



Action:
BUY

CMP:
₹5364.00

TGT1/TGT2:
₹5896.0/6099.5

Stop Loss:
₹5105.5

Time frame: 5-6 WEEKS

Foseco India Limited is a prominent manufacturer of foundry chemicals and consumables, serving as a key partner to the Indian foundry industry. The company is a subsidiary of the Vesuvius Group, a global leader in molten metal flow engineering and technology. Foseco India provides advanced solutions that help foundries improve casting quality, reduce defects, and optimize metal usage through proprietary technology and expertise.

The company also provides pharmaceuticals, medicinal chemical, and botanical products, as well as chemical and chemical products. In addition, it manufactures and sells crucibles. The company primarily serves the requirements of ferrous and non-ferrous foundries to automotive, tractors, general engineering, valves, power, railways, etc.

Company YOY revenue increase from ₹525Cr (CY24) to ₹643Cr (CY25) at 22.48%. The Company EBITDA margin has increased from 17% for (CY24) to 19% for (CY25). Company Net Profit has increased from ₹73Cr (CY24) to ₹75Cr (CY25) at 2.74%.

Key Data	
Nifty 50	24219.05
Sector	Specialty Chemicals
52 Week H/L(Rs)	6819.00/4300.75
Market Cap (Rs Cr)	4053.95
Face Value (Rs)	10.00
Daily Oscillator Direction	
20 DEMA	+ve
50 DEMA	+ve
100 DEMA	+ve
200 DEMA	+ve



TECHNICAL RATIONALE

- The chart is showing a bullish breakout from a long-term downward trendline.
- Price has again moved above all of the moving averages, indicating improving momentum and strengthening trend structure.
- RSI is near the bullish zone around 56, reflecting firm momentum with room before overbought territory, supporting further upside without signalling exhaustion.
- We recommend to buy at current market price ₹5364.00 with short-term targets of ₹ 5896.0-6099.5, and keep a stop-loss at ₹5105.5.

TECHNICAL GLOSSARY:

- **Symmetrical Triangle Breakout:** A chart pattern where the price consolidates within converging trendlines, forming lower highs and higher lows. A breakout above the upper trendline signals bullish momentum, while a breakdown below the lower trendline indicates bearish movement. Volume expansion during the breakout strengthens confirmation.
- **Channel/trendline Breakout:** A technical event where the price moves above the resistance or below the support line of a price channel/trendline, signaling a potential trend continuation or reversal.
- **Retest:** The price action where the stock revisits a previously broken resistance (now acting as support) to confirm the breakout's validity.
- **MACD (Moving Average Convergence Divergence):** A trend-following momentum indicator that shows the relationship between two moving averages of the stock price. Used to identify bullish or bearish signals.
- **Positive Crossover (MACD):** Occurs when the MACD line crosses above the signal line, often interpreted as a buy signal or bullish momentum.
- **RSI (Relative Strength Index):** A momentum oscillator that measures the magnitude of recent price changes to evaluate whether a stock is overbought (above 70) or oversold (below 30).
- **DEMA (Daily Exponential Moving Average):** A type of moving average that places a higher weight on recent prices, making it more responsive to recent price changes compared to a simple moving average (SMA). It is widely used in technical analysis to identify trends, support/resistance levels, and momentum.
- **A higher high occurs** when the price reaches a new peak above the previous high, indicating strong buying pressure and an ongoing uptrend in the market.
- **A higher low forms** when the price pulls back but remains above the previous low, signaling sustained buying interest and confirming the continuation of an uptrend.
- **The signal line in technical analysis** is a smoothed moving average of an indicator, such as the MACD, used to generate buy or sell signals by identifying crossovers, confirming trends, and enhancing decision-making for traders and investors.



Canara Bank Securities Ltd.

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