

Gladiator Stocks

New recommendations						Time Frame: 6 Months
Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)
15-Feb-21	Graphite India	CAREVE	428-438	520.00	385.00	20.00

Open recommendations						Time Frame: 6 Months
Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)
11-Feb-21	Vinati Organics	1,415.00	1,610.00	1,255.00	1,488.00	5%
5-Feb-21	Kotak Mahindra Bank	1,976.00	2,230.00	1,815.00	1,986.00	1%
5-Feb-21	Grasim	1,195.00	1,375.00	1,098.00	1,228.00	3%
5-Jan-21	Marico	415.00	480.00	367.00	411.00	-1%
10-Dec-20	Abbott India	15,500.00	17,920.00	13,910.00	14,465.00	-7%

All the recommendations are in Cash segment

February 15, 2021

Open Recommendations

Momentum Picks

Scrip	Action
VIP Industries	Buy
Indian Hotel	Buy
Laurus labs	Buy
Duration: 14 Days	

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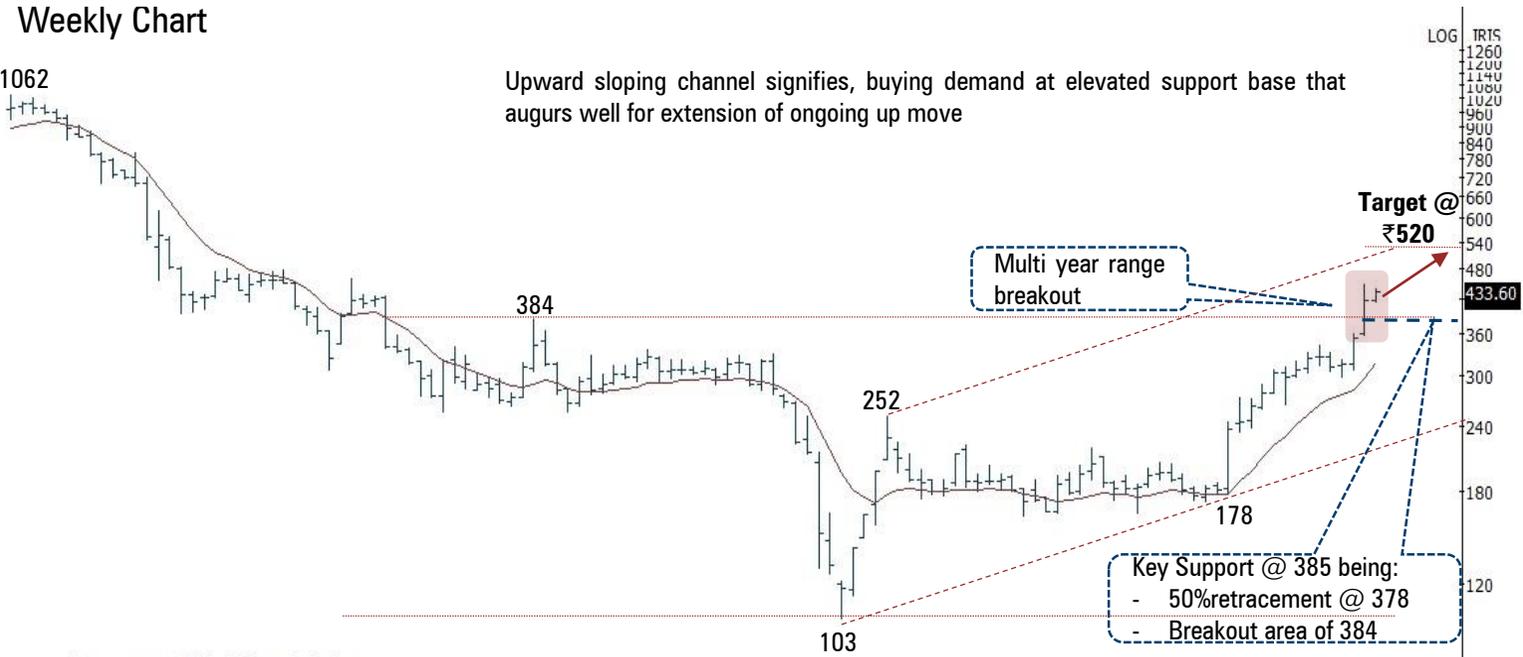
Graphite India (CAREVE): Breakout from multi year base formation signifies resumption of primary up trend...

Rec. Price	428.00-438.00	Target	520.00	Stop loss	385.00
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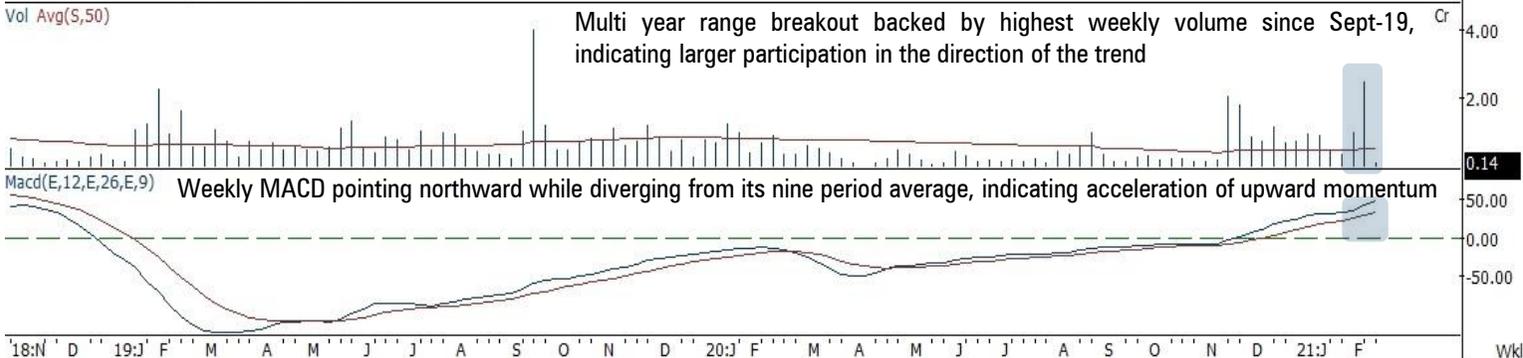
Upside **20%**

Weekly Chart

Upward sloping channel signifies, buying demand at elevated support base that augurs well for extension of ongoing up move



Source : www.SpiderSoftwareIndia.Com



- The share price of Graphite India recently logged a resolute breakout from one and half year base formation (₹ 384-103) on the back of highest weekly volume since September 2019, signifying resumption of primary up trend. This augurs well for next leg of up move from medium term perspective
- The price action since March 2020 has taken the shape of a rising channel formation (as shown in chart), indicating elevated buying demand. We expect the rising trajectory of the stock to endure and gradually head towards ₹ 520 in coming months as it is upper band of rising channel, around ₹ 535
- Structurally, the stock has formed a higher peak and trough on the yearly chart, after three year's corrective phase, indicating rejuvenation of major up trend
- The stock has witnessed buying demand in the vicinity of 10 weeks EMA, which has been held on multiple occasions since April 2020. We believe the strong support is currently at ₹ 385 as it is 50% retracement of past two weeks up move (₹ 308-449), at ₹ 378

Source: Spider Software,, ICICI Direct Research

Recommendation initiated on i-click to gain at 13:04 on 15th February, 2021

February 15, 2021

ICICI Securities Ltd. | Retail Equity Research

Fundamental View: Graphite India.(CAREVE)

- Graphite India (GIL) is the largest Indian producer of graphite electrodes and one of the largest globally, by total capacity. Its manufacturing capacity of 98,000 tonnes per annum is spread over three plants at Durgapur and Nashik in India and Nurnberg in Germany. The company has over 40 years of technical expertise in the industry. Graphite India manufactures the full range of graphite electrodes but stays focused on the higher margin, large diameter, ultra-high power (UHP) electrodes
- Graphite India has a healthy balance-sheet and on a consolidated basis net cash position ~₹ 2600 crore as on December 31, 2020. During Q3FY21, on a consolidated basis GIL generated net cash of ₹ 196 crore
- In the recent Budget, reduction in custom duty on scrap imports will benefit steel manufacturers especially EAF steel manufacturers, which augurs well for GIL
- There are signs of normalisation with the Covid-19 vaccination drive around the world, availability of business financing and pick up in industrial production. The steel industry production growth trend is expected to continue with the strong recovery in the major steel consuming industries such as construction and automobiles
- The domestic steel industry is also poised to grow with the recent announcement of increased government spending on Indian infrastructure. The combination of these factors will hopefully drive the demand for steel and electrodes in the near term. The electrode pricing has started to stabilise and a positive recovery is expected in coming quarters. The impact of these developments is expected to be visible in future financial performance with a lag of normal business cycle. Needle coke prices have started to stabilise and may increase in line with electrode pricing in coming quarters

Particulars

Particular	Amount
Market Capitalisation (₹ crore)	₹ 8555
Debt (FY20) (₹ crore)	₹ 416
Cash & Cash Equivalent (FY20) (₹ crore)	₹ 2523
EV (₹ crore)	₹ 6448
52 week H/L	448 / 103
Equity capital (₹ crore)	₹ 39.1

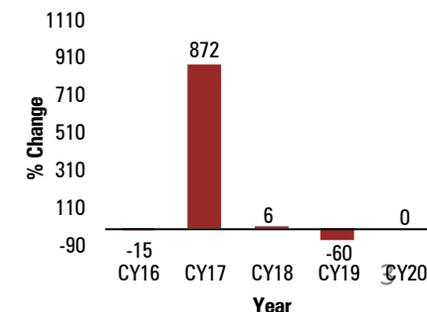
Financials

(₹ Crore)	FY20	FY21E	FY22E
Revenue	3094.0	1512.7	1684.5
EBITDA	-79.0	-208.1	261.2
EBITDA%	-2.6	-13.8	15.5
Net Profit	45.0	-17.7	344.7

Key Metrics

(₹ Crore)	FY20	FY21E	FY22E
EPS(₹)	2.3	-0.9	17.6
PE (x)	188.9	NA	24.7
RoNW(%)	1.0	-0.4	7.3
RocE(%)	-2.6	-5.7	4.4

Price performance of last 3 years



Summary Performance - Recommendations till date

Total Recommendations	607	Open	5
Closed Recommendations	602	Yield on Positive recommendations	17.0%
Positive Recommendations	448	Yield on Negative recommendations	-8.0%
Closed at cost	17		
Strike Rate	77%		

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
12-Feb-21	Laurus labs	Buy	368-373	406.00	349.00	14 Days
15-Feb-21	Vip Industries	Buy	369-375	405.00	352.00	14 Days
15-Feb-21	Indian hotel	Buy	129-133	145.00	124.50	14 Days

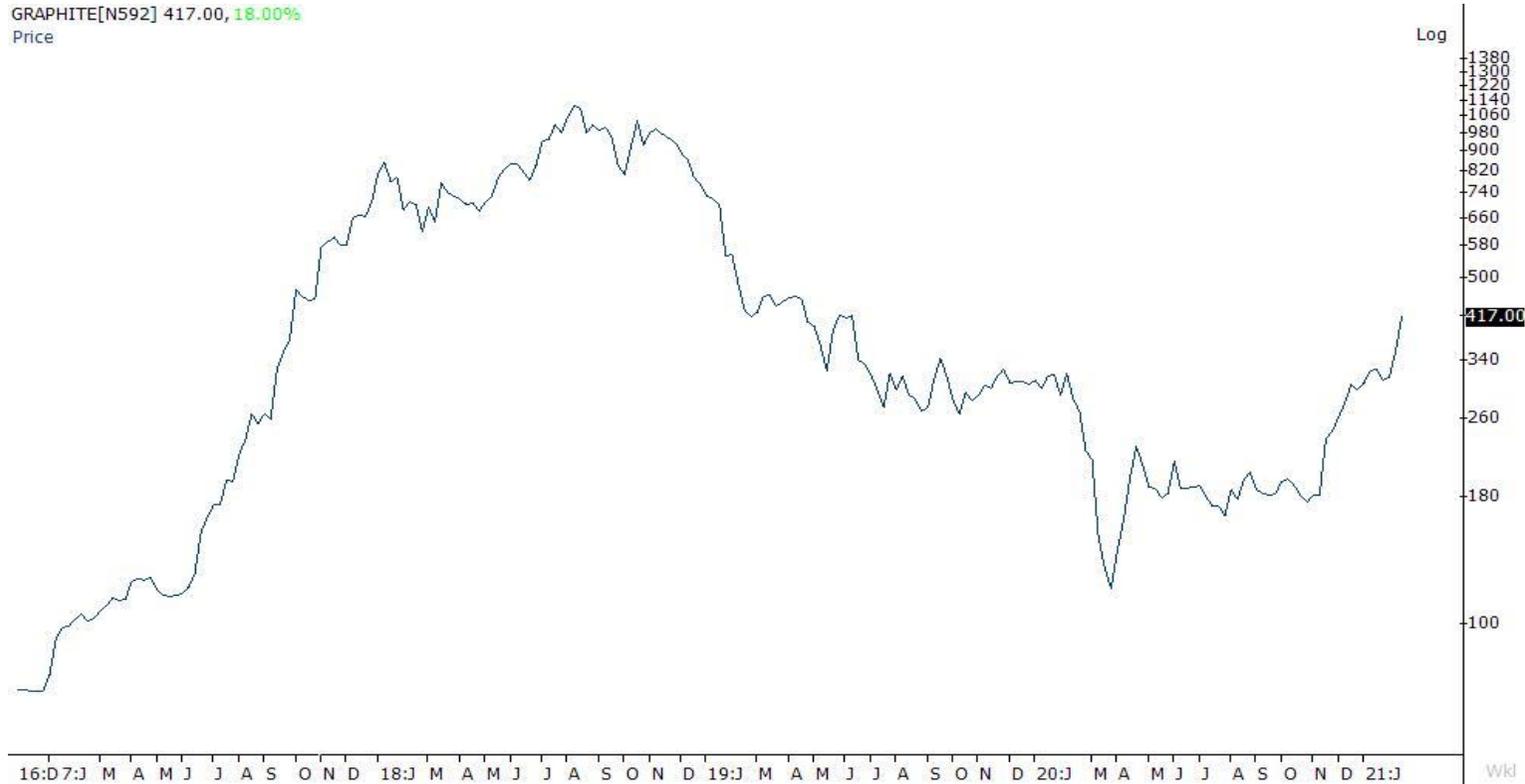
All recommendations are in cash market

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Price history of past three years

Graphite

GRAPHITE[N592] 417.00, 18.00%
Price



- 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 six months 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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