

Week Gone

- ⇒ In the week ended on Friday, 4 November 2022, the Sensex advanced 990.51 points or 1.65% to settle at 60,950.36 .The Nifty 50 index gained 330.35 points or 1.86% to settle at 18,117.15
- ⇒ The BSE Mid-Cap index rose 2.39% to settle at 25,647.07
- ⇒ The BSE Small-Cap index rose 1.46% to settle at 29,107.24

Week Ahead

- ⇒ The corporate results for the second quarter of the current fiscal (Q2FY23), July to September period, will continue to remain in focus.
- ⇒ China will announce inflation rate for October on 9 November 2022
- ⇒ The United States will announce inflation rate for October on 10 November 2022

Technical Overview

Index opened the week with a bullish gap up and continued to scale higher as the week progressed ending the week on a strong note. Index surpassed its previous swing high which denotes strength in trend. Going ahead till index manages to hold above 18000, Nifty is expected to head higher towards 18280-18450-18600. Whereas support past 18000 comes at 17850-17680-17400.



Source: Falcon, BP Equities Research

Weekly Wealth

DOMESTIC INDICES

Index	04-Nov-22	28-Oct-22	Weekly % Chg
Nifty 50	18,117.2	17,786.8	1.9
Nifty Next 50	43,097.3	42,189.6	2.2
Nifty 100	18,361.5	18,017.2	1.9
Nifty 500	15,530.9	15,241.6	1.9
NIFTY MIDCAP 100	31,707.9	31,003.3	2.3
S&P BSE SENSEX	60,950.4	59,959.9	1.7
S&P BSE 100	18,527.4	18,179.6	1.9
S&P BSE 200	7,905.8	7,753.2	2.0
S&P BSE 500	24,768.9	24,300.5	1.9
S&P BSE MidCap	25,647.1	25,047.3	2.4
S&P BSE SmallCap	29,107.2	28,688.6	1.5

WORLD INDICES

Index	04-Nov-22	28-Oct-22	Weekly % Chg
Nikkei Index	27,199.7	27,105.2	0.3
Hang Seng Index	16,161.1	14,863.1	8.7
Kospi Index	2,348.4	2,268.4	3.5
Shanghai SE Composite	3,070.8	2,915.9	5.3
Strait Times Index	3,130.1	3,059.2	2.3
Dow Jones	31,968.5	32,655.0	-2.1
NASDAQ	10,286.1	10,972.7	-6.3
FTSE	7,325.0	7,051.7	3.9

FOREX

Currency	04-Nov-22	28-Oct-22	Weekly % Chg
US\$ (Rs.)	82.8	82.4	0.5
GBP (Rs.)	92.5	95.3	-2.9
Euro (Rs.)	80.8	82.2	-1.8
Yen (Rs.) 100 Units	55.9	56.4	-1.0

NIFTY TOP GAINERS (WEEKLY)

Scrip	04-Nov-22	28-Nov-22	Weekly % Chg
Vedanta	321.95	288.35	11.7%
Bajaj Finserv	1800.7	1630.95	10.4%
Ultratech Cement	6893.05	6436.8	7.1%
Reliance	2592.75	2451.15	5.8%
Adani Ports	862.9	821.25	5.1%

FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
04-Nov-22	7,418.8	5,982.5	1,436.3
03-Nov-22	18,495.1	17,817.5	677.6
02-Nov-22	7,623.9	6,187.6	1,436.3
01-Nov-22	12,542.9	9,933.0	2,609.9
31-Oct-22	9,458.7	5,280.1	4,178.6
<u>MTD</u>	55,539.4	45,200.7	10,338.7

NIFTY TOP LOSERS (WEEKLY)

Scrip	04-Nov-22	28-Oct-22	Weekly % Chg
Axis Bank	868.1	915.15	-5.1%
ICICI Bank	905.3	924.4	-2.1%
Tech Mahindra	1053.65	1075.85	-2.1%
Cipla	1146.1	1165.9	-1.7%
BPCL	301.35	305.6	-1.4%

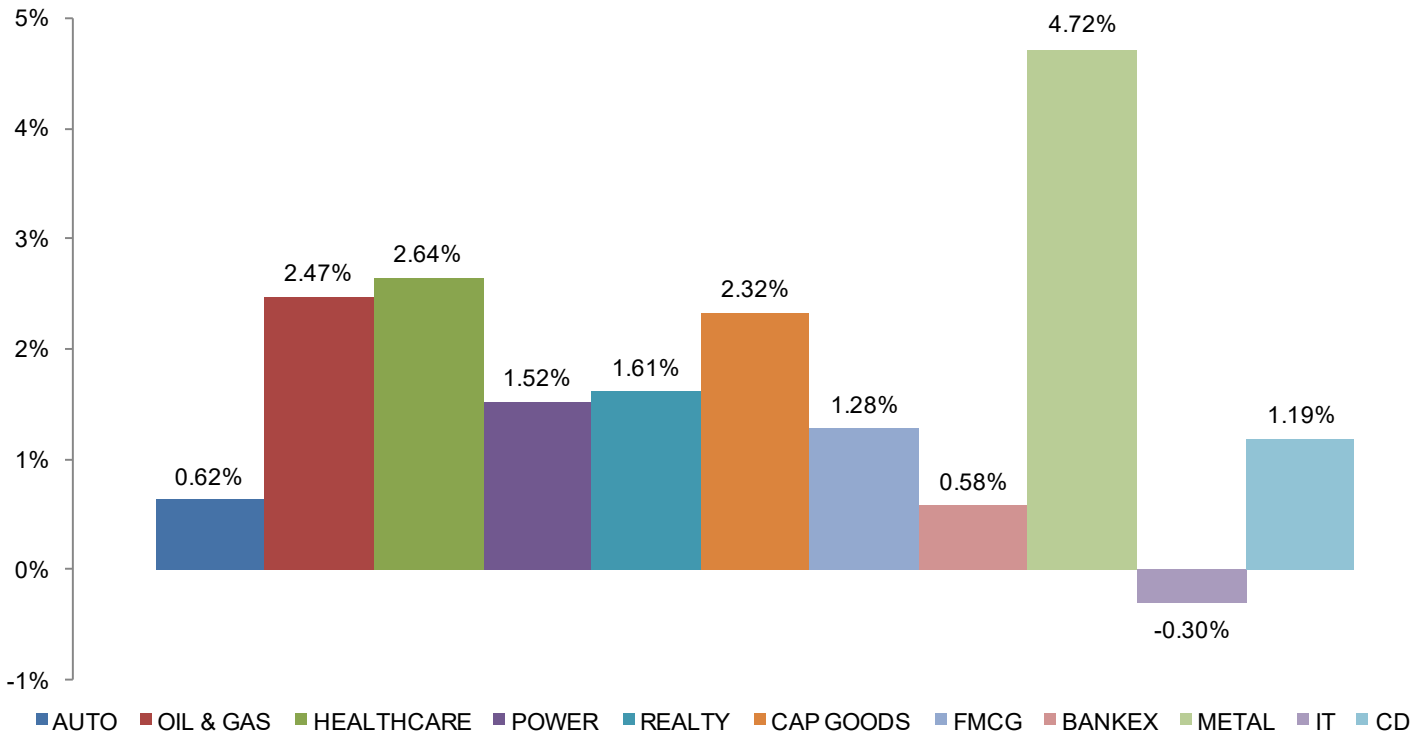
DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
04-Nov-22	5,706.3	6,254.9	-548.6
03-Nov-22	5,015.9	5,748.1	-732.1
02-Nov-22	5,634.1	7,012.2	-1,378.1
01-Nov-22	6,269.1	6,999.2	-730.1
31-Oct-22	5,544.0	6,651.1	-1,107.1
<u>MTD</u>	28,169.4	32,665.5	-4,496.1

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	04/11/22	28/10/22	Weekly % Chg	04/11/22	28/10/22	Weekly % Chg
	Share Price (Rs.)			Open Interest		
INTELLECT	434.35	503.25	-13.7	3877500	1687500	129.8
COROMANDEL	957.2	980.3	-2.4	2417800	1073100	125.3
BANDHANBNK	229.45	266.15	-13.8	44679600	27198000	64.3
VOLTAS	847.65	876	-3.2	5825000	3875500	50.3
VEDL	324.25	285.3	13.7	42493250	28974150	46.7

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	04/11/22	28/10/22	Weekly % Chg	04/11/22	28/10/22	Weekly % Chg
	Share Price (Rs.)			Open Interest		
SYNGENE	623.6	617.25	1.0	1913000	2326000	-17.8
MFSL	716.4	704.4	1.7	1979250	2369900	-16.5
ASTRAL	2101.55	1963.3	7.0	1243550	1475375	-15.7
ASIANPAINT	3196.85	3065.65	4.3	5613800	6280800	-10.6
IDFCFIRSTB	57.35	56.1	2.2	148860000	166290000	-10.5

Company Background

Established in the year 1986, Ganesh Benzoplast Ltd (GBL) operates in two segments- the chemical business and the logistic-infrastructure business. GBL is the leading independent Liquid Storage Tank (LST) provider, specializing in the storage and handling of liquid chemicals and oil products. The company has three storage terminals at Mumbai (Jawaharlal Nehru Port Trust), Cochin, and Goa ports with a combined storage capacity of more than 300,000 KL. As of 30th June 2022, JNPT and Cochin terminals operated at 100% capacity utilization whereas the Goa port operated at a 40% capacity. Other services offered in the logistic infrastructure business include product blending, logistics support via inland rail transport, bunkering-barging, drum filling, and on-site product quality testing. Under the chemical business, Ganesh Benzoplast has two manufacturing facilities at MIDC, Tarapur with a capacity of 24,000 MTPA. The company processes and exports a premium range of specialty chemicals, food preservatives, and industrial lubricants which are utilized in the food & beverage, paints, automobile, pharmaceutical, and lubricants industries, etc.

Investment Rationale

Storage Tanks located in areas with high barriers to entry

The prime advantage of the company is its storage tanks are located at the JNPT port in Mumbai which commands a higher premium compared to the other upcoming minor ports. In this business, having pipeline access to a jetty and multiple numbers of jetties is crucial. GBL is the only terminal to have access to all four jetties at the JNPT terminal (two primary and two secondary). This creates value for their customers as their vessels don't incur demurrage while waiting. Additionally, GBL has been allotted an additional land of 4.5 hectares (45,090 square meters) on lease for 25 years. Thus, the limited availability of land and jetties in this terminal creates high barriers to entry for new entrants in the market.

Favourable industry growth prospects

The growth of energy demand in India and the increase in the movement of oil, chemicals, and petrochemicals creates significant opportunities for the expansion of pipelines, transportation, and infrastructure thus making companies like GBL a direct beneficiary of this move. Other factors like increasing urbanization and a rise in per capita disposable income along with the Central Government taking progressive steps add to the growth story of the Indian liquid bulk industry. Additionally, in the EPC (Engineering, Procurement, and Construction) segment of the business, Krishnapatnam's Port Project will introduce the company's presence in the Eastern Ports of India by establishing permanent pipeline connectivity across the country, from the port jetty to the refinery plant, thus making GBL a key player in the liquid storage EPC field.

Valuation and Outlook

Ganesh Benzoplast Ltd plans to meet its expansion needs by adding 19,000 scale KL capacity in the JNPT port. To cater to this, the company has already acquired land at the port and apart from this they also have additional land space which they aim to fully utilize by the end of FY25. Furthermore, the company's wholly-owned subsidiary i.e. GBL Infra engineering services received an order for the fabrication of 61 storage tanks from ANA oils. Under the chemical business, the company maintains a good brand image among its customers and enjoys a virtual monopoly position for Sodium Benzoplast in India. However, changes in government policies and geopolitical instability create pricing impacts and thus remain key concerns for the business. On the valuation front, we value the company based on 28.9x of FY22 earnings and arrived at a target price of INR 185 (22% 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)	152
Target Price (INR)	185
NSE Symbol	GANESHBE
BSE Code	500153
Bloomberg	GBP IN
Reuters	GNSB.BO

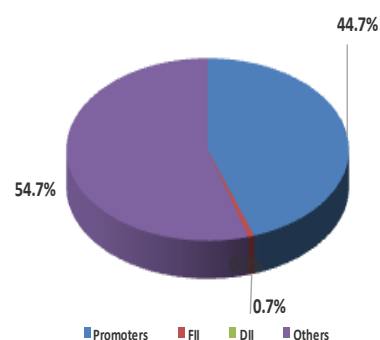
Key Data

Nifty	18117
52WeekH/L(INR)	156/76
O/s Shares (Mn)	62.4
Market Cap (INR bn)	9.46
Face Value (INR)	1

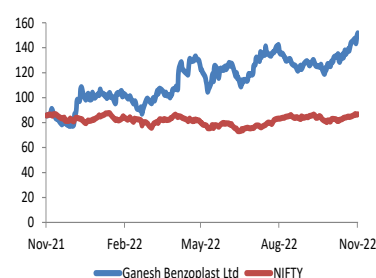
Average volume

3 months	1,83,640
6 months	2,52,360
1 year	2,63,600

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials					
YE March (Rs. millions)	FY18	FY19	FY20	FY21	FY22
Revenue	1,692	2,116	2,467	2,704	3,575
<i>Revenue Growth (Y-o-Y)</i>	0.0%	25.1%	16.6%	9.6%	32.2%
EBIDTA	517	561	631	794	612
<i>EBIDTA Growth (Y-o-Y)</i>	0.0%	8.5%	12.6%	25.8%	(22.9%)
Net Profit	807	313	337	219	327
<i>Net Profit Growth (Y-o-Y)</i>	0.0%	(61.3%)	7.6%	(35.0%)	49.4%
Diluted EPS	12.9	5.0	5.4	3.5	5.2
<i>Diluted EPS Growth (Y-o-Y)</i>	0.0%	(61.3%)	7.6%	(35.0%)	49.4%
Key Ratios					
EBIDTA margin (%)	30.6%	26.5%	25.6%	29.4%	17.1%
NPM (%)	47.7%	14.8%	13.6%	8.1%	9.1%
RoE (%)	100.0%	27.9%	23.1%	9.4%	11.7%
RoCE (%)	38.4%	31.5%	30.4%	28.6%	21.0%
Valuation Ratios					
P/E (x)	11.7x	30.2x	28.1x	43.2x	28.9x
EV/EBITDA	19.3x	18.0x	15.9x	12.0x	14.8x
P/BV (x)	11.7x	8.4x	6.5x	4.1x	3.4x
Market Cap. / Sales (x)	5.6x	4.5x	3.8x	3.5x	2.6x

Source: Company, BP Equities Research



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Disclaimer Appendix

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

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