

March 18, 2019

TECHNICAL PICK

BEML LTD

BUY

CMP: Rs 997

TARGET PRICE: Rs1167-1370

TIME : 6-9 months

Overview: Bharat Earth Movers Limited now known as BEML, is an Indian Public Sector Undertaking, with headquarters in Bengaluru. It manufactures a variety of heavy equipment, such as that used for earth moving, transport and mining. BEML has manufacturing plants in Kolar Gold Fields, Bengaluru, Palakkad and Mysore. KGF unit is the main unit accounting for the manufacture and assembly of a wide array of earth-moving equipment such as bulldozers and excavators.

SNAPSHOT	
Market Cap (Cr)	4161
52 week H / L (Rs)	1171.70/521
BSE Code	500048
NSE Code	BEML



Investment Rationale: After forming an inverted head and shoulder pattern, stock has given a breakout from the same. Price breakout is confirmed with a volume indicator i.e. On Balance Volume (OBV). RSI breakout is also observed. Trend following indicator- MACD is already in buy mode.

Recommendation: We recommend a BUY on the company at current market price of Rs997 or decline up to Rs950 with the closing stop loss of Rs 750 for a target of Rs1167-Rs1370 with the perspective of 6-9 months.

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