



Action:
BUY

CMP:
₹969.25

TGT1/TGT2:
₹1040.80/1134.00

Stop Loss:
₹905.35

**Time frame: 5-6
WEEKS**

Sundaram fasteners ltd, a part of the TVS Group of Companies, is engaged in manufacturing critical, high precision components such as fasteners, power train components etc for the automotive, infrastructure, windmill, and aviation sectors.

Revenue Growth: Management targets double-digit growth over the next two years, expecting to outperform industry averages in all vehicle segments by 2 to 3 percentage points.

Exports Rebound: Exports are projected to grow by 15% to 20% this year to reclaim a 30% to 35% revenue share, with U.S. EV orders fully ramping up by FY27.

Non-Auto Expansion: The company is aggressively scaling its non-auto segment (currently 35% of the mix), with strong order visibility in wind energy, aerospace, defense, and railways.

Financials & Capex: Margins are expected to remain stable due to efficient cost pass-through mechanisms. To support future growth, the company executed over INR 404 crores in capex for capacity expansion and maintains a steady 30% dividend payout policy.

Company 5-year revenue increase from ₹3,644Cr (FY21) to ₹6,289Cr (FY26) at 11.53% CAGR. Company YOY revenue increase from ₹5,955Cr (FY25) to ₹6,289 Cr (FY26) at 5.61%. The Company EBITDA margin has been stable at 16% for (FY26). Company Net Profit has increased from ₹542Cr (FY25) to ₹593Cr (FY26) at 9.41%.

Key Data

Nifty 50	24343.10
Sector	Auto Components & Equipments
52 Week H/L(Rs)	1071.15/732.40
Market Cap (Rs Cr)	20390.86
Face Value (Rs)	1.00
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 most of the moving averages, indicating improving momentum and strengthening trend structure.
- RSI is near the bullish zone around 64, reflecting firm momentum with room before overbought territory, supporting further upside without signalling exhaustion.
- We recommend to buy at current market price ₹969.25 with short-term targets of ₹ 1040.80-1134.00, and keep a stop-loss at ₹905.35.

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.



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