# Techno Funda



## Thermax Limited

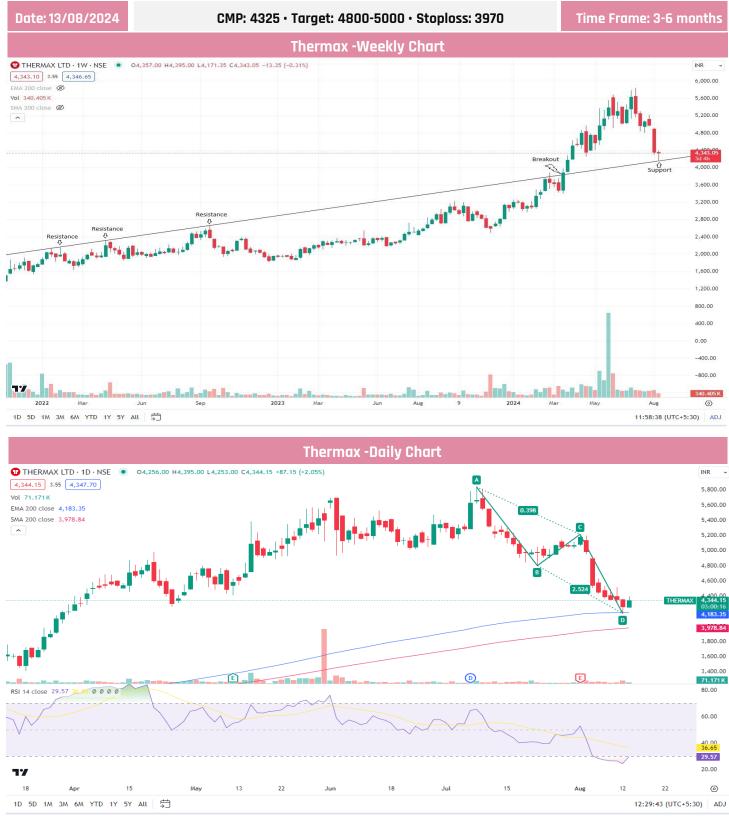


Chart as on 13th Aug 2024

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### 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 Retested 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.

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## By Asit C. Mehta A Pantomath Group Company

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