

When The Least Regulated Sector Offer The Most Lucrative Opportunity



It's All About Waiting Game

In Indian economy there are few sectors which present the transformational opportunities. Sugar sector is one of the sector which is now presenting such opportunity. Sector has the potential to cater to the large and every growing demand of sugar consumption both at domestic level as well as at international level. India is the second largest producer of sugar in the world with a consistency of producing close to 25MN tons in last few years. We are also the largest consumer of sugar in the world.

Now we feel that time has come to look at the industry from two perspective

1. Business perspective
2. Regulatory perspective

If we look at the industry from a business perspective then we come across questions like

- Looking at the current scenario of business how realistic are the money making opportunities?
- What needs to be done to bring the current mills at a global competitiveness?
- What are the required business initiatives?

If we look at the industry from regulatory perspective then we are left with below mention questions

- What kind of regulatory modification and changes required in the existing practices?
- How to face the geographical challenges and what should be the implementation plan?
- What is the key role of state government?

Well, in last few years there are significant changes both at business levels as well as at government levels and the present government is also pushing lot of policy initiative to make the industry more competitive globally. We are of the view that the worst for the industry is over and we will see green shoots sooner than later. We are recommending going long in the sector and expect strong upside in below mention stocks.

SR NO	NAME	MARKET CAP IN CR	CMP	TARGET	SR NO	NAME	MARKET CAP IN CR	CMP	TARGET
1	BAJAJHIND	1169.59	14.20	19	3	EIDPARRY	2616.13	149.45	210
2	BALRAMCHIN	1092.33	44.10	60	4	RENUKA	938.10	10.05	14

CMP & Market Cap As On 15-07-2015
Source: Company Data Base

Notes:

- Stocks recommended in this report is based on the technical analysis and not on fundamental analysis.
- We have recommended stocks with a view to build portfolio. One cannot use such targets and levels for any short term trading as well as creating any position in F&O segment.

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BAJAJHIND 14.20

TIME FRAME 12 TO 18 MONTHS

TARGET 19



Since last few months stock is forming lower top lower bottom indicating weakness in near future. However stock seems to have formed its double bottom between the price ranges of 9 to 9.85 on quarterly chart. It had been observed that as and when stock try to trade between the lower end of the range it attracts buying interest and eventually close higher. We expect limited downside from the current levels. One can go long at current level and on decline for a target price of 19.

BALRAMCHIN 44.10

TIME FRAME 12 TO 18 MONTHS

TARGET 60

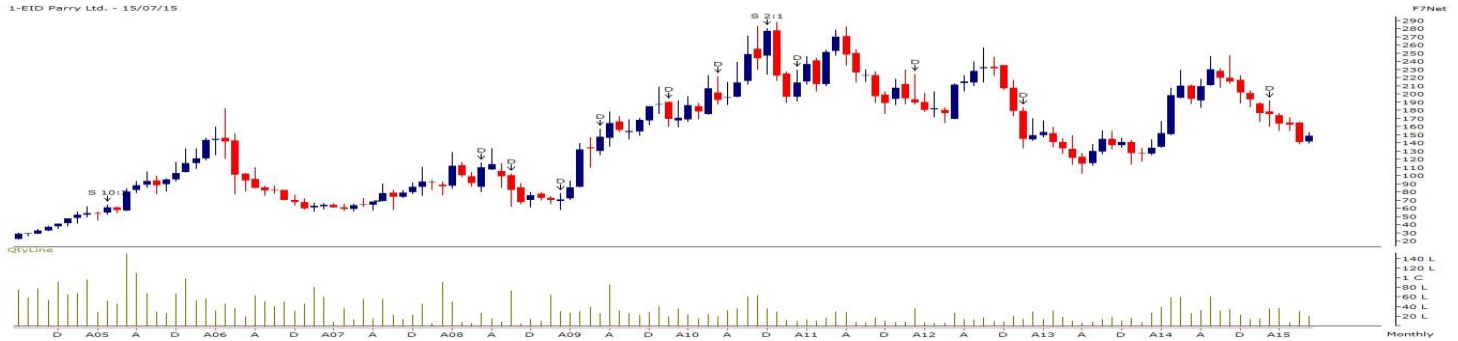


On the weekly chart after forming its intermediate high at 62 stock witness a stiff fall and lost 35%. Since last three weeks stock is forming higher top higher bottom formation indicating that stock seems to have finally bottomed out at recent low. Going forward stock likely to consolidate between 43 on the downside and 47 on the upside. Looking at the recent price up move we expect stock to test higher highs in coming months. One can go long for a price target of 60.

EIDPARRY 149.45

TIME FRAME 12 TO 18 MONTHS

TARGET 210



Stock witness sharp decline on monthly chart. Stock formed double bottom at 139 odd levels. Since the medium term trend is weak so stock can face resistance at higher levels and might attract sellers on every rise. We are expecting the stock to trade with positive bias in next few week. Since the down side is limited one can go long at current level and on every decline for a price target of 210.

RENUKA 10.05

TIME FRAME 12 TO 18 MONTHS

TARGET 14



On monthly chart stock formed its life time low at 9. After forming its life time low stock has gradually recovered and now in the process of base building. Both weekly and daily chart do advocate the fact that stock is attracting strong hands at lower levels. Since the fall was stiff in nature so stock will spent quality time in consolidation before any big up move. One can go long at current levels and on every decline for a price target of 14.

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