

Week Gone

- ⇒ In the week ended on Friday, 30 September 2022, the Sensex fell 672 points or 1.16% to settle at 57,426.92. The Nifty 50 index slumped 233 points or 1.34% to settle at 17,094.35
- ⇒ The BSE Mid-Cap index slipped 1.65% to settle at 24,853.94
- ⇒ The BSE Small-Cap index dropped 1.25% to settle at 28,452.91

Week Ahead

- ⇒ S&P Global Services PMI for September will be declared on 6 October 2022
- ⇒ The US ISM Manufacturing PMI data for September will be announced on 3 October 2022
- ⇒ The US Non Farm Payrolls data for September will be announced on 7 October 2022

Technical Overview

The benchmark index opened by gapping down ~170 points for the week and continued to witness selling oppression in the next three sessions. The index rebounded sharply from the conjunction of multiple supports like the pivot near 16800, 50 WEMA, and 20 WMA managing to reclaim the 200 EMA demarcation. The tepid pullback was arrested near the breakout zone of the double top reversal pattern coupled with the previous gap-down area acting as resistance. Going forward it will be crucial for the index to steer and sustain above the 17330 levels to attract further bullish momentum. The support comes near 17000 – 16800 – 16650 whereas resistance is near 17170 – 17330 – 17420.



Source: Falcon, BP Equities Research

Weekly Wealth

DOMESTIC INDICES

Index	30-Sep-22	23-Sep-22	Weekly % Chg
Nifty 50	17,094.4	17,327.4	-1.3
Nifty Next 50	42,385.5	43,415.1	-2.4
Nifty 100	17,438.6	17,718.5	-1.6
Nifty 500	14,829.4	15,057.7	-1.5
NIFTY MIDCAP 100	30,668.3	31,078.7	-1.3
S&P BSE SENSEX	57,426.9	58,098.9	-1.2
S&P BSE 100	17,575.0	17,827.9	-1.4
S&P BSE 200	7,522.7	7,643.5	-1.6
S&P BSE 500	23,642.5	24,005.3	-1.5
S&P BSE MidCap	24,853.9	25,271.4	-1.7
S&P BSE SmallCap	28,452.9	28,812.8	-1.2

WORLD INDICES

Index	30-Sep-22	23-Sep-22	Weekly % Chg
Nikkei Index	25,937.2	27,153.8	-4.5
Hang Seng Index	17,222.8	17,933.3	-4.0
Kospi Index	2,155.5	2,290.0	-5.9
Shanghai SE Composite	3,024.4	3,088.4	-2.1
Strait Times Index	3,130.2	3,227.1	-3.0
Dow Jones	28,725.5	29,590.4	-2.9
NASDAQ	10,575.6	10,867.9	-2.7
FTSE	6,893.8	7,018.6	-1.8

FOREX

Currency	30-Sep-22	23-Sep-22	Weekly % Chg
US\$ (Rs.)	81.4	81.1	0.3
GBP (Rs.)	90.6	88.6	2.3
Euro (Rs.)	79.7	78.8	1.0
Yen (Rs.) 100 Units	56.2	56.6	-0.7

NIFTY TOP GAINERS (WEEKLY)

Scrip	30-Sep-22	23-Sep-22	Weekly % Chg
Power Grid Corpn.	212.2	202.55	4.8%
Dr. Reddys Lab	4335.7	4139.2	4.7%
Cipla	1114.95	1068.1	4.4%
HCL Tech.	932.35	895.85	4.1%
Bharti Airtel	799.9	771.35	3.7%

FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
30-Sep-22	9,507.6	11,072.9	-1,565.3
29-Sep-22	8,328.7	11,928.1	-3,599.4
28-Sep-22	7,729.9	10,502.4	-2,772.5
27-Sep-22	7,421.6	10,245.5	-2,824.0
26-Sep-22	6,232.0	11,333.3	-5,101.3
<u>MTD</u>	39,219.7	55,082.2	-15,862.5

NIFTY TOP LOSERS (WEEKLY)

Scrip	30-Sep-22	23-Sep-22	Weekly % Chg
Adani Ports &Special	820.65	913.8	-10.2%
Hero MotoCorp	2549.2	2762.05	-7.7%
JSW Steel	631.65	669	-5.6%
Maruti Suzuki	8828.15	9343.45	-5.5%
Tata Steel	99.3	104.3	-4.8%

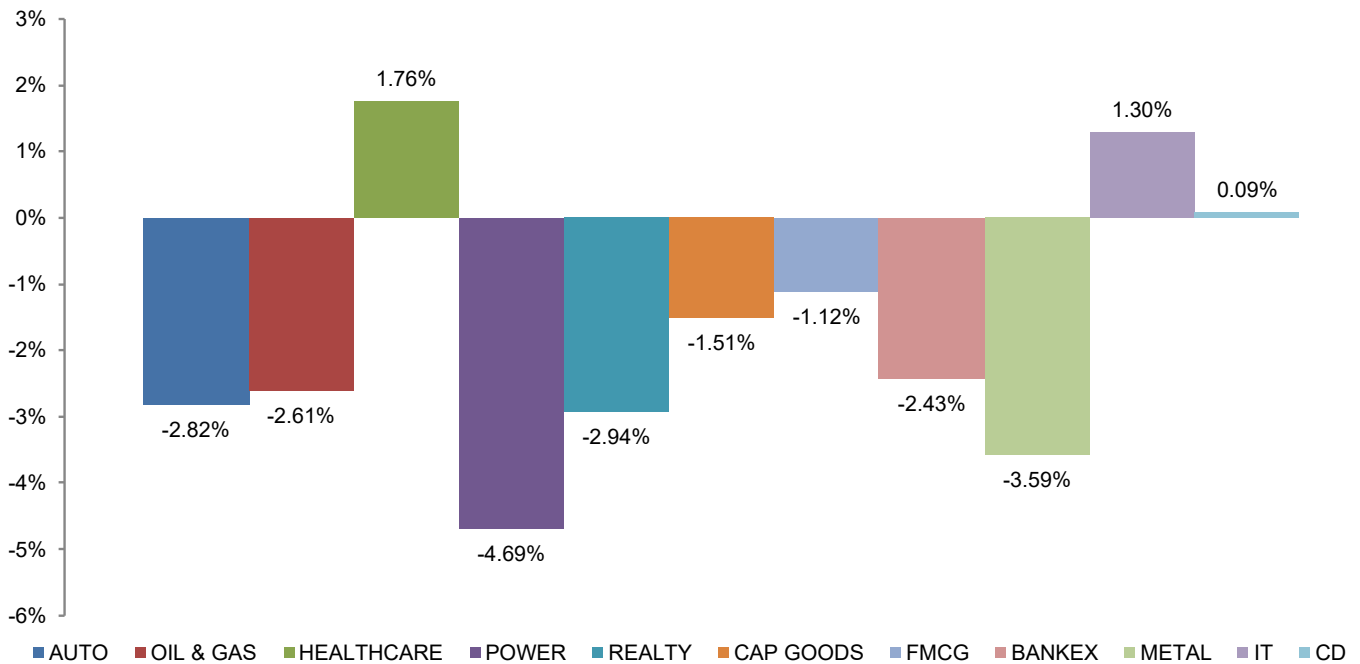
DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
30-Sep-22	7,997.3	4,751.8	3,245.5
29-Sep-22	15,193.2	12,031.4	3,161.7
28-Sep-22	7,678.0	5,133.9	2,544.2
27-Sep-22	8,829.2	5,324.5	3,504.8
26-Sep-22	10,680.1	7,147.9	3,532.2
<u>MTD</u>	50,377.8	34,389.5	15,988.3

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	30/09/22 Share Price (Rs.)	23/09/22 Share Price (Rs.)	Weekly % Chg	30/09/22 Open Interest	23/09/22 Open Interest	Weekly % Chg
SYNGENE	563	556.45	-1.2	2051000	3374000	64.5
CUB	174.45	176.1	0.9	4685000	6870000	46.6
LICHSGFIN	416.2	401.85	-3.4	9144000	13368000	46.2
IDEA	8.85	8.9	0.6	404180000	551810000	36.5
INDIAMART	4447.5	4394.5	-1.2	215550	292350	35.6

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	30/09/22 Share Price (Rs.)	23/09/22 Share Price (Rs.)	Weekly % Chg	30/09/22 Open Interest	23/09/22 Open Interest	Weekly % Chg
CANFINHOME	482.8	516.95	7.1	6248775	3379350	-45.9
INDIACEM	271.85	253.95	-6.6	14633400	9491700	-35.1
AMBUJACEM	518.55	540.45	4.2	61398000	39956400	-34.9
ZEEL	259.85	261.1	0.5	94461000	64212000	-32.0
AXISBANK	735.45	770.3	4.7	46729200	32080800	-31.3

Company Background

ITD Cementation India Limited (ITDC) was established on June 24th, 1978, and is engaged with building a wide range of structures, including bridges, tunnels, dams, airports, roads, bridges, and flyovers, as well as other foundations and specialized engineering work. The Company engages in one line of business i.e., construction. Its target markets include marine projects, harbours, jetties, port installations, building projects, road and bridge construction, and civil work for industrial facilities including dams and power plants. It has developed the technique for pipe jacking and box jacking with help from its promoter firms Cementation Piling and Foundations and Cementation Mining, UK. This makes it possible to build subways and tunnels beneath current highways and rail lines without affecting traffic. The business is in charge of refurbishing Qutub Minar's foundation. The company currently has a diversified order book from the Government of India (44%), PSU (22%), and Private Sector (34%), a few major names being NHAI, Adani Ports, Tata Projects, NTPC, and Delhi Metro Rail Corporation. Its parent company, Italian-Thai Development Public Development Company Ltd is the leader in infrastructure construction in Thailand for more than 50 years (24% market share) and is one of the largest in South East Asia.

Investment Rationale

Strong Order Book with Robust Pipeline

The company's Q1FY23 order inflow reached an all-time high of INR 60,820 million, bringing the order book's total value to the present level of 206,406 million - demonstrating multi-year revenue visibility. The recently acquired order consists of a 48,500 million contract for a six-lane road project in the state of Uttar Pradesh. The corporation can reduce its risks from any business slowdown because of its highly diversified order book. In order to support future expansion, the company also has a solid pipeline of bids.

Established presence in domestic as well as international geographies

The company is actively involved in numerous projects and has a strong national presence. The overhead metro systems in Bangalore and Mumbai are at the completion stage. The MNC parentage of the business also aids in securing international deals. The management chooses to take on international projects in neighbouring nations including Bangladesh, Myanmar, Sri Lanka, and others while taking on no more than two or three projects at once.

Valuation and Outlook

The company is in a good position due to its strong execution and order book position as well as its access to the newest technology and know-how due to its MNC parentage. The company's most recent quarter saw a slight rise in EBITDA margin of 19% over the same period last year. The company's bid pipeline, which includes three private jobs and 80 billion in overseas projects, is still strong. Since new projects that were recently won will take some time to begin contributing to profits, the management has maintained its guidance of 20-25% revenue growth. However higher raw material costs and receivable defaults from private projects remain a key risk. On the valuation front, we value the company based on 17.5x of the FY24e earnings and arrived at a target price of INR 143 (26% upside from CMP) with a 12 months investment horizon.

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

Stock

CMP (INR)	114
Target Price (INR)	143
NSE Symbol	ITDCEM
BSE Code	509496
Bloomberg	ITCE IN
Reuters	ITCM.BO

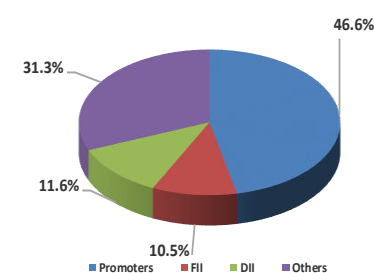
Key Data

Nifty	17094
52WeekH/L(INR)	122/56
O/s Shares (Mn)	172
Market Cap (INR bn)	20
Face Value (INR)	1

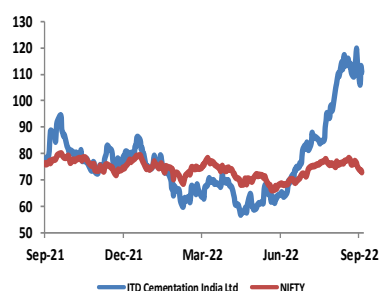
Average volume

3 months	15,99,840
6 months	10,97,410
1 year	10,51,900

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials					
YE March (Rs. millions)	FY20	FY21	FY22	FY23E	FY24E
Revenue	28,607	27,277	38,090	44,908	51,959
<i>Revenue Growth (Y-o-Y)</i>		(4.6%)	39.6%	17.9%	15.7%
EBIDTA	2,956	2,129	2,931	4,087	4,884
<i>EBIDTA Growth (Y-o-Y)</i>		(28.0%)	37.7%	39.4%	19.5%
Net Profit	432	173	708	1,006	1,403
<i>Net Profit Growth (Y-o-Y)</i>		(60.0%)	310.4%	42.1%	39.5%
Diluted EPS	2.5	1.0	4.1	5.9	8.2
<i>Diluted EPS Growth (Y-o-Y)</i>		(60.0%)	310.4%	42.1%	39.5%
Key Ratios					
EBIDTA margin (%)	10.3%	7.8%	7.7%	9.1%	9.4%
NPM (%)	1.5%	0.6%	1.9%	2.2%	2.7%
RoE (%)	4.1%	1.6%	6.3%	8.3%	10.5%
RoCE (%)	19.5%	14.6%	18.2%	24.5%	25.2%
Valuation Ratios					
P/E (x)	45.3x	113.2x	27.6x	19.4x	13.9x
EV/EBITDA	7.2x	10.0x	6.6x	5.4x	4.8x
P/BV (x)	1.9x	1.8x	1.7x	1.6x	1.5x
Market Cap. / Sales (x)	0.7x	0.7x	0.5x	0.4x	0.4x

Source: Company, BP Equities Research



Research Desk

Tel: +91 22 61596406

Institutional Sales Desk

Tel: +91 22 61596403/04/05

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd 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 this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001
BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591
BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392