



# **TECHNICAL PICK OF THE WEEK**

## **SALZER ELECTRONICS LIMITED**

**JUNE 07, 2021**

June 07, 2021

TECHNICAL PICK

SALZER ELECTRONICS LTD

BUY

CMP: Rs149

TARGET PRICE:Rs189 & Rs230

TIME : 6-9 months

**Overview:** Salzer Electronics Limited was incorporated in 1985 and is in the business of providing integrated and customized electrical solutions with more than 3 decades of expertise in designing, developing and manufacturing array of products including rotary switches, wiring ducts, sensor and transformers. Salzer is the largest manufacturer of CAM rotary switches and wire ducts in India with a market share of 25% and 20% respectively. Salzer is headquartered in Coimbatore, Tamil Nadu and has 5 state of the art manufacturing facilities.

SNAPSHOT	
Market Cap (Cr)	237
52 week H / L (Rs)	162.40 / 65.20
BSE Code	517059
NSE Code	SALZERELE



**Investment Rationale:**

- Salzer Electronics Ltd has given a 2 years consolidation breakout from two different formations: 1) **Rounding Bottom** 2) **Symmetrical Triangle Pattern**.
- Trend line breakout has been witnessed in RSI.
- Trend Following Indicator MACD has given a positive crossover. Stock price has also crossed its 200WMA (Red Line).
- Reading of 35 in ADX, indicates presence of a trend which is an uptrend.
- Rising volume is also accompanied at the time of price breakout.

**Recommendation:** We recommend a BUY at current market price of Rs149 or decline upto Rs141 with a closing stop loss of Rs107 for a target of Rs189 & Rs230 with a horizon of 6-9months.

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