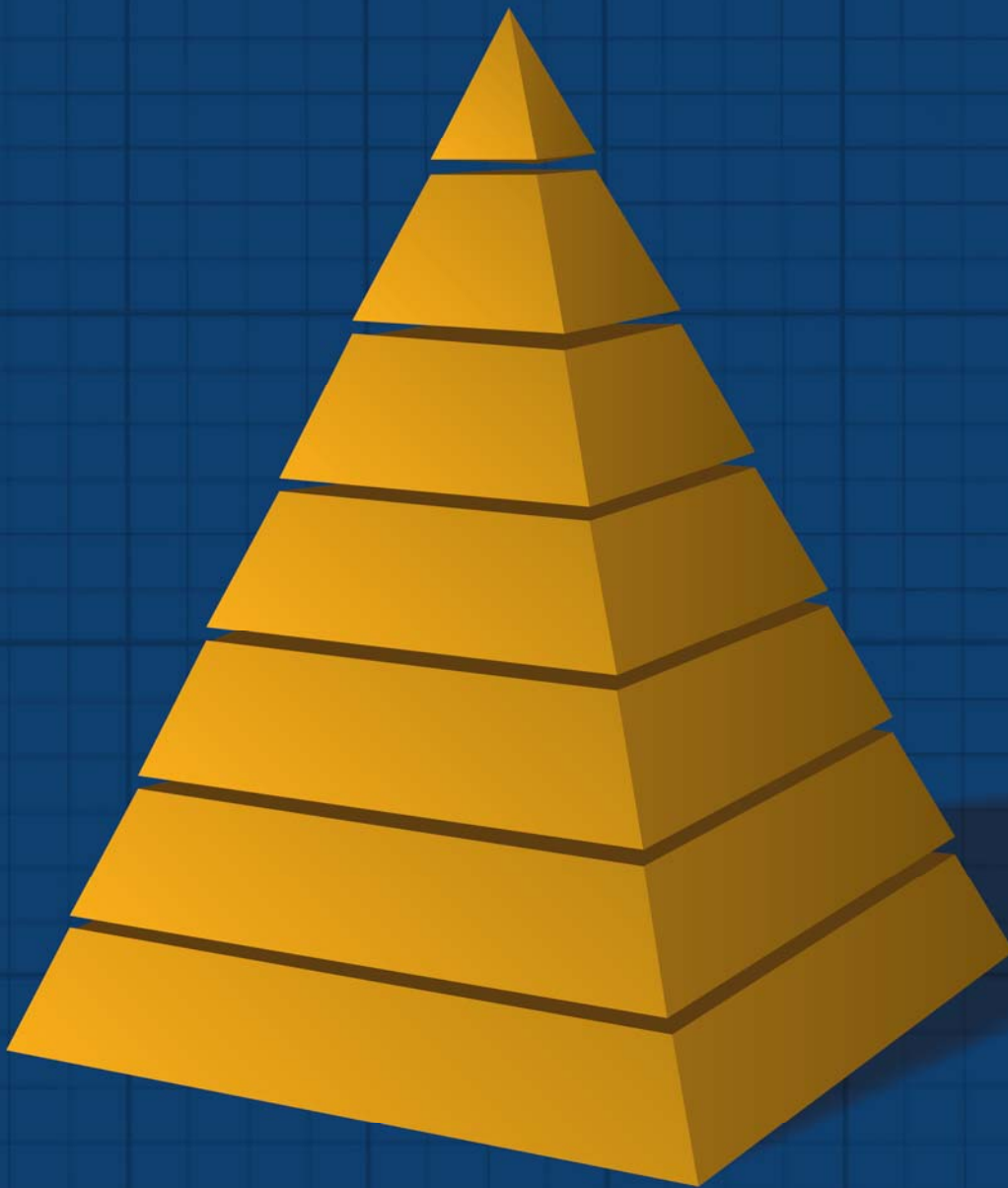


TECHNO FUNDA

Super 7 Picks—October 2017



BP WEALTH



Techno Funda Report - October 2017

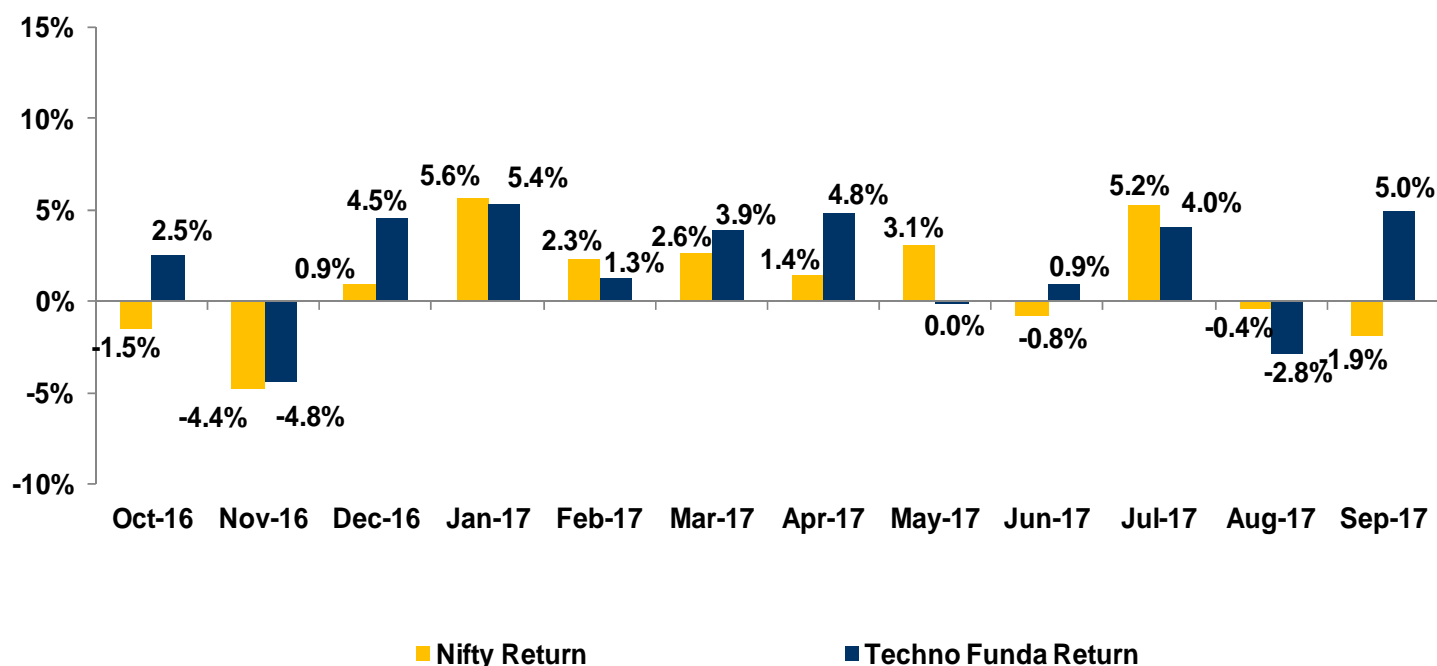
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Company	Recommendation	Price (Rs)	Entry Range (Rs)	Target Price (Rs)	Stop Loss (Rs)	Page No.
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Marico Ltd	Sell	311	317-323	280	338	4
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Sun Pharmaceuticals Industries Ltd	Buy	518	CMP-500	615	470	7



Techno Funda Report - October 2017

Performance Tracker



Performance Tracker May 2017					
Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	Amara Raja Batteries Ltd	Buy	890	1000	Profit booked at 922
2	Engineers India Ltd	Buy	166-162	195	Stoploss Triggered
3	Hexaware Technologies Ltd	Buy	231-225	267	Profit booked at 252.35
4	Max Financial Services Ltd	Buy	656	745	Stoploss Triggered
5	Mahindra & Mahindra Ltd	Buy	1336	1470	Profit booked at 1400
6	Punjab National Bank	Buy	169-165	206	Profit booked at 181
7	Reliance Infrastructure Ltd	Buy	596	675	Stoploss Triggered

Techno Funda Return For May, 2017 : -0.04% , Nifty Return For May, 2017 : 3.1 %

Performance Tracker June 2017					
Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	Ashok Leyland Ltd	Buy	92-89	105	Profit booked at 93.85
2	ICICI Bank Ltd	Buy	CMP-286	341	Exit at 290.15
3	ITC Ltd	Buy	305-295	360	Profit booked at 323.65
4	Shriram Transport Fin Corp Ltd	Buy	CMP-1000	1160	Stoploss Triggered
5	Tata Motors Ltd	Buy	CMP-465	530	Stoploss Triggered
6	Tata Steel Ltd	Buy	500-490	565	Profit booked at 545.75
7	Wipro Ltd	Buy	262.5-257.5	290	Exit at 258.35

Techno Funda Return For June, 2017 : 0.92% , Nifty Return For June, 2017 : -0.8 %



Techno Funda Report - October 2017

Performance Tracker July 2017

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	Arvind Ltd	Sell	370-380	310	Profit booked at 361
2	Asian Paints Ltd	Sell	CMP-1120	960	Stoploss Triggered
3	Dr Reddy's Laboratories Ltd	Buy	CMP-2650	3040	Exit at 2665
4	Idea Cellular Ltd	Buy	CMP-82	105	Profit booked at 92
5	ITC Ltd	Buy	CMP	365	Not Initiated
6	Tata Consultancy Ltd	Buy	CMP	2560	Target Achieved
7	Vedanta Ltd	Buy	CMP	280	Target Achieved

Techno Funda Return For July, 2017 : 4% , Nifty Return For July, 2017 : 5.2 %

Performance Tracker Aug 2017

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	Arvind Ltd	Sell	CMP-370	310	Stoploss Triggered
2	Bharat Financial Inclusion Ltd	Buy	830	940	Stoploss Triggered
3	Bharti Infratel Ltd	Buy	390	440	Exit at 380
4	Hindalco Industries Ltd	Buy	210-205	237	Not Initiated
5	IDFC Ltd	Buy	CMP-58	69	Stoploss Triggered
6	The India Cements Ltd	Sell	CMP-207	165	Profit booked at 181.3
7	Infosys Ltd	Buy	CMP-970	1090	Stoploss Triggered

Techno Funda Return For Aug, 2017 : -2.83% , Nifty Return For Aug, 2017 : -0.4 %

Performance Tracker September 2017

Sr. No.	Company	Recommendation	Reco Price (Rs)	Target Price (Rs)	Status
1	Asian Paints Ltd	Buy	1197	1340	Profit booked at 1257
2	Divi's Laboratories Ltd	Buy	695	835	Target Achieved
3	Hindalco Industries Ltd	Buy	238	270	Profit booked at 253
4	ITC Ltd	Buy	283	320	Stoploss Triggered
5	MCX INDIA Ltd	Buy	1071	1230	Profit booked at 1150
6	NMDC Ltd	Buy	130	152	Stoploss Triggered
7	Oil India Ltd	Buy	309	347	Target Achieved

Techno Funda Return For Sept, 2017 : 4.96% , Nifty Return For Sept, 2017 : -1.9 %

Technical View (Weekly Chart)

1-COALINDIA - 04/10/17



Execution Data

Target (Rs)	315
Stop Loss (Rs)	253
Buying Range (Rs)	CMP-265
Last Close Price (Rs)	270
% change Weekly	(0.31)

Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Downwards
RSI	Buy Mode
MACD	Buy Mode

Technical View

The stock has reversed after taking support at the down sloping trend line which is drawn connecting the previous troughs, also the recent trough is formed round its previous trough of 2013 which suggests the recent trough to act as strong support for short term trend. The stock has formed White opening Marubozu a bullish reversal candlestick pattern which suggests the short term trend to turn bullish. After a sharp bounce back the stock has surpassed down sloping trend line which suggests the short term trend to turn bullish. RSI has earlier formed positive divergence with price has recently surpassed resistance from a down sloping trend line which compliments the bullish view of price. We recommend to Buy COALINDIA in the range of CMP-265 with a stop loss of 253 for the target of 315 in short term.

Investment Rationale

Government thrust on augmenting output augurs well for company

One of the key thrust areas of the government has been on augmenting domestic coal production. The government's focal point is towards reducing coal imports. Hence, it remained focused on enhancing CIL's production. Going forward, we expect coal production volumes to grow at a CAGR of 7.6% in FY17-19E to 642 MT.

Recovery in e-auction realization

Due to weak coal demand in FY17 across the power, steel and cement sectors resulted in a sharp decline in e-auction realization from Rs 1850/tn in FY16 to Rs. 1535/tn in FY17. Our analysis suggests non-power e-auction realization increased to Rs1900/tn which we expect to take average blended e-auction realization to 1625/tn in FY18 (up 5.9% compare to FY17 realization).

Sector Outlook

Positive

Stock

BSE code	500440
NSE Symbol	COALINDIA
Bloomberg	COAL IN
Reuters	COAL.BO

Key Data

Nifty	9,915
52WeekH/L(Rs)	337 / 234
O/s Shares (Rs mn)	6,207
Market Cap (Rs bn)	1,676
Face Value (Rs)	10

Average volume

3 months	50,70,638
6 months	43,46,264
1 year	42,51,287

Banks

Technical View (Weekly Chart)

1-Development Credit Bank L - 04/10/17



Execution Data

Target (Rs)	154
Stop loss (Rs)	196
Selling Range (Rs)	CMP-188
Last Close Price (Rs)	184.30
% change Weekly	0.14

Weekly Oscillator Direction

13 WMA	Downwards
21 WMA	Downwards
50 WMA	Downwards
RSI	Buy Mode
MACD	Buy Mode

Technical View

The stock has been forming lower highs and lower lows which suggest that the stock is in a down-trend. Price faced resistance from a down sloping trend line and has formed a Bearish Engulfing candlestick pattern which is a bearish signal for the short term trend. RSI has earlier violated the support from a up sloping trend line and is now resuming its down move after converging around its average price. We recommend to Sell DCBBANK in the range of CMP-188 with a stop loss of 196 for the target of 154 in short term.

Investment Rationale

GST & RERA in Play

There is a slowdown in economy of the country with GST coming into play and with the loan book of DCB Bank having its loans in Mortgages being 44% and SME & MSE book being 11%, there will be a risk of repayment of loans since there is a decreasing rate scenario in real estate and this can be further seen with increase in Gross NPA from 1.59% in Q4 FY17 to 1.74% in Q1FY18. We further believe that this will be aggravated with RERA into picture. DCB Bank has also seen a rise in its fresh slippages for this quarter and this is expected to further deteriorate.

Competition in Sector

With the increasing schemes by the government to improve the economy of the country, we expect a steady rise in cut-throat competition between these private players. Incase if DCB Bank is not able to capture the increasing opportunities in the market, the growth pace may reduce over the period or remain stagnant and this may lead to a stagnancy in the book values of the company.

Sector Outlook

Positive

Stock

BSE code	532772
NSE Symbol	DCBBANK
Bloomberg	DCBB IN
Reuters	DCBA.BO

Key Data

Nifty	9,915
52WeekH/L(Rs)	213/100
O/s Shares (Rs mn)	308
Market Cap (Rs bn)	56
Face Value (Rs)	10
Average volume	
3 months	2,262,370
6 months	2,568,020
1 year	2,341,310

Technical View (Weekly Chart)

1-LIC Housing Finance Ltd - 04/10/17



Execution Data

Target (Rs)	720
Stop loss (Rs)	608
Buying Range (Rs)	CMP
Last Close Price (Rs)	645
% change Weekly	2.82

Weekly Oscillator Direction

13 WMA	Downwards
21 WMA	Downwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

Technical View

The stock has reversed after forming Hammer a bullish reversal candlestick which suggests the recent trough to act as strong support and short term trend to turn bullish. Also the recent trough coincides with up sloping trend line which is drawn connecting the previous troughs which increases the reliability of the recent trough to act as strong support. The stock is on the verge of surpassing a down sloping trend line, a break above this trend line will further strengthen the up move. RSI has formed Positive Reversal with price which is a bullish signal and compliments the bullish view of price. We recommend to Buy LICHSFIN at CMP with a stop loss of 608 for the target of 720 in short term.

Investment Rationale

Positive in the long term

While RERA and GST are causing intermittent slowdown for the company, we believe that with the given government's thrust, under penetration and favorable interest rate environment, the company will grow at a healthy pace. A possibility of return of pre-payment penalties has been suggested by the managements and commented upon by the regulator which is an incremental positive for mid to small HFCs, since large HFCs have already seen the pressure receding.

Cheaper Valuations

LIC is currently trading at a Price to Book Value of 2.92x compared to its imminent peers PNB Housing Finance and Can Fin Homes which are trading at a Price to Book Value of 4.53x & 6.5x respectively. Owing to the triggers by the government policy of 'Housing for All' by 2022, we expect a healthy growth in revenue and AUM of the company will lead to an increase in the Book Value of the company.

Sector Outlook

Neutral

Stock

BSE code	500253
NSE Symbol	LICHSGFIN
Bloomberg	LICHF IN
Reuters	LIC.BO

Key Data

Nifty	9,915
52WeekH/L(Rs)	794/470
O/s Shares (Rs mn)	505
Market Cap (Rs bn)	325
Face Value (Rs)	2

Average volume

3 months	1,824,840
6 months	1,712,510
1 year	2,145,270

Technical View (Weekly Chart)

1-MARICO LIMITED - 04/10/17



Execution Data

Target (Rs)	280
Stop loss (Rs)	338
Selling Range (Rs)	317-323
Last Close Price (Rs)	(0.06)
% change Weekly	311

Weekly Oscillator Direction

13 WMA	Downwards
21 WMA	Downwards
50 WMA	Upwards
RSI	Sell Mode
MACD	Sell Mode

Technical View

The stock was moving inside a parallel channel for the past several weeks and has now given a downward breakout from it which is a bearish signal for medium term trend. RSI has earlier formed Negative Divergence with price and is now forming lower highs and lower lows which is a bearish signal and compliments the bearish view of price. We recommend to Sell MARICO at 317-323 with a stop loss of 338 for the target of 280 in short term.

Investment Rationale

GST related concerns to remain in near term

Marico had experienced 9% decline in flagship parachute brand on account of GST related concerns and price hikes undertaken by the company. The volumes recovery has been still weak even in current quarter as the distribution network is still not fully prepared for compliance needed in GST. GST has aided in market share gains for Marico but these gains have been taking hit on profitability and volumes.

Increasing input cost to add pressure on margins

The prices of key commodities like copra have been increasing since the start of year and this has been adding pressure on gross margins evident from 400bps decline in gross margins in q1. Further petrochemical prices have been on uptrend further increasing packaging cost for FMCG companies and these cost are not easy to pass on. We expect the margins for company to remain under pressure for next 2 quarters. Further the valuations of Marico have been related sharply and prestnly company trades at 50 times its trailing earning which is heavy premium to sector and market PE.

Sector Outlook

Positive

Stock

BSE code	531642
NSE Symbol	MARICO
Bloomberg	MRCO IN
Reuters	MRCO.BO

Key Data

Nifty	9,915
52WeekH/L(Rs)	347/234
O/s Shares (Rs mn)	1290
Market Cap (Rs bn)	399
Face Value (Rs)	1

Average volume

3 months	1,362,670
6 months	1,353,130
1 year	1,372,200

Technical View (Weekly Chart)

1-National Alum Co Ltd - 04/10/17

Breakout from Consolidation of seven months



RSI has formed Positive reversal

Execution Data

F7	Target (Rs)	100
	Stop loss (Rs)	70
	Buying Range (Rs)	CMP-76
	Last Close Price (Rs)	78.75
	% change Weekly	0.77

Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

Technical View

After a sharp up move the stock underwent a consolidation phase of seven months and now has given upward breakout from this consolidation which is a bullish signal and suggests the stock to resume its previous up move. RSI has formed positive reversal with price which is a bullish signal and compliments the bullish view of price. We recommend to Buy NATIONALUM in the range of CMP-76 with a stop loss of 70 for the target of 100 in short term.

Investment Rationale

Integrated operations provide cost advantage

Nalco has fully integrated operations with captive bauxite mining and 1200MW power plant with are key raw materials for manufacturing Aluminum. The present reserves for bauxite with 43% Alumina ore concentration is located at 12Km distance from Alumina beneficiation plant and have life of over 30 years. Further the captive power plants have aided in containing the power cost which are significantly high (around 30%) in manufacturing Aluminum. Nalco has also developing coal mining at Utkal is expected to further lower the cost of fuel from 2020 when project becomes commercially operational. The company has also planned to add capacity for captive manufacturing of caustic soda which accounts 52-56% of raw material cost through joint venture to protect margins against rising soda price(up 80% in last 2 years).

New projects to drive longevity to earnings

The company has been actively investing in core business through Brownfield expansion in existing Alumina business by enhancing its capacity by 1MTPA and up-gradation of smelter by 0.18MTPA at angul for Aluminum metal operations with capex close to 56bn and these project is expected to be operational by 2021. Nalco has been also exploring options in international markets in nations like Iran, Indonesia along with new alumina capacity in Andhra Pradesh along with bauxite mining but these projects are still in planning stage. Company also has committed invest additional 700cr in wind power projects and additional 600cr projects are in planning stage.

Sector Outlook

Positive

Stock

BSE code	532234
NSE Symbol	NATIONALUM
Bloomberg	NACL IN
Reuters	NALU.BO

Key Data

Nifty	9,915
52WeekH/L(Rs)	85 / 46
O/s Shares (Rs mn)	1,933
Market Cap (Rs bn)	152
Face Value (Rs)	5

Average volume

3 months	50,93,475
6 months	40,31,334
1 year	33,91,648

Technical View (Weekly Chart)

1-Oil & Natural Gas Corp - 04/10/17



Execution Data

Target (Rs)	200
Stop loss (Rs)	159
Buying Range (Rs)	CMP-168
Last Close Price (Rs)	172.10
% change Weekly	0.67

Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Upwards
50 WMA	Upwards
RSI	Buy Mode
MACD	Buy Mode

Technical View

The stock has given breakout from Double bottom a bullish reversal price pattern after which the short term trend is expected to turn bullish. Also the recent trough coincides with 61.8% retracement of its previous up move which increases the reliability of the recent trough to act as strong support. Recently the stock has surpassed down sloping trend line which suggests the short term trend to turn bullish. RSI has earlier given a bullish crossover and now resuming its up move after converging around its average which is a bullish signal and compliments the bullish view of price. We recommend to BUY ONGC at CMP-168 with a stop loss of 159 for the target of 200 in short term.

Investment Rationale

Increasing crude prices to be beneficial.

ONGC being in upstream oil company is seen as primary beneficiary of increase in crude oil prices as ONGC's profits are directly proportional to the crude prices after de-regulation. The Prices of crude oil have been on uptrend since last 2 months on back of expected production cuts by OPEC and US shale oil producers. Further demand for physical oil has been improving on back of global economy recovering. Increasing prices also have positive effect on gas prices which accounts sizable contribution to ONGC's revenues.

Cheaper valuations and investment in subsidiaries provide comfort

ONGC has been trading at cheaper valuations of 12 times its trailing earnings and the earnings are also at cyclical low due to lower crude prices. OVL which is international arm of ONGC is expected to post better numbers with increasing oil prices and company has managed to show profits despite challenging scenario last year, we expect better profitability for OVL going forward which would further add value to ONGC. The company also has other subsidiaries and investment in other companies like MRPL(50%), OPAL(100%), OMPL, OTPC.

Sector Outlook

Positive

Stock

BSE code	500312
NSE Symbol	ONGC
Bloomberg	ONGC IN
Reuters	ONGC.BO

Key Data

Nifty	9,915
52WeekH/L(Rs)	212/155
O/s Shares (Rs mn)	1283
Market Cap (Rs bn)	2207
Face Value (Rs)	5

Average volume

3 months	89,67,840
6 months	81,72,860
1 year	77,59,880

Technical View (Weekly Chart)

1-Sun Pharma Ltd - 04/10/17



F7

Execution Data

Target (Rs)	615
Stop loss (Rs)	470
Buying Range (Rs)	CMP-500
Last Close Price (Rs)	518
% change Weekly	2.91

Weekly Oscillator Direction

13 WMA	Upwards
21 WMA	Downwards
50 WMA	Downwards
RSI	Buy Mode
MACD	Buy Mode

Technical View

The stock has reversed after forming White Opening Marubozu candlestick at the down sloping trend line which is drawn connecting the previous troughs which suggests the recent trough to act as strong support for medium term trend. Post sharp bounce now the stock is on the verge of a breakout from Falling wedge a bullish reversal price pattern, a breakout from the pattern will make the medium term trend bullish. RSI has formed positive divergence around its oversold zone which is a bullish signal compliments the bullish view of price. We recommend to BUY SUNPHARMA at CMP-500 with a stop loss of 470 for the target of 615 in short term.

Investment Rationale

Strong Domestic Performance

In the domestic market, Sun Pharma is one of the largest and fastest growing Indian pharmaceutical companies. Sun Pharma, with Ranbaxy is now the segment leader with a market share of 8.7% in the domestic formulation market, followed by Abbott India which has a market share of 6.5%. This is a significant gap considering that the segment is highly fragmented. We expect the domestic formulation business to post a CAGR of 12% over FY2016- 18E, contributing 25% to the overall formulation sales of the company in FY19. Sun Pharma has consistently generated strong free cash flow due to its product mix and financial efficiency and it has a major possibility to have a good growth in the current economy.

Speciality Pharma to drive growth

SunPharma has expanded its business in speciality pharma over the period. In-licensing of MK-3222 and acquisition of InSite (niche speciality pharma focused on ophthalmics) demonstrates that Sun-pharma has been transitioning into a speciality Pharma Company. Also due to a series of acquisitions (products/companies), tie-ups and development of its own speciality product pipeline, the company has created an interesting portfolio mix in the speciality pharma sector by launching quite a few products in the market as well as with the start of its Halol plant, it will give a great boost to the company by launching the new products as forecasted by the management.

Sector Outlook

Positive

Stock

BSE code	524715
NSE Symbol	SUNPHARMA
Bloomberg	SUNP IN
Reuters	SUN.BO

Key Data

Nifty	9,915
52WeekH/L(Rs)	772 / 433
O/s Shares (Rs mn)	2395
Market Cap (Rs bn)	1,242
Face Value (Rs)	1

Average volume

3 months	53,92,825
6 months	54,28,560
1 year	48,72,717

**Disclaimer Appendix****Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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