

Techno-Funda Pick



On the Daily Chart.

- The stock is in a steady up trend making a higher top higher bottom formation on the longer term chart.
- At present we are observing a Flag pattern breakout with good volumes. This suggests upside momentum.

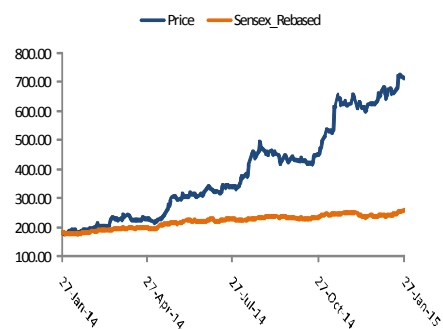
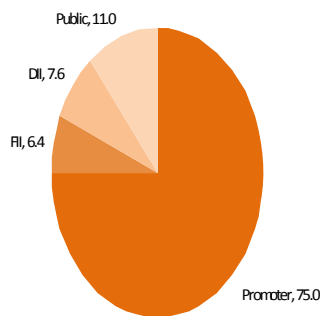
Hence, we are of the opinion that the stock has made a bottom at 600. One can accumulate the stock at current level or on a decline up to 680 level. On the upside it has potential to test 850 – 920 – 1000 levels in couple of months.

About Whirlpool

Whirlpool of India is a 75% subsidiary of US-based Whirlpool Corporation. It has presence in segments like Refrigerators (contributes ~60% revenue), Washing Machine (~20% revenue), Air Conditioner (~7.5% revenue), Microwave Ovens (~2% revenue) and other like water purifiers, Built-in-kitchens, Induction, Home Ups (contributes remaining revenue share). Company owns three manufacturing facilities at Faridabad, Pondicherry and Ranjangaon. It has strong distributor presence, with a network of 3,500 dealers across 150 towns.

- Whirlpool ability to leverage on its parent’s product and marketing expertise to launch new products/ undertake innovation on existing products in the Indian markets puts it in an advantageous position.
- Whirlpool runs a capital efficient business model with zero debt.
- Strong innovative pipeline which will result in market share gains over the next two years.

(Rs Cr)	FY11	FY12	FY13	FY14
Net Revenue	2,703	2,658	2,773	2,835
EBITDA	289	235	242	239
EBITDA%	10.7	8.9	8.7	8.4
PAT	166	124	128	123
EPS	12.3	9.6	10.1	9.7
PAT Growth (%)	14.5	(25.5)	3.2	(3.8)
RONW (%)	59.9	29.8	23.7	18.5
P/E (x)	57.8	73.7	70.6	73.3



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On the Weekly Chart.

- We are observing that the XA wave = 61.8% Fib level. Further, the BC leg has retraced by 78.6% Fib level.
- Further, the prices have breached the XB trend line at 112 level, which suggests upside momentum.
- At present, CD leg is in progress where the D point will end at 276 level to form a bearish Crab

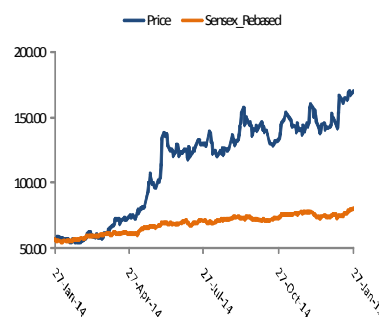
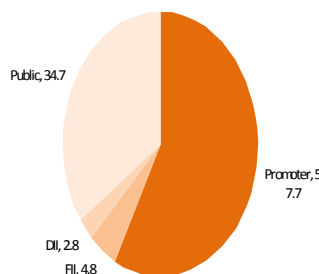
At present we are seeing a consolidation at current level. One can accumulate this stock at current level or on a decline up to 150. On the upside, 186 is immediate resistance for the stock. Any close above 186 will propel this stock to 230 – 250 – 276 level in couple of months.

About Brigade

Brigade Enterprises Ltd is engaged in developing residential, commercial and retail properties primarily in Bangalore and Mysore, and has also developed and is managing a number of serviced apartments under the brand, Brigade Homestead. They have a uniquely diverse multi-domain portfolio that covers property development, property management services, hospitality and education.

- Brigade operates in three verticals – real estate, lease rental and hotels. We expect significant scale-up across the business segments & expects revenue to grow robustly over next three years.
- Brigade has already established brand in Bangalore and Mysore, brigade is expanding its presence in other cities as well.
- Brigade has all the winning traits – enviable track record, product diversification, superior quality and good governance.

(Rs Cr)	FY11	FY12	FY13	FY14
Net sales	482	613	823	940
EBIDTA	200	181	221	291
EBIDTA%	0.4	0.3	0.3	0.3
PAT	121	57	61	88
EPS	10.7	5.1	5.5	7.8
PAT Growth (%)	159.0	(52.8)	7.5	43.6
RONW (%)	11.3	5.0	5.1	7.2
P/E	15.8	33.5	31.2	21.7





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