

# SRF, Tata Chemicals and other shares saw a rise, stocks rose due to increase in prices amid Israel-Hamas war

Chemical stocks saw a rise of 4 percent today due to increase in global prices due to Israel-Hamas war. Selected companies in the chemical sector are likely to benefit from this war. Today shares of Tata Chemicals, SRF, GHCL, Aarti Industries Limited, Atul and Vinyl Chemicals Limited rose by 1-4 percent.

CURATED BY: SUNIL GUPTA | UPDATED OCT 11, 2023 AT 5:11 PM



JM FINANCIAL HAS GIVEN BUYING ADVICE ON SHARES OF SRF, DEEPAK NITRIT AND ARCHEAN CHEMICAL FROM THE CHEMICAL SECTOR.

Due to increase in prices globally due to **Israel-Hamas war**, an **increase of 4 percent was seen in chemical stocks today i.e. on Wednesday, October 11**. Selected companies in the chemical sector are likely to benefit from this war. The reason for this is that Israel is the largest producer of elemental bromine in the world. Therefore, it is believed that bromine prices are likely to increase due to the ongoing war. Today, shares of Tata Chemicals, SRF, GHCL, Aarti Industries Limited, Atul and Vinyl Chemicals Limited saw a rise of 1-4 percent.

## Impact of rising bromine prices

Domestic brokerage firm JM Financial said in its report that the current situation in Israel creates uncertainty in the production, export and sale of bromine from the Dead Sea. The Dead Sea is one of the largest salt deposits in the world. About 50-55 percent of the world's bromine is found here.

Since Israel supplies about 30 percent of bromine to the world. Therefore, there may be a negative impact on its exports. This will increase prices from the current \$3.5/kg.

Analysts also said that the prices of benzene, an essential raw material for companies like Deepak Nitrite, Aarti Industries and Atul, also increased by about 20 percent in October. The price of toluene, another important raw material component, has also increased by about 6 percent during the same period.

Apart from this, phenol business appeared to be down by about 12 percent in October. But phenol/acetone realizations have seen a sharp increase of 38 per cent in the last three months. Analysts believe Deepak's phenolics business could grow positively from 2QFY24 as phenol spreads are expected to decline in their view.

However, pressure on generic agrochemicals may continue due to additional supplies from China. But it will be slightly lower compared to the previous quarter.

## Top picks of chemical sector

JM Financial has given preference to **SRF** , **Deepak Nitrite** and **Archean Chemical** stocks in this segment. The brokerage has recommended buy on all three stocks with target prices of Rs 2,230, Rs 2,066 and Rs 628 respectively. He also maintains 'buy' rating on UPL, PU Industries, Deepak Nitrite, Clean Science, Navin Fluorine and Aether Industries. .

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