

## INDUS TOWERS LIMITED

Date: 23/02/2024

CMP: 240 • Target: 280-320 • Stoploss: 205

Time Frame: 3-6 months

### INDUSTOWER-WEEKLY CHART



Chart as on 23<sup>rd</sup> Feb 2024

### Technical Outlook

- On a weekly scale, the stock has witnessed a breakout of a rounding bottom pattern, as highlighted in the chart above.
- The breakout was accompanied by high volume, indicating strength in the breakout.
- According to the rounding bottom pattern, the medium-term target is around 320. However, in the short term, the stock will encounter resistance around 280.
- On the downside, 21-Weekly Exponential Moving Average (WEMA) is placed near 205, which is acting as strong support for the stock.
- On a weekly scale, the Relative Strength Index (RSI) is positioned above the center point, indicating strength.
- Based on the technical setup described above, we recommend accumulating INDUSTOWER in the 238-242 range and on dips around 218-222 with a stop loss of 205 on a closing basis for a target of 280 in the short term and 320 in the medium term.

### Fundamental Rationale

- Indus Towers Limited is an India-based provider of telecom infrastructure. The Company deploys, owns and manages telecom towers and communication structures for various mobile operators. Its offerings include tower, power, space, smart cities, tower operations center, and green technology.
- Telcos are expected to expand their network, especially for data services, a healthy demand for towers can be expected in the long run.

- With the rollout of 5G services by telecom operators in the near term, the capital expenditure (capex) for Telcos is expected to accelerate owing to higher requirement of tower infrastructure. Indus Towers has also collaborated with renewable energy service companies to power towers with renewable energy and undertake community power development initiatives in rural areas.
- Indus Towers is in line with the strategy by pioneering with innovative initiatives to build a digital, more connected, inclusive, and sustainable India. To expedite India's role in the achievement of Sustainable Development Goals (SDGs), the Company is dedicated to being the partner of choice for telecom operators, by building a robust sustainable infrastructure and establishing industry best practices.
- Company's strong commitment to create a digitally accessible future for all by enabling its customers to connect remote areas, transforming lives, and fostering socio-economic development has given a distinctive edge in the market. These factors have contributed to the growth and has enabled them to maintain their position as a leading industry player. In the last three years FY20-FY23, company operating revenues have grown by a CAGR of 61% respectively. During the same period, the company's operating profit grew by a CAGR of 40%. Hence we recommend "**ACCUMULATE**" the stock.

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