

The Daily

May 16, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	72987	-118	-0.16
NIFTY	22201	-17	-0.08
MIDCAP	41895	250	0.60
SMALL CAP	46544	442	0.96

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
CG	64454	1346	2.13
POWER	7493	148	2.01
REALTY	7576	83	1.11
OIL & GAS	28416	305	1.09
METAL	31884	282	0.89
TECK	15745	52	0.33
HEALTHCARE	35165	99	0.28
CD	52517	70	0.13
IT	33909	30	0.09
FINANCE	10456	-7	-0.07
BANKEX	54473	-91	-0.17
AUTO	51884	-163	-0.31

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
SIEMENS	7.01	COLPAL	-5.14
LICI	6.31	ICICIPRULI	-2.89
LINDEINDIA	6.16	BOSCHLTD	-2.88
CGPOWER	5.39	SOLARINDS	-2.84
CANBK	5.08	AUBANK	-2.59

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2205	56
DECLINES	1587	40
UNCHANGED	143	4

INSTITUTIONAL ACTIVITY			
Rs Cr	14-05-2024	15-05-2024	MAY TOTAL
FII	-4066	-2833	-38541
DII	3528	3788	36768

Indian markets could open higher, in line with higher Asian markets today and positive US markets on May 15

U.S. stock indexes finished at their highest-ever levels on Wednesday, driven by signs of slowing inflation on a monthly basis in April's consumer price index. This suggests inflation could have resumed a downward trend in the second quarter.

The U.S. Bureau of Labor Statistics said its consumer price index rose by 0.3% in April, below expectations for an increase of 0.4%, while on an annual basis, CPI was up 3.4%, in line with forecasts and below the previous month's 3.5% rate. Markets are also likely to take some comfort from a relatively modest 0.3% increase in the so-called core rate of inflation that strips out food and energy. It was the smallest rise in four months. The core CPI climbed 3.6% in the 12 months ended in April, down from 3.8% in the prior month. That's the lowest reading since April 2021.

Wednesday's rally in U.S. government debt sent 2-, 10-, and 30-year Treasury yields to their lowest closing levels since early April. The benchmark 10-year rate fell 9 basis points to 4.354%. That's the lowest level since April 4.

US retail sales were unchanged in April, as sales at gasoline stations offset weakness in auto sales and other areas.

Japan's first-quarter GDP contracted at an annualized rate of 2%, more than the 1.5% expected in a Reuters poll. The latest data could likely endanger the Bank of Japan's plans to raise interest rates.

The Indian Government has cut windfall tax on crude petroleum to Rs 5700 per tonne from Rs 8400 per tonne effective from May 16.

The Southwest Monsoon is expected to arrive in Kerala around May 31, the India Meteorological Department said on Wednesday.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	39908	349.89	0.88
S & P 500	5308	61.47	1.17
NASDAQ	18597	273.88	1.49
FTSE	8446	17.67	0.21
CAC	8240	14.19	0.17
DAX	18875	158.93	0.85
NIKKEI	38602	221.50	0.58
SHANGHAI	3132	12.00	0.38
HANG SENG	19189	115.29	0.60
BOVESPA	128028	-488.00	-0.38

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.4	0.20
EURO/USD	1.089	0.04
USD/GBP	1.269	0.03
USD/JPY	154.0	-0.59

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2396.6	0.07
SILVER (\$ / Oz)	30.0	0.74
CRUDE OIL FUTURES	79.0	0.43
BRENT OIL (\$ / Barrel)	83.1	0.17

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.086	-0.023

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	69.6	-0.04
HDFC BANK	55.7	-0.53
ICICI BANK	27.2	1.06
TATA MOTORS	25.1	0.00
WIPRO	5.45	0.65
VEDANTA LTD	16.50	0.00
INFOSYS	17.05	0.62

The unemployment rate in India saw a rise, led by higher unemployment among urban males. The unemployment rate in urban areas rose to 6.7% in January–March from 6.5% during October–December 2023 for persons aged 15 years and older, according to the quarterly labour force survey published on Wednesday.

Asian stock markets rose on Thursday, lifted by Wall Street's surge to all-time peaks overnight after a milder U.S. inflation report raised expectations the US Fed will deliver at least two rate cuts this year.

Nifty snapped a three day winning streak on May 15, giving up early gains and ending marginally in the red. At close, Nifty was down 0.08% or 17.3 points at 22200.6. Nifty formed a high wave candle on May 15 but is yet to give a large negative signal. After a three day rise, the Nifty could correct for a few sessions and then resume the uptrend. It could face resistance on upmoves in the 22302-22348 band while 22131 could provide support on falls in the near term.

Coal's share in India's power generation capacity drops below 50%

The latest POWERup quarterly report from the Institute for Energy Economics and Financial Analysis (IEEFA) showed that renewable energy accounted for 71.5 percent of the record 13,669 megawatts (MW) power generation capacity added by India in the first quarter (January-March) of this year. The share of coal in India's total power generation capacity addition dipped below 50 percent in the first quarter of 2024, the first time since the 1960s.

Coal India, NMDC exploring lithium mines overseas

Coal India and NMDC are exploring lithium mines in Chile and Australia. The Indian mines ministry is also encouraging other state-owned companies, such as ONGC Videsh, to scout for critical minerals overseas.

TVS Motor launches electric two-wheeler iQube in Bengaluru

TVS Motor Company unveiled its new variant of the electric two-wheeler, TVS iQube with 2.2 kWh battery in Bengaluru. The company also said it is ready to deliver TVS iQube ST to customers.



TVS Motor Co starts operations in Italy

TVS Motor Company Ltd has started its operations in Italy with plans to introduce a range of both conventional as well as electric scooters and motorcycles. The company is expanding its operations in Italy via its branch office.

DLF to develop Rs 25,000 crore luxury housing project in Gurugram

DLF Ltd, has announced plans to develop a super luxury housing project on Golf Course Road in Gurugram. The project, spanning over 17 acres in DLF Phase-5, is expected to comprise more than 400 apartments, with an estimated revenue potential of around Rs 25,000 crore.

Jindal Stainless to spend Rs 4,700 crore capex in FY25 amid expansion plans

Jindal Stainless has earmarked Rs 4,700 crore capex for the current fiscal, up from Rs 3,800 crore in FY24. The increase in capex provision comes as the company bets on the booming domestic demand with plans of more brownfield expansions during the period. FY25 capex includes Rs 800 crore spilled over from last year. The company plans to fund the majority of the capex through internal accruals.

SAIL's Bhilai Steel Plant to install solar energy systems in plant premises, township, reservoir

Bhilai Steel Plant (BSP) has decided to install solar power generation systems on the rooftops of various buildings in its plant premises and township in Bhilai. The flagship unit of the country's largest steel maker Steel Authority of India Limited (SAIL), BSP, has recently signed a memorandum of understanding with the Chhattisgarh State Renewable Energy Development Agency (CREDA) for the solar power generation project within the unit's premises.

Cipla ups investment in point-of-care testing firm Achira Labs

Cipla has signed definitive agreements for further investment of up to Rs 26 crore in optionally convertible preference shares of Achira Labs. The investment will be made in four tranches, subject to completion of certain milestones. Following the completion of the first tranche of investment, Cipla will hold 27.27% of the total voting rights in Achira.

Granules India Q4FY24 result update

Revenue for the quarter declined 1.7% YoY at Rs 1175.7cr as against estimate of Rs 1219cr. EBITDA margin improved 260bps YoY at 21.7% as against expectation of 22%. Gross margin expanded 1230bps YoY at 60.1%. It was on the back of higher value-added percentage compared to Q4FY23, attributed to higher FD sales and lower raw material cost. Other expenses were higher by 37.5% YoY at Rs 298.8cr. Net profit was up 8.4% YoY at Rs 129.7cr.

Decline in the Para API sales due to higher customer inventory and price erosion. It was partly offset by growth in FD sales.

Finished Dosage (FD) revenue increased 41% YoY at Rs 864cr. API sales declined 55% YoY at Rs 163cr. Pharma Formulation Intermediates (PFI) business declined 32% YoY at Rs 148.2cr.

R&D expenses for the year stood at Rs 199cr or 4.4% of sales. Capex for the year stood at Rs 380cr.

Net debt stood at Rs 842cr as compared to Rs 767cr, a year ago. EPS for the quarter stood at Rs 5.35 and it stood at Rs 16.7 for FY24. At CMP, the stock trades at 14.8x FY26E EPS.



Redington India Q4FY24 result update

Revenue for the quarter grew 2.7% YoY at Rs 22433cr. EBITDA margin contracted 45bps YoY at 2.05%. Net profit was up 5% YoY at Rs 325.6cr. Other Income increased 71% YoY at Rs 79.3cr. Finance cost was up 15.7% YoY at Rs 106.4cr. EPS for the quarter stood at Rs 4.16 and it stood at Rs 15.6 for FY24. At CMP, the stock trades at 11x FY26E EPS.

SeQuant Scientific Q4FY24 result update

Revenue for the quarter declined 1% YoY at Rs 361.2cr. EBITDA surged 600% YoY at Rs 36.6cr. Net loss stood at Rs 1cr as compared to net loss of Rs 93.6cr, a year ago. Other Income increased 135% YoY at Rs 4cr. Company had reported exceptional loss of Rs 61.6cr in Q4FY23.

Company reported highest EBITDA (pre-ESOP expenses) in 12 quarters. It stood at Rs 41cr or 11.4% of sales in the quarter.

Formulation revenue declined 3.3% YoY at Rs 247.6cr. API business grew 2% YoY and 39% QoQ at Rs 96cr. Net debt stood at Rs 379cr as against Rs 365cr, a year ago.

Mankind Pharma Q4FY24 result update

Revenue for the quarter grew 19% YoY at Rs 2441cr. EBITDA margin improved 390bps YoY at 24.3%. Gross margin expanded 260bps YoY at 69.8%. Net profit was up 62.3% YoY at Rs 477cr. Other Income increased 94% YoY at Rs 92.1cr.

Domestic sales grew 10.2% YoY at Rs 2174cr. Exports business increased 229.5% YoY at Rs 267cr.

During the quarter, the company launched 4 new products in the US taking the total launched products to 39 as on Mar-2024.

Board approved fund raising by way of issuance of such number of equity shares or other eligible securities or any combination thereof, for an aggregate amount not exceeding Rs 7,500 crore by way of issuance of equity / equity linked securities under qualified institutional placement (QIP) or through issuance of FCCBs, ADRs / GDRs / debt securities.

Capex for the year stood at Rs 389cr. Company has net cash of Rs 3260cr as on Mar-2024 as against Rs 1366cr as on Mar-2023.

EPS for the quarter stood at Rs 11.7 and it stood at Rs 47.7 for FY24. At CMP, the stock trades at 33x FY26E EPS.

Berger Paints India Q4FY24 result update

Revenue grew 3% YoY at Rs 2,520 crore. EBITDA declined 4.8% at Rs 351 crore vs Rs 369 crore. Margin at 13.9% vs 15.1%. Net profit was up 20% Rs 223 crore vs Rs 186 crore. Other Income stood at Rs 47.9 crore vs. Rs 15.1 crore.

Titagarh Rail Systems Q4FY24 result update

Revenue up 8% at Rs 1,052 crore. EBITDA increased 25.7% at Rs 120 crore vs Rs 95 crore. Operating margin at 11.4% vs 9.8%. Net profit was up 63.7% at Rs 79 crore.

GAIL (India) Ltd. Q4FY24 result preview

GAIL could report revenue de growth by 5% YoY to Rs 31,200 crore and the company could report net profit at Rs 2650 crore in Q4FY24. We expect strong transmission volumes and expect petchem volumes of ~215kmt. Commentary on commissioning status of various ongoing petchem plants will be key monitorable.



Important news/developments to influence markets

Consumer price growth slowed marginally in April; CPI rose an annualized 3.4%

U.S. inflation slowed marginally in April, while the gauge of core prices closely watched by the Federal Reserve decelerated slightly but remained stubbornly elevated.

According to data from the Bureau of Labor Statistics (BLS), the U.S. consumer price index in April rose 3.4% on an annualized basis, in line with expectations, a small slowdown from the 3.5% growth seen the previous month.



Index	Short term trend	Target	Reversal	CMP	S1-S2	R1-R2
Nifty Fut	UP	22490	22160	22287.1	22160-22050	22388-22490
Bank Nifty Fut	UP	48367	47731	47908.6	47731-47636	48225-48367

Daily Technical View on Nifty



Market: Observation

●Markets corrected marginally on Wednesday after three sessions of gains. Nifty finally lost 17.3 points or 0.08% to close at 22,200.55. Broad market indices like the BSE Mid Cap and Small Cap indices gained more, thereby outperforming the Sensex/Nifty. Market breadth was positive on the BSE/NSE.

Nifty: Takes a breather after a breakout

●Zooming into 15 min chart, we observe that Nifty opened on a positive note, but soon witnessed selling pressure and then traded in a range for the rest of the session. The index was taking a breather after the trend line breakout seen in the previous session.

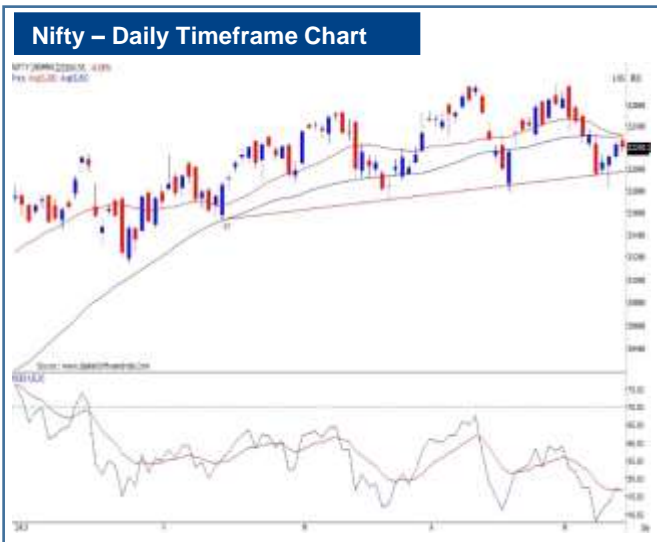
●The 50 period MA on the 15 min chart was providing support to the index.

Nifty: Needs to cross 20 and 50 day SMA

●On the daily chart, we can observe that Nifty has recently bounced back from a low of 21821 and has moved higher for three consecutive sessions. The index is now holding above the trend line support connecting the swing lows of the last three months.

●On Wednesday, the index took a breather and consolidated in a tight range below the 20 and 50 day SMA, which is acting as a resistance. The 14-day RSI has bounced back from oversold levels, which is encouraging.

●Upside momentum is therefore likely to pick up once the Nifty moves above the 20 and 50 day SMA and takes out the recent swing highs of 22308-22369 to reverse the current short term downtrend.





OPEN SHORT-TERM TRADING CALLS

NO	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	14-MAY-24	BUY	BANK NIFTY MAY FUT	48025-47800	47,910.0	47,700.0	48500	1.2	17-MAY-24
2	15-MAY-24	BUY	COAL INDIA MAY 450 CALL OPTION	17.6	24.3	13.0	35	44.3	20-MAY-24
3	13-MAY-24	BUY	AXIS BANK MAY FUT	1135.40-1108	1,131.5	1,090.0	1198	5.9	27-MAY-24
4	13-MAY-24	BUY	ABBOT INDIA MAY FUT	27123.55-26350	26,499.1	26,079.0	28525	7.6	27-MAY-24
5	15-MAY-24	BUY	MPHASIS MAY FUT	2305.5-2274	2,289.8	2,249.0	2390	4.4	29-MAY-24
6	14-MAY-24	BUY	GRSE	940-960.35	979.5	910.0	1028	5.0	28-MAY-24
7	14-MAY-24	BUY	HEG	2409-2337	2,394.6	2,290.0	2560	6.9	28-MAY-24
8	14-MAY-24	BUY	NBCC	134.75-131	135.1	128.0	145	7.3	28-MAY-24
9	15-MAY-24	BUY	HEMI PROPERTIES	202.80-196.50	204.4	192.5	216	5.7	29-MAY-24
10	15-MAY-24	BUY	MAZDOCK	2260-2337.95	2,392.1	2,200.0	2502	4.6	29-MAY-24
11	15-MAY-24	BUY	RAILTEL	386.75-373	390.5	367.0	418	7.1	29-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	1028.7	969.1	1037.0	1120.0	9	2-JUN-24
2	5-APR-24	BUY	BALRAMPUR CHINI	387.35-374	377.3	360.9	419.0	449.0	19	5-JUN-24
3	8-APR-24	BUY	GODREJ PROPERTIES*	2603-2490	2821.3	2603.0	2860.0	3020.0	7	8-JUN-24
4	8-APR-24	BUY	JUBILANT PHARMA*	610-632.90	715.5	621.5	686.0	740.0	3	8-JUL-24
5	24-APR-24	BUY	CAMPUS	240-246.15	250.5	234.0	270.0	294.0	17	24-JUN-24
6	26-APR-24	BUY	COROMANDEL INTERNATIONAL	1179.10-1135	1235.5	1111.0	1264.0	1359.0	10	26-JUN-24
7	7-MAY-24	BUY	TECH MAHINDRA	1284.50-1240	1274.5	1215.0	1380.0	1478.0	16	7-JUL-24
8	14-MAY-24	BUY	IRFC	155.15-148	155.5	143.0	170.0	185.0	19	14-JUL-24
9	15-MAY-24	BUY	SHIPPING CORPORATION	217.40-207	224.5	200.0	238.0	254.0	13	15-AUG-24
10	15-MAY-24	BUY	GUJARAT ALKALI	783-728	807.7	713.0	869.0	893.0	11	15-AUG-24

*= 1st Target Achieved

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