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STOCKWATCH LOW RISK / HIGH RETURN

BGR ENERGY

Present Price – Rs.470.95

Projected Price – Rs.510-515

BGR Energy (BGR) conducts its business under two main segments, turnkey engineering projects (TEP) and equipment & systems. Besides engineering and technology skill sets, EPC and BoP contracts tend to be project management intensive.

The company enjoys a huge order book of Rs.11000 cr plus. The company's order backlog is likely to provide revenue visibility for ~4 years, second only to Bharat Heavy Electricals (BHEL) in the capital goods sector. Superior project management skills, which BGR has garnered over the past few years by executing complex EPC and BoP projects (130 contracts in India and abroad), provides comfort on the execution.

Over the next 2-3 years there is likely to be strong revenue/earnings visibility for BGR and it is likely to emerge as one of the leading full service BoP contractors.

On the technical front, the stock has gone up today and formed a Long White Candle that too with impressive volume expansion which is a strong sign that bulls are back in this counter. We expect the stock to reach a minimum target of Rs.510. The time frame of the investment would be around 10-12 trading sessions.

Note: In case of any problem in receiving NEWSLETTER, kindly contact Mr Devesh Chauhan at 9350171231

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