

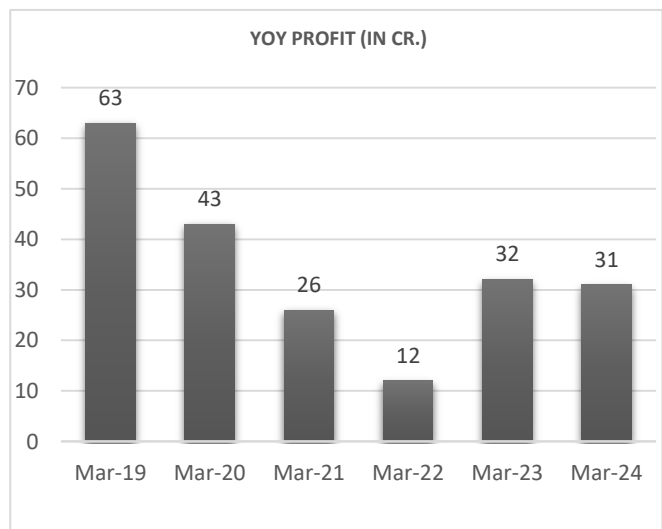
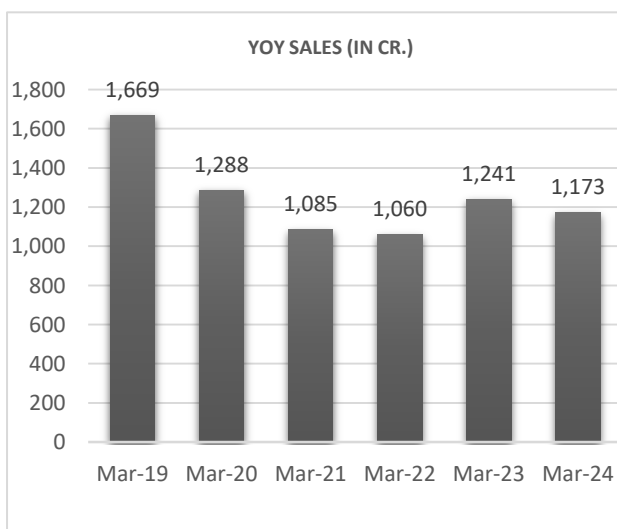
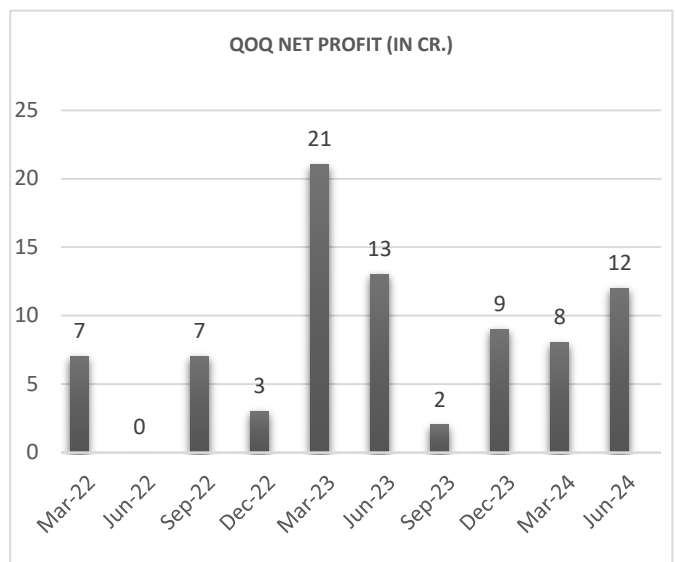
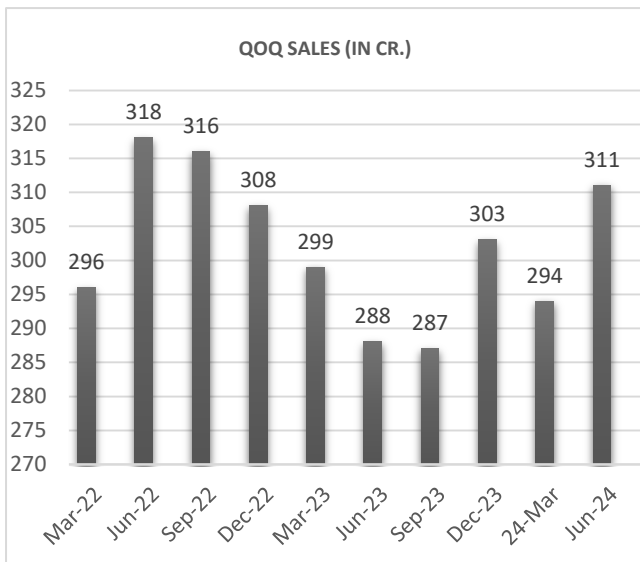
MUNJAL SHOWA

2 September 2024

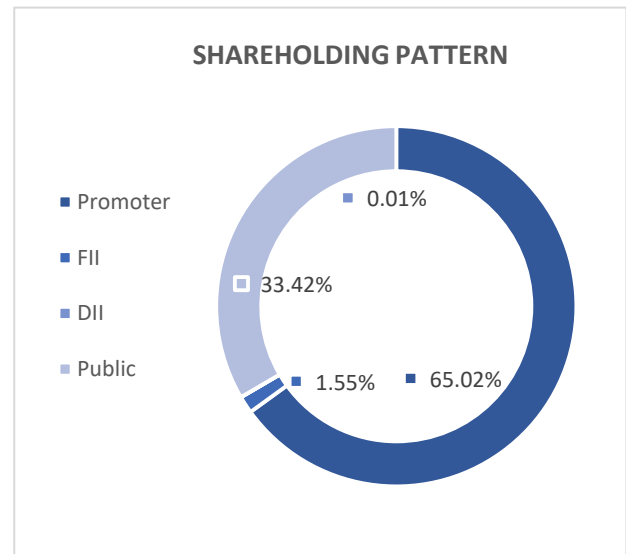
About company

Munjal Showa Limited is an Indian company that specializes in manufacturing shock absorbers and struts for two-wheelers and four-wheelers. Established in 1985, it is a joint venture between the Hero Group and Showa Corporation, a Japanese company. Munjal Showa is a key supplier to major automotive manufacturers in India, including Hero MotoCorp, Honda, and Maruti Suzuki. The company's products are known for their quality and reliability, contributing significantly to the performance and safety of vehicles. Munjal Showa has multiple manufacturing facilities across India and is a leader in the automotive components industry.

Financials



MARKET CAP	RS 743 CR
P/E RATIO	23.9
DIVIDEND YIELD	2.39%
ROCE	5.21%
ROE	4.38%
FACE VALUE	2.00
3 YEARS SALES GROWTH	3%
3 YEARS PROFIT GROWTH	9%



Our recommendation

MOMENTUM SWING: BUY MUNJAL SHOWA BETWEEN 185-187 TARGETS 197-211 STOP LOSS BELOW 174

Technical analysis

The chart shows that price has recently surged above the resistance level. The stock broke the one month high of 186 which was formed on 1st August. Earlier the stock bottomed out near 160 and then edges higher above key resistance level. The stock has given 3 band crossover of 20-50-200 EMA on hourly chart. The volume and momentum is good and expected to approach its monthly resistances of 201-211. If we look at the fundamentals of the stock, sales surged to Rs. 311cr. in the june FY25 quarter as compared to Rs. 294 cr. in the previous quarter. Net profit also surged 50% on QoQ basis. Promoter holding is strong and stands at 65%. On the basis of above analysis we recommended to buy this stock.



Disclaimer

I, Ruchi Nahar, SEBI Registered Research Analyst (INH000014544) comply with the qualification and certification requirements under SEBI (Research Analyst) Regulations, 2014. I have qualified CA, CS and MBA, has over 11 years of experience in MNCs, culminating as Head of Finance. I now leverage my expertise to guide stock market investors with strategic insights. All of the views expressed in research reports and recommendations issued by me reflect my personal views about the subject company or companies at the given point of time and I do not receive/accept any kind of compensation, directly or indirectly related to specific recommendations or views expressed in reports issued by me. I/my relatives do not at any point of time of issuing the reports have any material conflict of interest in the subject company neither I was/am/will be engaged in market making activity for the subject company. The investments discussed or views expressed in reports and recommendations issued by me may not be suitable for all investors. The user assumes the entire risk of any use made of this information. I nor any person connected with my report, accepts any liability arising from the use of research document. The recipients of research document should rely on their own investigations and should consult their own financial advisors to determine merit and risks of such investments based on their own risk appetite. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions including those involving futures, options and other derivatives as well as non-investment grade securities involve substantial risk and are not suitable for all investors. Reports and recommendations based on technical analysis centres on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. Opinions expressed in research reports & recommendations will be based on the current opinions as of the date appearing in research report & recommendations. While I endeavour to update on a reasonable basis the information discussed in research reports, there may be regulatory, compliance, or other reasons that prevent me from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. So far as reports include current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. Investment in securities market is subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.