

The Daily

May 07, 2024





| DOMESTIC INDICES | | | |
|------------------|-------|--------|----------|
| | CLOSE | POINTS | % CHANGE |
| SENSEX | 73896 | 17 | 0.02 |
| NIFTY | 22443 | -33 | -0.15 |
| MIDCAP | 42010 | -405 | -0.95 |
| SMALL CAP | 46693 | -499 | -1.06 |

| SECTORAL INDICES | | | |
|------------------|-------|--------|----------|
| | CLOSE | POINTS | % CHANGE |
| REALTY | 7759 | 205 | 2.71 |
| TECK | 15736 | 120 | 0.77 |
| IT | 34121 | 219 | 0.65 |
| HEALTHCARE | 35751 | 180 | 0.51 |
| BANKEX | 55534 | 125 | 0.23 |
| AUTO | 51421 | 80 | 0.16 |
| FINANCE | 10727 | -65 | -0.60 |
| CG | 62223 | -394 | -0.63 |
| METAL | 31575 | -254 | -0.80 |
| POWER | 7225 | -92 | -1.26 |
| OIL & GAS | 28542 | -603 | -2.07 |
| CD | 52702 | -2109 | -3.85 |

| BSE 200 GAINERS/LOSERS | | | |
|------------------------|-------|--------|-------|
| GAINERS | % | LOSERS | % |
| GODREJPROP | 10.70 | PFC | -8.93 |
| BRITANNIA | 6.65 | RECLTD | -7.35 |
| SUPREMEIND | 5.89 | TITAN | -7.18 |
| ALKEM | 5.21 | PNB | -6.41 |
| TIINDIA | 5.12 | CANBK | -5.42 |

| ADVANCE/DECLINES | | |
|------------------|------|----|
| | BSE | % |
| ADVANCES | 1294 | 32 |
| DECLINES | 2628 | 64 |
| UNCHANGED | 172 | 4 |

| INSTITUTIONAL ACTIVITY | | | |
|------------------------|------------|------------|-----------|
| Rs Cr | 03-05-2024 | 06-05-2024 | MAY TOTAL |
| FII | -2392 | -2169 | -7693 |
| DII | 691 | 781 | 9302 |

Indian markets could open mildly higher, in line with mostly higher Asian markets today and higher US markets on May 06

U.S. stock indexes closed higher on Monday for the third consecutive session, as investors continued to be hopeful that there was a greater chance of the Federal Reserve cutting interest rates this year.

An announcement from Hamas on Monday that it accepted an Egyptian-Qatari cease-fire proposal to end the war with Israel gave stocks a boost in early afternoon trading.

Traders are currently pricing in rate cuts worth 46 basis points from the Fed by the end of 2024, with the first cut expected in September or November, according to LSEG's rate probability app.

Oil futures pared some of their earlier gains on Monday after a report by the Associated Press on Monday afternoon said that Hamas has accepted an Egyptian-Qatari proposal for a cease-fire to halt its war with Israel in Gaza.

Asian shares made 15-month highs on Tuesday on new confidence of U.S. interest rate cuts.

Nifty closed mildly lower after a volatile session on May 06. At close, Nifty was down 0.15% or 33.2 points at 22442.7. Nifty formed a small negative candle on May 06 after a volatile but range bound move. It stayed in a 109 point range but kept facing selling pressure on intra day rises. Nifty could now stay in the 22305-22567 band with a mild negative bias in the near term.

HCL Tech partners with AWS to drive GenAI adoption

HCL Tech has partnered with Amazon Web Services (AWS) to 'accelerate GenAI-led enterprise digital transformation. The companies will work together to implement AWS GenAI (generative AI) services such as Amazon Bedrock, Amazon CodeWhisperer, Amazon SageMaker and Amazon Titan for enterprises across multiple industries.

Reliance Jio, Airtel and Vodafone Idea to participate in Rs 96,317 crore spectrum auction

Reliance Jio, Bharti Airtel, and Vodafone Idea have submitted their application to bid for Rs 96,317-crore spectrum auction, which is scheduled to start from June 6. The last auction held in 2022 had the Adani Group firm as a surprise bidder but there is no new name for the upcoming auction.



| GLOBAL INDICES | | | |
|----------------|--------|--------|----------|
| | CLOSE | POINTS | % CHANGE |
| DOW JONES | 38852 | 176.59 | 0.46 |
| S & P 500 | 5181 | 52.95 | 1.03 |
| NASDAQ | 18094 | 202.77 | 1.13 |
| FTSE | 8213 | 41.34 | 0.51 |
| CAC | 7997 | 39.07 | 0.49 |
| DAX | 18172 | 170.31 | 0.95 |
| NIKKEI | 38632 | 395.93 | 1.04 |
| SHANGHAI | 3143 | 1.97 | 0.06 |
| HANG SENG | 18594 | 15.70 | 0.08 |
| BOVESPA | 128466 | -43.00 | -0.03 |

| EXCHANGE RATES | | |
|----------------|-------|----------|
| | VALUE | % CHANGE |
| USD/INR | 83.5 | 0.20 |
| EURO/USD | 1.077 | -0.02 |
| USD/GBP | 1.256 | -0.02 |
| USD/JPY | 154.4 | 0.32 |

| COMMODITIES | | |
|-------------------------|--------|----------|
| | VALUE | % CHANGE |
| GOLD (\$ / Oz) | 2333.7 | 0.11 |
| SILVER (\$ / Oz) | 27.6 | -0.12 |
| CRUDE OIL FUTURES | 78.7 | 0.29 |
| BRENT OIL (\$ / Barrel) | 83.5 | 0.02 |

| BOND YIELD | | |
|-----------------------|-------|------------|
| | VALUE | ABS CHANGE |
| IND10 YEAR BOND YIELD | 7.108 | -0.041 |

| ADR | | |
|----------------|-------|----------|
| | VALUE | % CHANGE |
| DR REDDY'S LAB | 74.9 | -0.37 |
| HDFC BANK | 58.1 | -0.73 |
| ICICI BANK | 27.5 | 0.60 |
| TATA MOTORS | 25.1 | 0.00 |
| WIPRO | 5.47 | 1.20 |
| VEDANTA LTD | 16.50 | 0.00 |
| INFOSYS | 16.98 | 0.30 |

Reliance renews bid for US license to import Venezuelan oil
Reliance Industries has resubmitted a request to the U.S. for an authorization to import crude oil from sanctioned Venezuela, three people close to the matter said, and resume oil trade between the OPEC producer and the once second-largest destination for its oil.

Construction Equipment Industry sees 26% sales growth in FY24: ICEMA Data

India's construction equipment industry witnessed a 26% rise in sales to 1,35,650 units in the 2023-24 fiscal on the back of the government's infrastructure-led growth agenda. With total equipment sales crossing 1,35,650 units as against 1,07,779 lakh units in FY23, the Indian Construction Equipment industry has recorded a 26% increase in overall sales volume for the financial year 2023-24, surpassing all projections.

GHCL Limited announces capex, expansion project

GHCL Limited has announced the capital Budget of approx. Rs. 224 crore for the financial year 2024-25 including Bromine Project of Rs. 117 crore. Board also approved Greenfield Project for Soda Ash annual production capacity of 5.5 million ton in Kutch Gujarat for Rs. 4000 crore.

Lupin received approval from US FDA for Travoprost Ophthalmic Solution USP

Lupin Limited announced that it has received approval from the US FDA for its Abbreviated New Drug Application for Travoprost Ophthalmic Solution USP, 0.004% (Ionic Buffered Solution), to market a generic equivalent to the reference listed drug (RLD) Travatan Z Ophthalmic Solution, 0.004%, of Sandoz Inc. The product will be manufactured at Lupin's Pithampur facility in India. It is indicated for the reduction of elevated intraocular pressure in patients with open angle glaucoma or ocular hypertension. Travoprost Ophthalmic Solution USP, 0.004% (RLD Travatan Z), had estimated annual sales of US\$ 77 million in the US. (IQVIA MAT March 2024).



Lupin Q4FY24 result update

Revenue came in in-line with expectations while profitability hit due to impairment related charges worth Rs 201cr in the quarter. Revenue grew 12% YoY at Rs 4961cr as against estimate of Rs 5038cr. Gross margin expanded 820bps YoY at 67.8%. EBITDA margin improved 680bps YoY at 21%.

Depreciation & Amortisation expenses were higher by 73% YoY at Rs 457cr. Company has recognised an impairment charge of Rs 201cr related to intangibles assets (including discontinued ANDAs) and certain tangible assets. Net profit increased 52.3% YoY at Rs 359.4cr.

US business increased 22.6% YoY at Rs 1901cr. India business grew 8.3% YoY at Rs 1602cr. EMEA markets business grew 17.3% YoY at Rs 532cr.

Investment in R&D was at Rs 1527cr or 7.8% of sales for FY24 and Rs 425.5cr or 8.7% of sales for Q4 FY24.

Company filed one ANDA in the quarter, received 12 ANDA approvals from the US FDA, and launched 6 products in the quarter in the US market. The Company now has 161 generic products in the US.

Cumulative ANDA filings with the US FDA stands at 431 as of Mar, 2024, with the company having received 314 approvals to date.

Management guided for strong growth across key geographies, and improvement in operating margin for FY25.

Board recommended Rs 8 per share dividend for the year. EPS for the quarter stood at Rs 7.9 and it stood at Rs 41.9 for FY24. At CMP, the stock trades at 27.5x FY26E EPS.

DCM Shriram Ltd. Q4FY24 result update

Revenue for the quarter declined 12% YoY at Rs 2399 crore. EBITDA declined 23.3% YoY at Rs 265 crore. Net profit was down by 37% YoY at Rs 118 crore.

Chemicals segment revenue declined 28% YoY at Rs 538 crore. Fertilisers business declined 17% at Rs 354 crore. Fenesta business grew 21% YoY at Rs 209 crore.

Net debt as on March, 2024 stood at Rs 1,434 crore vs. Rs 681 crore as on March, 2023.

Gujarat Fluorochemicals Q4FY24 result update

Revenue for the quarter declined 23% YoY at Rs 1133 crore as compared to estimate of Rs 1177 crore. Operating margin stood at 21% as against 35.9%, a year ago (estimate of 24.5%). EBITDA declined 55% YoY at Rs 237.6 crore. Net profit was down 69.5% YoY at Rs 101 crore.

Board recommended Rs 3 per share dividend for the year. EPS for the quarter stood at Rs 9.2 and it stood at Rs 39.6 for FY24. At CMP, the stock trades at 36.5x FY26E EPS.



Important news/developments to influence markets

China home sales slump 47% over May Day holiday vs 2023

China's average daily home sales during the major May Day public holiday sank 47% from a year earlier, and were down around 30% from pre-pandemic levels in 2019 for the same holiday period

Euro zone business activity grows at fastest pace in almost a year, PMI shows

Euro zone business activity expanded at its fastest pace in almost a year last month as a resurgence in the bloc's dominant services industry more than offset a deeper downturn in manufacturing

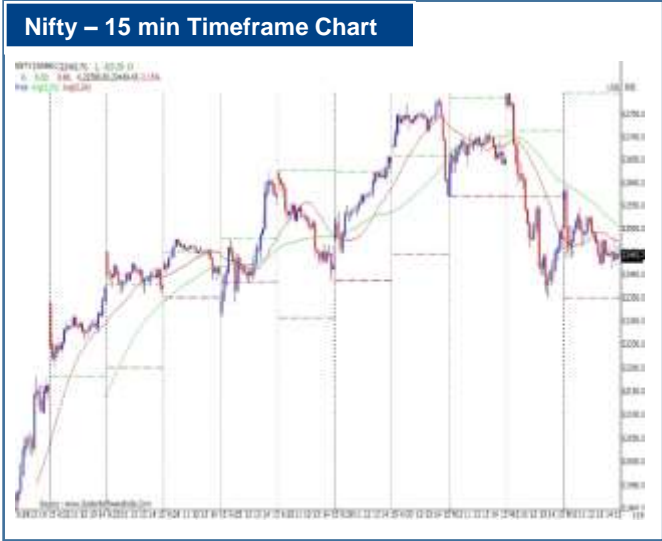
German services sector picks up pace in April, PMI shows

Business activity in Germany's services sector picked up pace at the start of the second quarter, supported by growth in new orders. The HCOB final services Purchasing Managers' Index (PMI) rose to 53.2 in April from 50.1 in March, moving further above the 50.0 mark that separates growth from contraction. The reading was the highest since June last year.



| Index | Short term trend | Target | Reversal | CMP | S1-S2 | R1-R2 |
|----------------|------------------|--------|----------|-------|-------------|-------------|
| Nifty Fut | UP | 22888 | 22470 | 22562 | 22510-22470 | 22705-22888 |
| Bank Nifty Fut | UP | 49927 | 48870 | 49060 | 48870-48732 | 49650-49927 |

Daily Technical View on Nifty



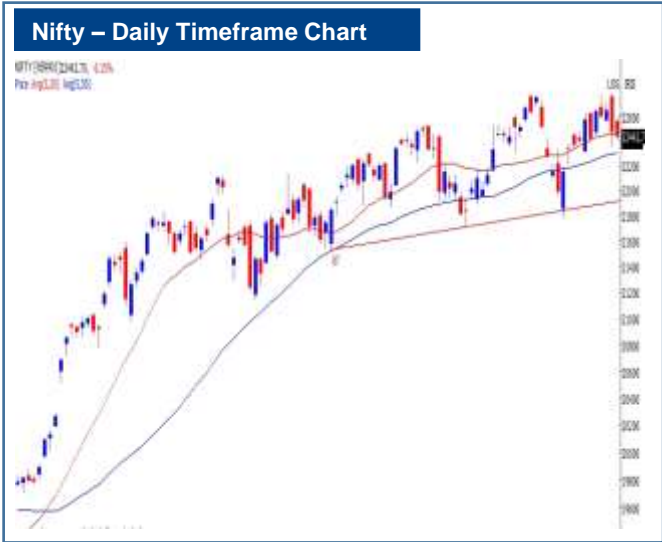
Market: Observation

- Markets corrected on Monday after a gap up opening. Nifty finally lost 33.15 points or 0.15% to close at 22,442.7. Broad market indices like the BSE Mid Cap and Small Cap indices lost more, thereby underperforming the Sensex/Nifty. Market breadth was negative on the BSE/NSE.

Nifty: Holding above recent swing low

- Zooming into 15 min chart, we observe that Nifty witnessed selling pressure from the morning highs. It however subsequently traded in a narrow range before finally closing near the lows of the day.

- The Nifty has however managed to hold above the recent swing low of 22348, which will be a crucial level to watch in the very near term. Immediate resistance is now at 22589.



Nifty: Uptrend still intact

- On the daily chart, we can observe that while the Nifty has corrected from life highs, the underlying trend remains up.

- Nifty has recently bounced back from a low of 21777 which also roughly coincides with a trend line support connecting the swing lows of the last two months.

- So a few days weakness is not going to reverse the trend. It will be important that the Nifty holds above the immediate supports of 22348-22298 for the uptrend to continue.



OPEN SHORT-TERM TRADING CALLS

| NO | RECO DT. | RECO | COMPANY NAME | ENTRY | CMP | SL | TARGET | UPSIDE % | VALID TILL |
|----|-----------|------|--------------------------|--------------|---------|---------|---------|----------|------------|
| 1 | 6-MAY-24 | BUY | ABB MAY 7000 CALL OPTION | 250 | 258.0 | 170.0 | 400.0 | 55.0 | 9-MAY-24 |
| 2 | 26-APR-24 | BUY | LTIM MAY FUT | 4814.95-4720 | 4,722.3 | 4,649.0 | 5,103.0 | 8.1 | 10-MAY-24 |
| 3 | 30-APR-24 | BUY | ACC MAY FUT | 2539-2496 | 2,496.0 | 2,461.0 | 2650 | 6.2 | 14-MAY-24 |
| 4 | 2-MAY-24 | SELL | JK CEMENT MAY FUT | 3989.5-4107 | 4,014.4 | 4,147.0 | 3787 | 5.7 | 16-MAY-24 |
| 5 | 3-MAY-24 | BUY | TATA STEEL MAY FUT | 171.50-167 | 168.4 | 165.0 | 180.5 | 7.2 | 17-MAY-24 |
| 6 | 30-APR-24 | BUY | STAR CEMENT | 235-229 | 233.2 | 223.0 | 252 | 8.1 | 14-MAY-24 |
| 7 | 2-MAY-24 | BUY | TNPL | 283.15-274 | 285.3 | 270.0 | 308 | 8.0 | 16-MAY-24 |

OPEN E-MARGIN POSITIONAL CALLS

| NO. | RECO DT. | RECO | COMPANY NAME | ENTRY | CMP | SL | TARGET 1 | TARGET 2 | UPSIDE % | VALID TILL |
|-----|-----------|------|--------------------------|---------------|--------|--------|----------|----------|----------|------------|
| 1 | 2-APR-24 | BUY | IRCTC* | 945-969.05 | 1022.2 | 969.1 | 1037.0 | 1120.0 | 10 | 2-JUN-24 |
| 2 | 5-APR-24 | BUY | BALRAMPUR CHINI | 387.35-374 | 385.7 | 360.9 | 419.0 | 449.0 | 16 | 5-JUN-24 |
| 3 | 8-APR-24 | BUY | GODREJ PROPERTIES | 2603-2490 | 2842.8 | 2396.0 | 2860.0 | 3020.0 | 6 | 8-JUN-24 |
| 4 | 8-APR-24 | BUY | JUBILANT PHARMA* | 610-632.90 | 677.8 | 621.5 | 686.0 | 740.0 | 9 | 8-JUL-24 |
| 5 | 10-APR-24 | BUY | RELIGARE | 232-219 | 216.3 | 212.0 | 257.0 | 280.0 | 29 | 10-JUL-24 |
| 6 | 22-APR-24 | BUY | POWERMECH | 5219.70-4900 | 4947.9 | 4680.0 | 5795.0 | 6000.0 | 21 | 22-JUL-24 |
| 7 | 22-APR-24 | BUY | FLUROCHEM | 3696.50-3545 | 3638.1 | 3455.0 | 3985.0 | 4300.0 | 18 | 22-JUN-24 |
| 8 | 22-APR-24 | BUY | KIRLOSKAR OIL ENGINE* | 942.25-885 | 1016.3 | 942.3 | 1039.0 | 1090.0 | 7 | 22-JUL-24 |
| 9 | 23-APR-24 | BUY | MIDHANI | 429.80-399 | 419.2 | 386.0 | 477.0 | 494.0 | 18 | 23-JUL-24 |
| 10 | 24-APR-24 | BUY | POLYPLEX | 901.50-856 | 892.3 | 830.0 | 983.0 | 1060.0 | 19 | 24-JUL-24 |
| 11 | 24-APR-24 | BUY | FINOLEX INDUSTRIES | 268.70-257.90 | 272.4 | 253.0 | 288.0 | 310.0 | 14 | 24-JUL-24 |
| 12 | 24-APR-24 | BUY | CAMPUS | 240-246.15 | 244.0 | 234.0 | 270.0 | 294.0 | 21 | 24-JUN-24 |
| 13 | 26-APR-24 | BUY | SESHA PAPER | 334.35-326 | 330.4 | 318.0 | 360.0 | 400.0 | 21 | 26-JUL-24 |
| 14 | 26-APR-24 | BUY | OIL INDIA | 629.75-608 | 633.5 | 590.0 | 676.0 | 725.0 | 14 | 26-JUN-24 |
| 15 | 26-APR-24 | BUY | COROMANDEL INTERNATIONAL | 1179.10-1135 | 1222.4 | 1111.0 | 1264.0 | 1359.0 | 11 | 26-JUN-24 |

*= 1st Target Achieved



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