

TECHNICAL PICK OF THE MONTH

TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

MARCH 01, 2021

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TECHNICAL PICK

TECHNOCRAFT INDUSTRIES (INDIA) LTD

BUY

CMP: Rs401

TARGET PRICE: Rs518 & Rs635

TIME :6-9 months

Overview: The company was established in 1972 by two brothers Mr S.K. and S.M Saraf. It manufactures high precision and sophisticated drum closures products and it successfully managed to capture the Middle East, USA and Europe export markets. In 1997, company diversified into manufacturing of cotton yarn. The spinning mill is equipped with world class Swiss, Japanese, other equipment. The company is predominant player in the precision engineering sector & it has done a forward integration of tube division by producing high precision scaffolding systems for building constructions.

SNAPSHOT	
Market Cap (Cr)	973
52 week H / L (Rs)	444.20 / 144.00
BSE Code	532804
NSE Code	TIIL



Investment Rationale:

- Technocraft Industries (India) Ltd has given a breakout from a reversal pattern i.e **Inverted Head & Shoulder**.
- +DMI stands above -DMI which is considered as a buy signal and with a reading of 20 in ADX suggesting start of a new trend.
- From the past couple of months, volume has been increasing which suggests good accumulation at lower levels.

Recommendation: We recommend a BUY on the company at current market price of Rs401 with the closing stop loss of Rs295 for a target of Rs518-Rs635 with a horizon of 6-9months.

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