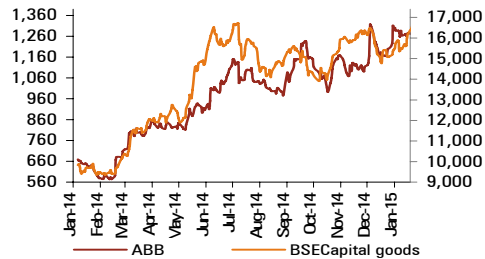


Time frame: 6 months

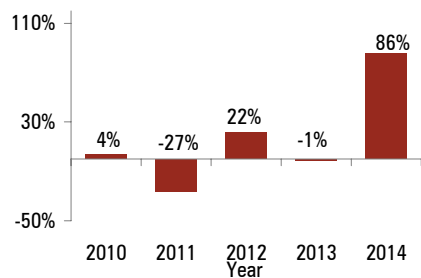
Key Technical Data	
Recommended Price	1315-1332
Price Target	1590.00
Stoploss	1210.00
52 Week High	1398.60
52 Week Low	566.95
50 days EMA	1229.00
200 days EMA	1068.00
52 Week EMA	1039.00

*Recommendation given on i-click to gain on January 28, 2015 at 12:02 am

Stock price movement vs. BSE Capital Goods



Price performance over last five years



Gladiator Stocks: Series 9.0

ABB

(CMP- ₹ 1322.00)

Technical View

Strategy: Buy ABB in the range of ₹ 1315.00–1332.00 for a target price of ₹ 1590.00 with a stop loss below ₹ 1210.00 on a closing basis

The share price of ABB has been in a strong uptrend since the beginning of 2014 and rallied past its 2012 and 2010 highs of ₹ 1036 and ₹ 976, respectively, in May 2014, thus signalling a major reversal of long term trend. The stock continues to stride northwards in a rising peaks and troughs fashion on the long term price charts.

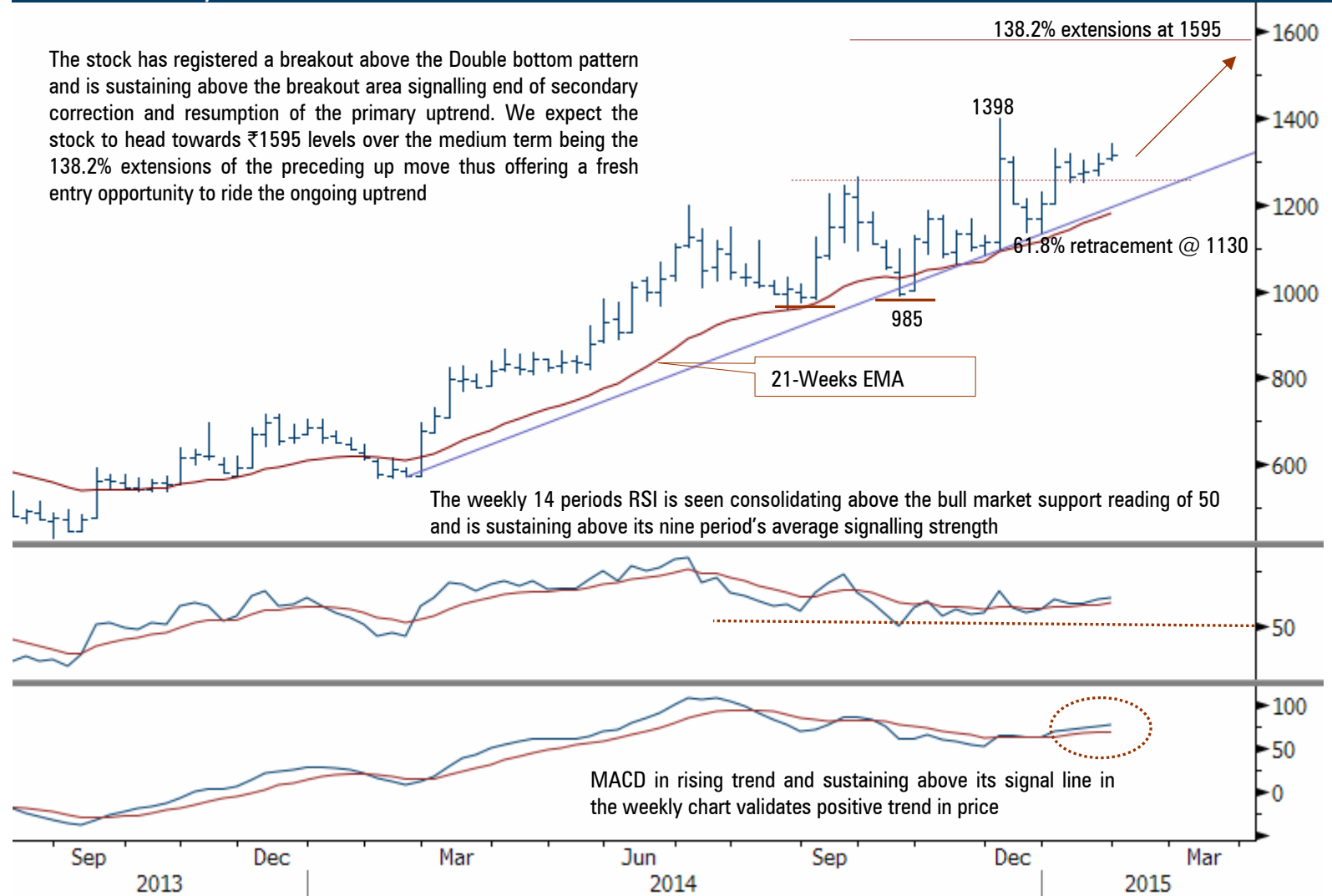
Key technical observations

- The stock has registered a breakout above the Double bottom pattern and seen consolidating above the breakout area (₹ 1260) over the last three weeks signalling strength in the price structure and offers fresh entry opportunity to ride medium term up trend
- Earlier, the stock formed almost identical low in August 2014 and October 2014 near ₹ 985 with an intermediate high of ₹ 1263. The strong resolution of price from bullish pattern signalled continuation of larger up trend in the stock
- The entire rally since February 2014 has been sustaining above the long term trendline as highlighted in the adjoining weekly interval price chart. It indicates a well defined uptrend indicating sustained buying emerging at elevated levels and at regular intervals
- The stock has recently bounced back taking support at the 61.8% retracement of the previous up move from October 2014 low of ₹ 985 to December 2014 high of 1398. Also, the presence of 21 weeks EMA currently placed at ₹ 1182 levels indicate strength in the price structure and strong support at lower levels
- Among oscillators, the weekly 14 periods RSI is seen consolidating above the bull market support reading of 50 and is sustaining above its nine period's average. In contrast, the MACD is in a rising trend and sustaining above its signal line on the weekly chart highlighting the inherent strength in the price

Conclusion: Based on the above technical evidence, we believe the stock is set to embark upon its next directional up leg towards ₹ 1595 levels over the medium term. The 138.2% Fibonacci price extension of the last up move from November 2014 low of ₹ 1061 to December high of ₹ 1398 measured from the recent trough of ₹ 1130 projects upside towards ₹ 1595. Thus, it provides a good reward/risk setup to ride the ongoing uptrend

Exhibit 1: ABB – Weekly Bar Chart

The stock has registered a breakout above the Double bottom pattern and is sustaining above the breakout area signalling end of secondary correction and resumption of the primary uptrend. We expect the stock to head towards ₹1595 levels over the medium term being the 138.2% extensions of the preceding up move thus offering a fresh entry opportunity to ride the ongoing uptrend



The weekly 14 periods RSI is seen consolidating above the bull market support reading of 50 and is sustaining above its nine period's average signalling strength

MACD in rising trend and sustaining above its signal line in the weekly chart validates positive trend in price

Source: Bloomberg, ICICIdirect.com Research

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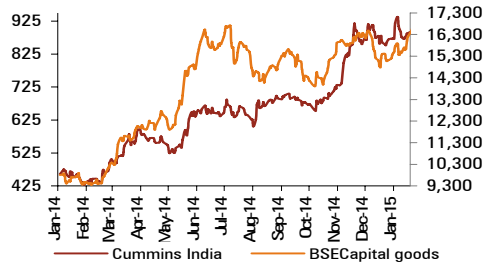
Time frame: 6 months

Key Technical Data

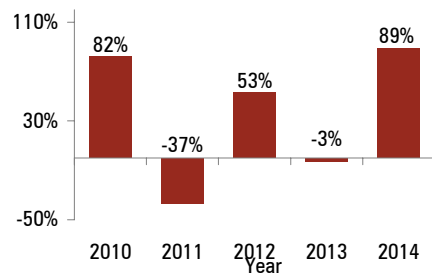
Recommended Price	870-890
Price Target	1070.00
Stoploss	795.00
52 Week High	960.65
52 Week Low	422.45
50 days EMA	862.00
200 days EMA	725.00
52 Week EMA	704.00

*Recommendation given on i-click to gain on January 27, 2015 at 12:38

Stock price movement vs. BSE Capital Goods



Price performance over last five years



Cummins India (CUMIND)

(CMP- ₹ 890.00)

Technical view

Strategy: Buy Cummins India in the range of ₹ 870.00–890.00 for a target price of ₹ 1070.00 with a stop loss below ₹ 795.00 on a closing basis

The share price of Cummins India embarked upon a secular uptrend since 2009 and continues to stride northwards in a rising peaks and troughs fashion on the long term price charts. The sideways consolidation in price over the last ten weeks provides fresh entry opportunity to ride the ongoing uptrend

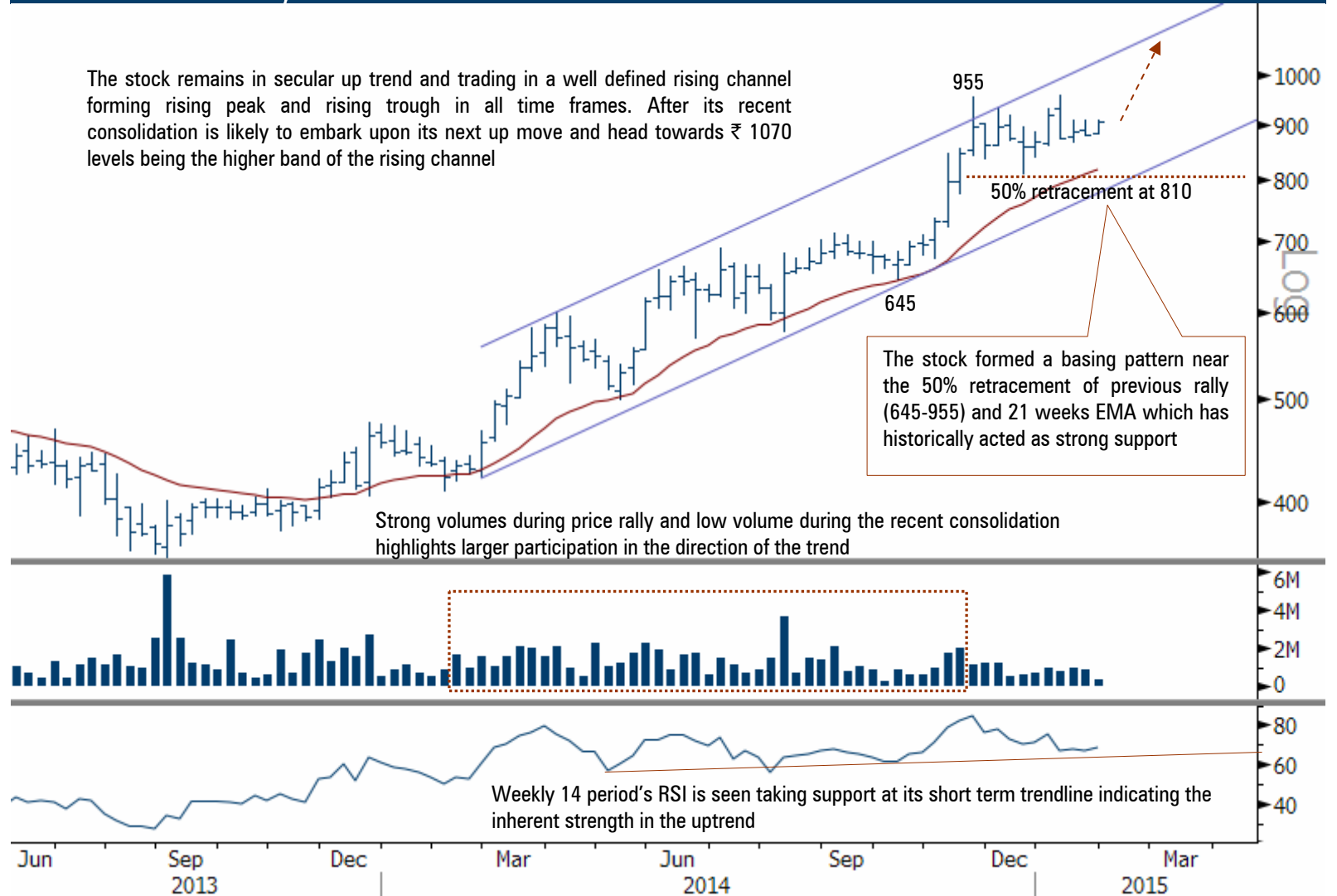
Key technical observations

- The share price has been in a consolidation over the past 10 weeks and is expected to resume its larger up trend offering a fresh entry opportunity
- The entire rally since February 2014 has occurred in a well defined rising channel as highlighted in the adjoining weekly price chart. It indicates a well structured uptrend indicating sustained buying emerging at elevated levels and at regular intervals
- Earlier, the stock rallied to its life-time high of ₹ 955 during November 2014 and, thereafter, entered a secondary corrective phase to work off the short-term overheated conditions. The price and volume behaviour during the 10 weeks consolidation carries all the credentials of a healthy consolidation and indicates a higher base formation that is likely to act as a launch pad for the next up move over the medium term
- At the December 2014 low of ₹ 810, the stock retraced its preceding up move (₹ 645 - 955) by only 50%, which also coincided with the rising 21-week moving average, that has historically acted as a key support for the stock during secondary corrective declines. The stock is seen resolving higher after forming a basing pattern around the confluence of the key technical support (₹ 800) suggesting resumption of upward momentum
- Time wise, the previous up move from October 2014 low of ₹ 645 to November 2014 high of ₹ 955 took seven weeks while the stock has already spent 10 weeks in the current consolidation retracing just 50% of the preceding seven-week rally. Larger time consolidation and limited price correction is the primary indicator of a healthy corrective action and highlights the underlying strength in the price structure
- Among momentum oscillators, the 14 week RSI is seen taking support at its short term trendline indicating the inherent strength in the trend

Conclusion: We expect the stock to embark upon its next up move and head towards ₹ 1070 in the medium term, being the higher band of the rising channel in placed since February 2014, thus it provides a good reward/risk setup to ride the ongoing uptrend

Exhibit 2: Cummins India– Weekly Bar Chart

The stock remains in secular up trend and trading in a well defined rising channel forming rising peak and rising trough in all time frames. After its recent consolidation is likely to embark upon its next up move and head towards ₹ 1070 levels being the higher band of the rising channel



Source: Bloomberg, ICICIdirect.com Research

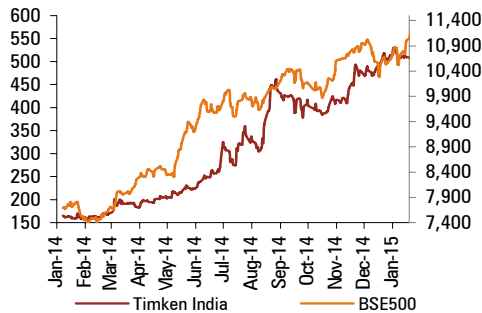
Time frame: 6 months

Key Technical Data

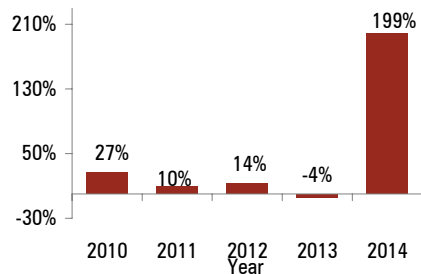
Recommended Price	510-525
Price Target	675.00
Stoploss	445.00
52 Week High	543.65
52 Week Low	155.00
50 days EMA	490.00
200 days EMA	383.00
52 Week EMA	368.00

Recommendation given on i-click to gain on 28th January 2015 at 14:45

Stock price movement vs. BSE 500



Price performance over last five years



Timken India (TATTIM)

(CMP- ₹ 93.00)

Technical view

Strategy: Buy Timken India in the range of ₹ 510.00–525.00 for a target price of ₹ 675.00 with a stop loss below ₹ 445.00 on a closing basis

Timken India is a leading mid-sized manufacturer of tapered roller bearings and AP cartridge roller bearings. The revival of investor sentiment during the last year has seen the midcap stocks registering a multi-year breakout. The share price of Timken India has been in steady uptrend forming higher highs and higher lows in all time frames

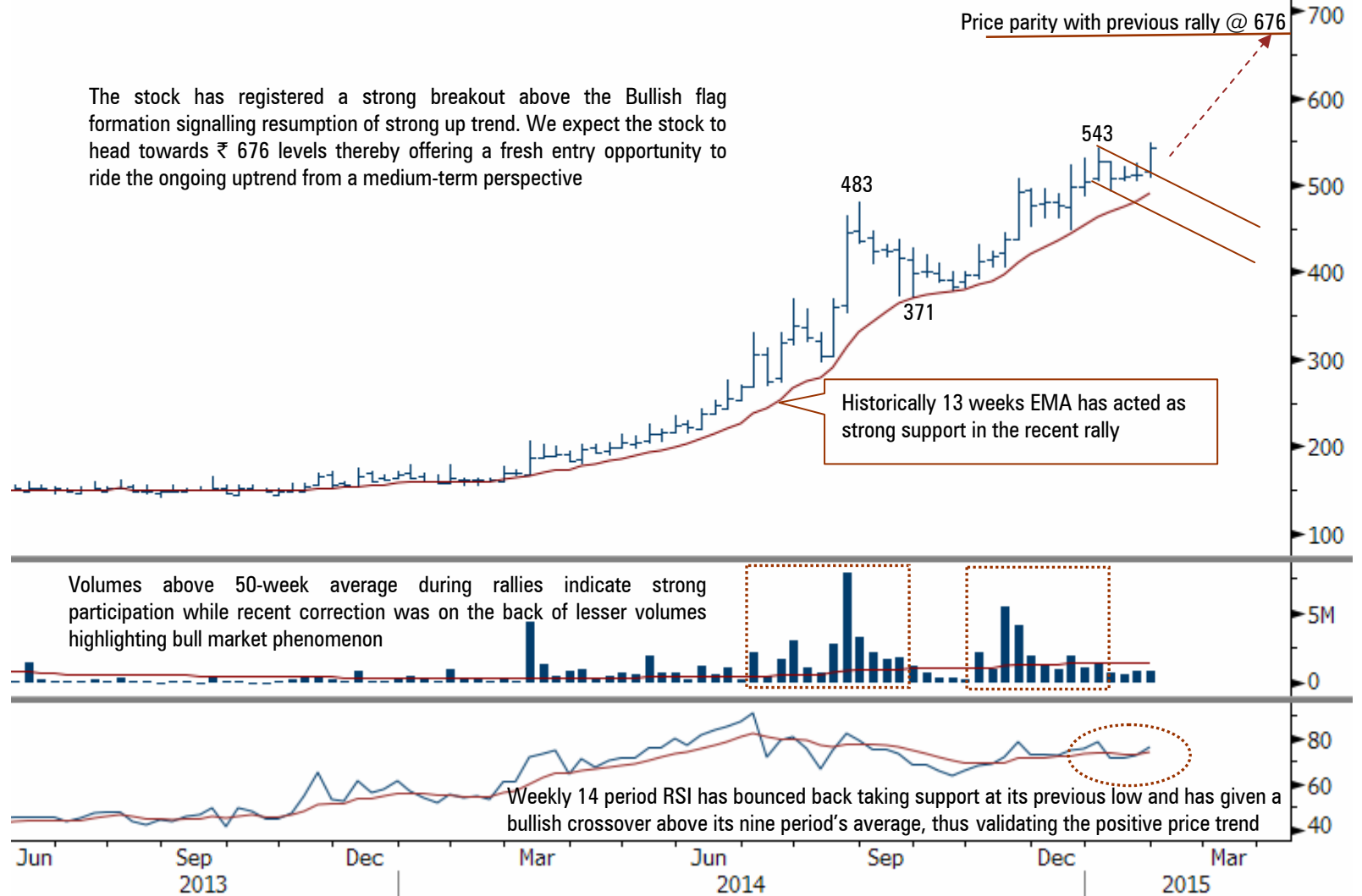
Key technical observations

- The stock has registered a breakout from the bullish Flag pattern in Wednesday's session signalling the end of the secondary consolidation and resumption of the next up leg, thereby offering a fresh entry opportunity to ride the ongoing uptrend from a medium-term perspective
- The stock hit an all-time high of ₹ 543 in the first week of January 2015 and, thereafter, entered a secondary corrective phase over the last four weeks. Pictorially, the sideways consolidation since January 1, 2015 till date appears to have taken the shape of a bullish Flag pattern on the weekly chart. A Flag formation is a bullish continuation pattern, which marks a temporary pause in an ongoing uptrend as bulls take a breather to gather steam for further northward journey
- Structurally, the rallies are stronger and faster whereas the corrective declines are shallow and time consuming indicating a constructive price structure. The stock completely retraced its eight weeks decline of August-October in just five weeks signalling strength in the price structure. The 13 weeks EMA has historically acted as strong support in the stock during the secondary corrective price action as can be seen in the adjacent chart and is currently placed at ₹ 490 levels
- Volume behaviour is in line with bull market assumption where rallies are supported by volumes double than 50-week average of 10 lakh shares while declines have seen fairly low participation indicating larger participation in the direction of the trend
- Among oscillators, the 14 period RSI has bounced back taking support at its previous low and given a bullish crossover above its nine period's average, thus validating the positive price trend

Conclusion: Based on the various technical observations listed above, we believe the stock is set for its next up leg within the broader bull phase and is likely to head towards ₹ 676 levels being the price parity with the previous rally (543-371=172 points) from recent trough of ₹ 504. Projects upside towards 676 (504+172=676)

Exhibit 3: Timken India – Weekly Bar Chart

The stock has registered a strong breakout above the Bullish flag formation signalling resumption of strong up trend. We expect the stock to head towards ₹ 676 levels thereby offering a fresh entry opportunity to ride the ongoing uptrend from a medium-term perspective



Source: Bloomberg, ICICIdirect.com Research

Stock Data	
Stock Data	
Market Capitalization	₹ 3705.3 Crore
Total Debt (FY14)	₹ 3.2 Crore
Cash and Investments (FY14)	₹ 20.1 Crore
EV	₹ 3688.4 Crore
52 week H/L	545/ 145
Equity capital	₹ 68.0 Crore
Face value	₹ 10
DII Holding (%)	9.9
FII Holding (%)	0.9

Stock return (%)				
Return %	1M	3M	6M	12M
SKF India	10.4	25.2	31.3	129.8
FAG Bearings	8.2	30.8	39.9	144.6
NRB Bearings	8.0	(1.1)	51.1	253.0
Timken India	5.5	27.6	61.1	231.1

Exhibit 1: Key metrics				
(x)	CY10	FY12*	FY13	FY14
P/E	72.4	45.9	83.6	82.6
EV / EBITDA	53.1	34.9	50.2	51.5
P/BV	9.1	11.1	10.2	9.7
RoNW (%)	13.4	25.8	13.0	11.7
RoCE (x)	19.0	34.1	19.0	17.3

Exhibit 2: Financial highlights				
₹ Crore	CY10	FY12*	FY13	FY14
Net Sales	468.1	830.8	688.5	720.1
EBITDA	69.7	106.3	73.5	71.6
Net Profit	51.1	80.7	44.2	44.8
EPS (₹)	8.0	12.7	6.9	6.6

Source: Company, ICICIdirect.com Research

*FY12 financials are for 15 months due to change of accounting year from CY to FY

Fundamental view

- Timken India (Timken) is the fourth largest organised bearings player in India with ~8% market share (in terms of revenues). It is known for tapered roller bearings wherein it commands a staggering ~45% market share. Segment wise, Timken derives 25% of its revenues from Railways, 25-30% from exports, 25% from industrial and aftermarket and balance from CVs, UVs and tractors
- Timken India is a market leader for supply of tapered roller bearings for freight trains (and select passenger trains). The Railway segment comprising 25% of revenues currently would get boosted by the Elevated Rail Corridor in Mumbai, parts of the DFC, redevelopment of stations and freight terminals. Larger opportunities in this segment would flow through once railway infrastructure upgradation is completed, subsequent to which new wagon ordering would gain momentum. Furthermore, the company with ~20% share in the auto segment would be a key beneficiary once the CV cycle picks up in tandem with industrial activity
- While the stock is currently trading at 82.6x FY14 P/E, it seems to reflect the growth momentum of H1FY15 wherein earnings grew 84.5% YoY aided by handsome topline growth of 32.3% YoY with ~600 bps expansion in margins to 16%. With an expected industrial revival and the auto segment showing signs of a recovery, Timken is well poised to capture the opportunity given its robust balance sheet with cash flow generation, strong parentage and scalability bandwidth

Strategy Follow up

Date	Scrip	Product	Strategy	RP	Target	SL	Gain/Loss %	Comment
9-Jun	SKF	Cash	Buy	980.00	1425.00	780.00	46.00	Target achieved
9-Jun	EIH Hotels	Cash	Buy	94.00	150.00	74.00	32.00	Booked 50% profit at 124
9-Jun	Essel Propack	Cash	Buy	95.00	155.00	64.00	31.00	Booked 50% profit at 124
19-Sep	Heidelberg Cement	Cash	Buy	78.50	98.00	69.00	30.00	Target achieved
9-Jun	Cummins	Cash	Buy	635.00	860.00	545.00	29.00	Booked profit at 820
9-Jun	KSB Pumps	Cash	Buy	500.00	790.00	390.00	27.00	Booked 50% profit at 635
9-Jun	BEL	Cash	Buy	1835.00	2350.00	1490.00	25.00	Booked profit at 2290
9-Jun	Ingersoll	Cash	Buy	665.00	995.00	528.00	25.00	Booked 50% profit at 830
28-Nov	Gulf Oil	Cash	Buy	457.00	560.00	408.00	23.00	Target achieved
8-Sep	EPC Industries	Cash	Buy	196.00	255.00	167.00	20.00	Booked profit at 235
9-Jun	Aban	Cash	Buy	720.00	1050.00	575.00	19.00	Booked profit at 853
27-Nov	Tide Water	Cash	Buy	16450.00	19450.00	14800.00	18.00	Target achieved
9-Jun	Federal Bank	Cash	Buy	117.00	165.00	97.00	17.00	Booked 50% profit at 136.50
28-Nov	Berger Paint	Cash	Buy	390.00	480.00	348.00	23.00	Target achieved
10-Oct	Infosys	Cash	Buy	1885.00	2245.00	1745.00	14.00	Booked 50% profit at 2150
28-Nov	Indian Bank	Cash	Buy	186.00	245.00	163.00	14.00	Booked profit at 211.50
27-Nov	International Tarvel	Cash	Buy	285.00	380.00	238.00	13.00	Booked profit at 323
10-Oct	Simplex Infra	Cash	Buy	255.00	310.00	224.00	11.00	Booked profit at 283
16-Sep	KPR Mill	Cash	Buy	305.00	375.00	267.00	10.00	Booked profit at 336.5
19-Sep	UltraTech Cement	Cash	Buy	2630.00	3100.00	2435.00	-7.00	Stoploss triggered
16-Sep	Repro	Cash	Buy	290.00	355.00	261.00	-10.00	Stoploss triggered
8-Sep	Phoenix lamp	Cash	Buy	140.00	180.00	125.00	-11.00	Stoploss triggered
9-Jun	India Cements	Cash	Buy	110.00	160.00	87.00	-18.00	Stoploss triggered
9-Jun	SBI	Cash	Buy	271.00	351.50	235.00		Open
28-Nov	Kajaria Ceramic	Cash	Buy	590.00	770.00	518.00	13.00	Booked 50% profit at 669.00
28-Nov	Somany Ceramic	Cash	Buy	314.00	405.00	278.00	12.00	Booked 50% profit at 352.00
1-Dec	Castrol India	Cash	Buy	497.00	660.00	430.00		Open
2-Jan	Cholamandalam Investment	Cash	Buy	505.00	630.00	445.00	13.00	Booked 50% profit at 569
2-Jan	Bajaj Corp	Cash	Buy	379.00	440.00	350.00	15.00	Target achieved
2-Jan	Gabriel India	Cash	Buy	89-93	125.00	83.00		Open

NOTES:

- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for three to six months and in case we intend to carry forward the position, it will be communicated through separate mail.

Trading Portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Daily Calls' product carries 3 to 4 intraday recommendations. It is advisable to allocate equal amount to each recommendation

Recommended product wise trading portfolio allocation

Products	Allocations		Number of Calls	Return Objective		Duration
	Product wise allocation	Max allocation in 1 stock		Frontline Stocks	Mid-cap stocks	
Daily Calls	8%	2-3%	3-4 Stocks	0.50-1%	2-3%	Intraday
Short term Delivery	6%	3-5%	7-10 p.m	4-5%	7-10%	Opportunity based
Weekly Calls	8%	3-5%	1-2 Stocks	5-7%	7-10%	1 Week
Weekly Technical	8%	3-5%	1-2 Stocks	5-7%	7-10%	1 Week
Monthly Call	15%	5%	2-3 Stocks	7-10%	10-15%	1 Month
Monthly Technical	15%	2-4%	5-8 Stocks	7-10%	10-15%	1 Month
Techno Funda	15%	5-10%	1-2 Stocks	10% and above	15% and above	6 Months
Technical Breakout	15%	5-10%	1-2 Stocks	10% and above	15% and above	3-6 Months
Cash in Hand	10%	-	-	-	-	-
	100%					



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