

Techno-Funda Pick



On the Weekly Chart.

- We are observing a terminating pattern which has been labelled with A, B, and C.
- Further, the prices have made a clear high formation with good volumes.
- We expect the prices to cross the recent high of Rs 498.

Hence, we are of the opinion that this stock has made a low of 350 and one can expect this counter to test 550 - 600 - 650 levels.

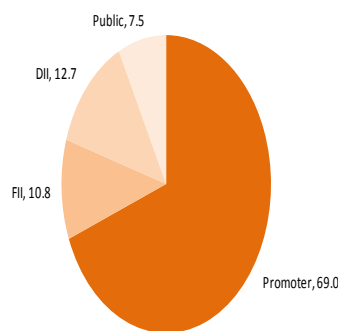
About Canara Bank

Canara Bank is a PSU bank headquartered in Bangalore, Karnataka. It was established in 1906, making it one of the oldest banks in the country; the bank was nationalised in 1969. As of 30th Sept, 2014, the bank had a network of 5514 branches and 7095 ATMs spread across India. The bank also has offices abroad in London, Hong Kong, Bahrain, Shanghai, Republic of South Africa, and New York.

- Has high portfolio of government bonds. Bond prices will increase as and when RBI starts cutting rates which will be positive for bank.
- P/ABV for bank is just 0.9x which is relatively lower than other PSU banks.

| (Rs Cr) | FY11 | FY12 | FY13 | FY14 |
|---------------------|-------|--------|--------|--------|
| Net interest income | 7,699 | 7,689 | 7,879 | 8,944 |
| Operating Profit | 6,091 | 5,943 | 5,890 | 6,796 |
| PAT | 4,026 | 3,283 | 2,872 | 2,438 |
| EPS (Rs) | 90.9 | 74.1 | 64.8 | 52.9 |
| EPS Growth (%) | 23.3% | -18.5% | -12.5% | -18.5% |
| RoE (%) | 26.4 | 17.0 | 13.2 | 10.4 |
| P/E (x) | 4.8 | 5.9 | 6.8 | 8.3 |
| ABV | 405 | 466 | 516 | 523 |
| P/ABV (x) | 1.1 | 0.9 | 0.9 | 0.8 |

Source: Company data, Arihant Research



7th Jan, 2015

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On the Monthly Chart.

- We are observing that the XA wave = 78.6% Fib level. Further, the BC leg has retraced by 61.8Fib level.
- Further , the prices have breached the XB trendline at 780 level, which suggests upside momentum
- At present, CD leg is in progress where the D point will end at 1400 level to form a bearish Butterfly.

Hence, we are of the opinion that 700 could be the base of this counter and one can expect this stock to test 1075 - 1250 - 1400 levels.

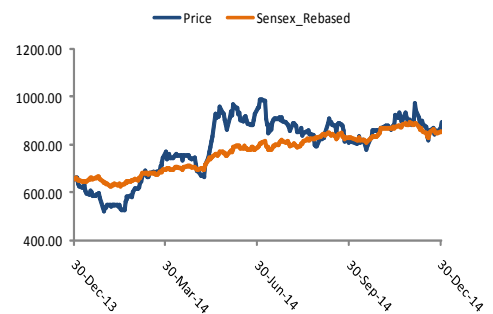
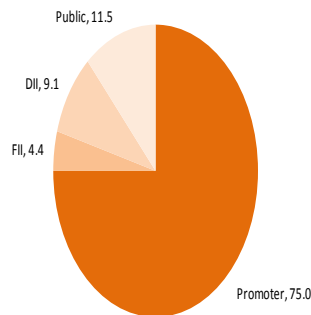
About Siemens

Siemens is a technology powerhouse that has stood for engineering excellence, innovation, quality and reliability. The company focuses on the areas of electrification, automation and digitalisation. It is one of the leading producers of energy-efficient, resource saving technologies, combined cycle turbines for power generation, and power transmissions. Siemens is the pioneer in infrastructure solutions and automation and software solutions for industry. The company is also a leading supplier of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. Siemens India has ~ 18500 employees, 23 manufacturing plants and a nationwide sales and service network. Siemens AG holds 75% in Siemens India.

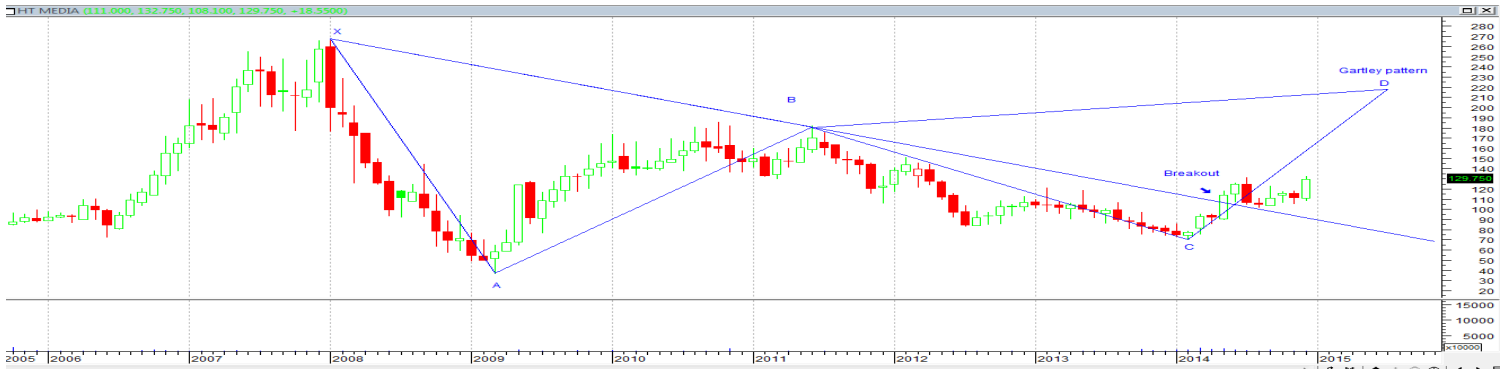
- Benefit from Make in India theme
- In the forthcoming budget govt is likely to impose duties on Chinese imports in Power equipment space to protect domestic industry. This will help Siemens.
- Medical equipment industry is likely to benefit as Healthcare spending will be raised in forthcoming budget.

| (Rs Cr) | SY11 | SY12 | SY13 | SY14 |
|----------------|--------|--------|--------|--------|
| Net Revenue | 12,029 | 12,920 | 11,353 | 10,663 |
| EBITDA | 1,455 | 891 | 479 | 721 |
| EBITDA% | 12.1 | 6.9 | 4.2 | 6.8 |
| PAT | 845 | 343 | 194 | 603 |
| EPS | 24.8 | 10.1 | 5.5 | 16.9 |
| PAT Growth (%) | 2.2 | (59.4) | (43.5) | 210.9 |
| RONW (%) | 23.2 | 8.8 | 4.9 | 14.4 |
| P/E (x) | 36.3 | 89.5 | 165.5 | 53.2 |

Source: Company data, Arihant Research



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On the Monthly Chart.

- We are observing that the XA wave = 61.8% Fib level. Further, the BC leg has retraced by 78.6Fib level.
- Further , the prices have breached the XB trendline at 105 level, which suggests upside momentum
- At present, CD leg is in progress where the D point will end at 220 level to form a bearish Gartley pattern.

Hence, we are of the opinion that 90 could be the base of this counter and one can expect this stock to test 176 – 196 – 220 levels.

About HT Media

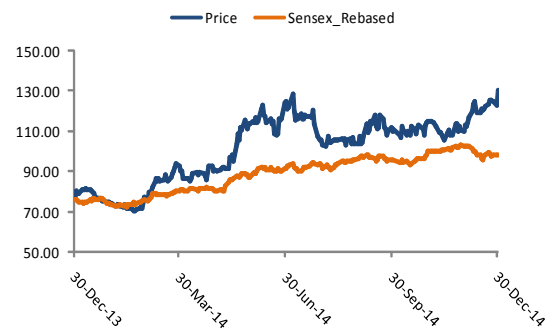
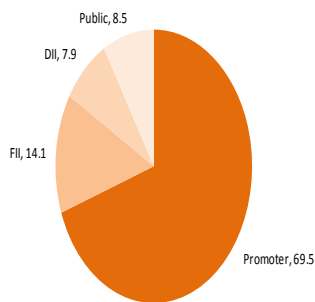
HT Media Limited is one of India’s foremost media companies, and home to three leading newspapers in the country in the English, Hindi and business segments – ‘Hindustan Times’ (English daily), ‘Hindustan’ (Hindi daily, through a subsidiary) and ‘Mint’ (business daily). ‘Hindustan Times’ was started in 1924 and has a more than 85-year history as one of India’s leading newspapers. The Company also has four FM radio stations - “Fever 104” in Delhi, Mumbai, Bengaluru and Kolkata. The Company also operates a job portal in the internet space, called www.Shine.com. This is in addition to the existing websites livemint.com and hindustantimes.com.

HT Media also publishes two Hindi magazines Nandan and Kadambini through its subsidiary Hindustan Media Ventures Limited.

- Increased advertising volumes and yields augur well for the company.
- Profits in radio business is showing increasing trend.
- Gaining traction in digital business.
- Improving economy will lead to increased hiring which augurs well for shine.com.

| (Rs Cr) | FY11 | FY12 | FY13 | FY14 |
|----------------|-------|-------|-------|-------|
| Net Revenue | 1,776 | 2,001 | 2,048 | 2,201 |
| EBITDA | 366 | 362 | 376 | 475 |
| EBITDA% | 20.6 | 18.1 | 18.4 | 21.6 |
| PAT | 178 | 165 | 168 | 208 |
| EPS | 7.6 | 7.0 | 7.1 | 8.9 |
| PAT Growth (%) | 30.2 | (6.9) | 1.3 | 23.8 |
| RONW (%) | 16.4 | 12.5 | 11.7 | 13.9 |
| P/E (x) | 16.4 | 17.6 | 17.4 | 13.9 |

Source: Company data, Arihant Research



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On the Monthly Chart.

- We are observing a Triangular pattern breakout at 190 levels.
- The height of the base of triangle is approximately 204 point. .
- If you add 204 point from the breakout points of 190, we can expect the stock to test 394 levels.

Since we are seeing good demand zone at 250 level one can accumulate this stock at current price up to 280 for a target of 394 levels.

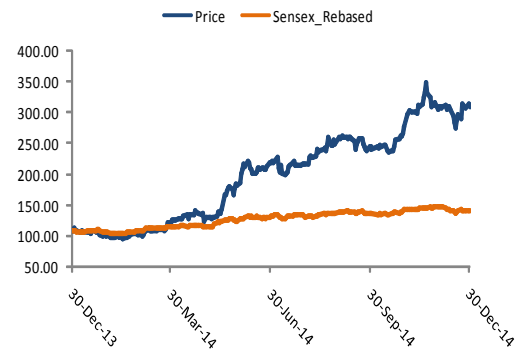
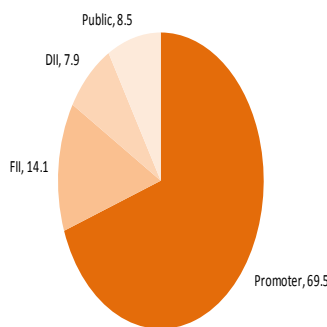
About Mangalam Cement

Mangalam Cement Ltd (MCL) is a BK Birla group company. The company is into cement manufacturing. MCL has an installed capacity of 3.25 MTPA located in Morak, Rajasthan. It sells in northern and central India under the brand name Birla Uttam. It has network of 1,179 dealers and 3,415 retailers.

- MCL has recently added 1.25 mn tons of capacity which will drive growth in volumes.
- Government emphasis on Infrastructure will drive the growth for cement.
- Increasing demand coupled with slowing capacity additions will drive up utilisation rates.

| Y/E March, (Rs. in Cr) | FY11 | FY12 | FY13 | FY14 |
|------------------------|-------|------|------|-------|
| Net Revenue | 496 | 631 | 706 | 697 |
| EBITDA | 63 | 103 | 131 | 56 |
| PAT | 38.2 | 56.0 | 77.4 | 29.6 |
| EPS | 14.3 | 21.0 | 29.0 | 11.1 |
| EPS Growth (%) | (0.7) | 0.5 | 0.4 | (0.6) |
| RONW (%) | 9.9 | 13.7 | 15.7 | 5.8 |
| P/E (x) | 22.5 | 15.4 | 11.1 | 29.1 |
| EV/EBITDA (x) | 8.1 | 5.9 | 5.7 | 16.0 |

Source: Company data, Arihant Research



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