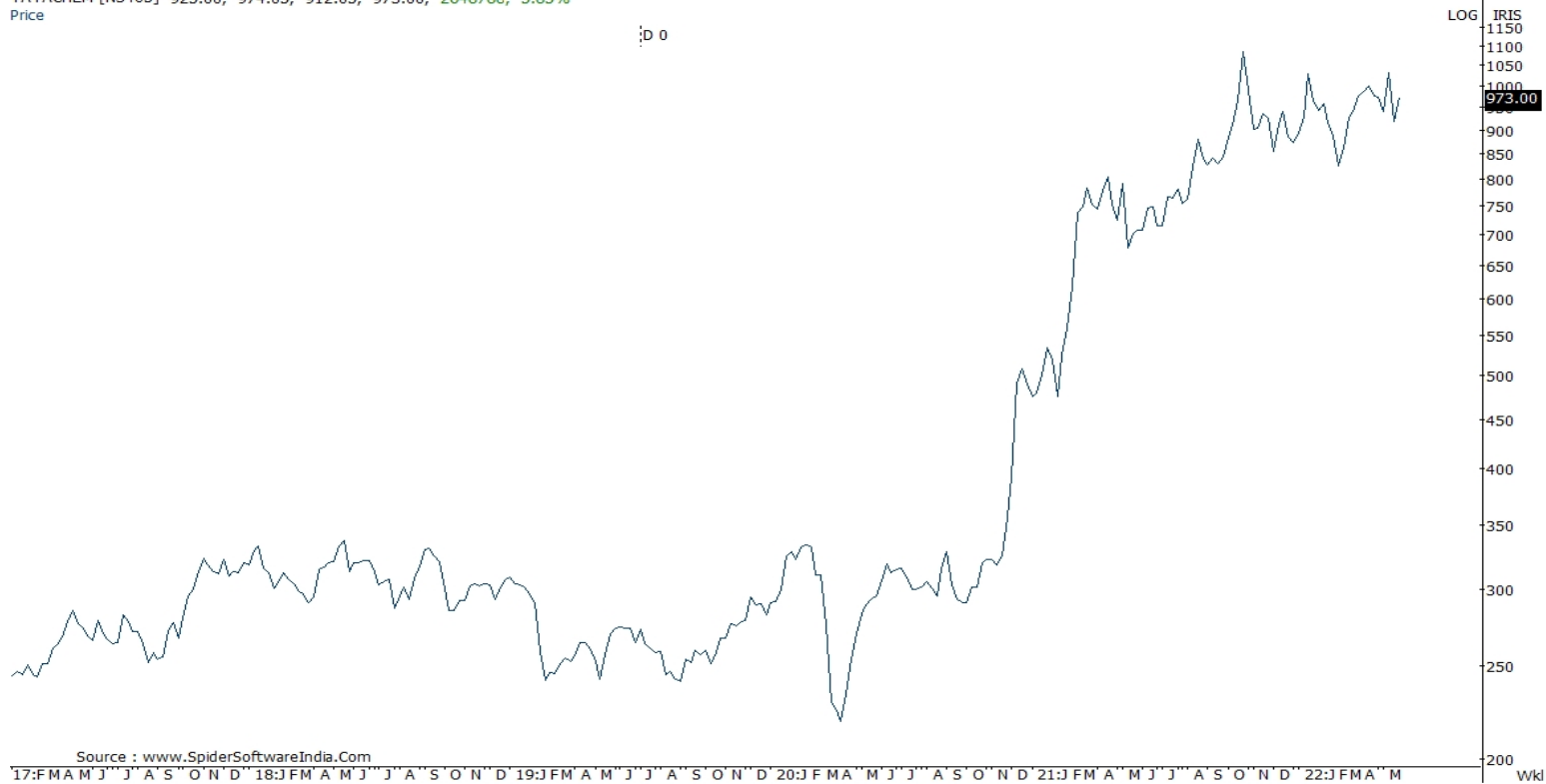
All recommendations are in cash market

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# Price history of past three years

## Tata Chemical

TATACHEM [N3405] 925.00, 974.05, 912.05, 973.00, 2648788, 5.85%  
Price



Source : [www.SpiderSoftwareIndia.Com](http://www.SpiderSoftwareIndia.Com)

- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for three to six months as specified on first page of report and in case we intend to carry forward the position, it will be communicated through separate mail

## Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

# Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks-Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks-Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	6 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				





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