

Thermax Limited

Date: 13/08/2024

CMP: 4325 • Target: 4800-5000 • Stoploss: 3970

Time Frame: 3-6 months

Thermax -Weekly Chart



Thermax -Daily Chart



Chart as on 13th Aug 2024

Technical Outlook

- The stock had broken out of the trend line resistance in the March series and made a high of 5840 levels. It once again Re-tested the trendline support levels in this correction as shown in the weekly chart above. The stock has reversed its direction from support levels and is on the verge of forming a hammer candle on a weekly scale, which indicates a potential bullish reversal.
- The stock has found significant support at the 200-Day Exponential Moving Average (200-DEMA), positioned around 4180 levels. Additionally, it has formed a bullish AB=CD harmonic pattern, suggesting a reversal from the Potential Reversal Zone (PRZ) between 4140-4180 levels. The stock has respected this zone and reversed from these levels, indicating strength.
- The 200-DEMA is placed around 4180 levels, which will provide a key buying opportunity in the stock. The 200-Day Simple Moving Average (200-DSMA) support, located near 3978 levels, is the trend-deciding level for the stock.
- The momentum indicator, RSI on a daily scale is placed near oversold zone. Thus, bounce from the oversold zone cant ruled out.
- Based on the aforesaid technical set up, we recommend **accumulating Thermax** between 4300-4350 and on dips around 4170-4220 with a stop loss of 3970 on a closing basis for a medium-term price target of 4800-5000.

Fundamental Rationale

- Thermax Limited (THERMAX) is a multinational engineering conglomerate that is involved in clean air, clean energy, and clean water solutions. Headquartered in Pune, it has emerged as a leading conglomerate in the energy and environment sector.
- The company has strategically spread its operations to markets worldwide and catering to a gamut of industries. The Company's portfolio includes boilers and heaters, absorption chillers/ heat pumps, power plants, solar equipment, air pollution control equipment/system, water and waste recycle plants, ion exchange resins and performance chemicals, and related services.
- THERMAX operates globally through 34 international offices, 22 domestic offices, and 14 manufacturing facilities of which 10 are in India and one each in Denmark, Indonesia, Poland, and Germany. Strong Product Portfolio and geographical presence leading to the stable revenue stream.
- The Company is committed to its philosophy of 'Conserving Resources, Preserving the Future' with more sustainable projects in clean air, clean energy, and clean water. We believe Thermax Limited is well-placed to capitalize on these opportunities.
- Green Hydrogen to give an edge. Well-positioned to benefit from the increasing emphasis on energy transition initiatives led by government to promote sustainable energy. Growth in Bio-mass and Bio-CNG as another promising opportunity.
- Thermax has a robust outstanding order book of around 10,681 cr at the end of Q1 June 2024 indicating Revenue visibility for the coming Quarters.
- Based on robust financial performance with revenue and profitability growing at a CAGR of about 25% and 34% respectively from FY21 to FY24, alongside promising prospects across all business segments tied to emerging opportunities, we recommend an "**ACCUMULATE**" rating for the stock.

ACMIL Retail Research Products

Informational Products	Recommendation Products
Morning Notes	Momentum calls
Market Watch	Smart Delivery trades
Weekly Technical Synopsis	Positional technical calls
Quarterly Kaleidoscope	Investment ideas
Market Pulse	Master trades High & Medium Risk
RBI Monetary Policy	Techno Funda
Budget Report	Stock Basket
Weekly Derivatives Synopsis	Mutual fund model portfolios
Rollover Snapshot	Portfolio Doctor
Rollover Analysis (Monthly)	IPO Note
Special Report (Industry/Calendar year/Financial year)	
Investment Idea	

For More Information on Retail Research Products please visit

<https://www.investmentz.com/research-services>

Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Devang Shah E: devang.shah@acm.co.in
 Hrishikesh Yedve E: hrishikesh.yedve@acm.co.in
 Ruchi Jain E: ruchi.jain@acm.co.in
 Kamlesh Jain E: kamlesh.jain@acm.co.in

Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000016940

CIN: U65990MH1993PLC075388

Download Investmentz app:



Follow us on:



Information pertaining to Asit C. Mehta Investment Intermmediates Limited (ACMIL):

ACMIL is a SEBI registered Stock Broker, Merchant Banker, Portfolio Manager, Research Analyst and Depository Participant. It is also a AMFI registered Mutual Fund Distributor. Its associate/group companies are Asit C. Mehta Commodity Services Limited, Nucleus IT Enabled Services, and Asit C. Mehta Financial Services Limited (all providing services other than stock broking, merchant banking and portfolio management services.).

Disclosures

ACMIL/its associates and its Research analysts have no financial interest in the companies covered on the report. ACMIL/its associates and Research analysts did not have actual/beneficial ownership of one per cent or more in the companies being covered at the end of month immediately preceding the date of publication of the research report. ACMIL/its associates or Research analysts have no material conflict of interest, have not received any compensation/benefits for any reason (including investment banking/ merchant banking or brokerage services) from either the companies concerned/third parties with respect to the companies covered in the past 12 months. ACMIL/its associates and research analysts have neither managed or co-managed any public offering of securities of the companies covered nor engaged in market making activity for the companies being covered. Further, the companies covered neither are/nor were a client during the 12 months preceding the date of the research report. Further, the Research analyst/s covering the companies covered herein have not served as an officer/director or employee of the companies being covered

Disclaimer:

This report is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon such. ACMIL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the report. To enhance transparency we have incorporated a Disclosure of Interest Statement in this document. This should however not be treated as endorsement of the views expressed in the report.

You are also requested to refer to the disclaimer (which is deemed to be part and parcel and is applicable to this research report as well) : <http://www.investmentz.com/disclaimer>