

WEEKLY TECHNICAL REPORT

25 AUGUST 2023

CHEMPLAST SANMAR
LTD

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August 25, 2023

CHEMPLAST SANMAR LTD

Buy

CMP: Rs517

TARGET PRICE: Rs587 & Rs658

Time: 3-6 Months

Overview: Chemplast Sanmar is over fifty years old and is a part of the SHL Chemicals Group, which in turn is a constituent of the Sanmar Group, one among the oldest and most prominent corporate groups in South India. It is a major manufacturer of Speciality Chemicals such as Specialty Paste PVC resin and Custom Manufactured Chemicals for agro-chemical, pharmaceutical and fine chemicals sector. The company also produces other chemicals such as Caustic Soda, Chlorochemicals, Hydrogen Peroxide, Refrigerant gas and Industrial Salt.

SNAPSHOT

Market Cap (Cr)	8,262
52 week H / L	530 / 342
BSE Code	543336
NSE Code	CHEMPLASTS



Investment Rationale:

- Chemplast Sanmar Ltd has given a breakout from an **Inverted Head & Shoulder Formation**
- Long term trendline breakout was spotted in the leading momentum indicator **RSI**
- Trend following indicators **MACD** and **ADX** have given a positive crossover
- Price breakout was confirmed with an uptick in the **Volume**
- The stock is quoting well above all the leading **Moving Averages**

Recommendation:

We recommend a **BUY** on the company at current market price of Rs517 or decline upto Rs500 with the closing stop loss of Rs430 for a target of Rs587-Rs658 with a horizon of 3-6months.

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