

The Daily

May 18, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	73917	253	0.34
NIFTY	22466	62	0.28
MIDCAP	42841	498	1.18
SMALL CAP	47592	652	1.39

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
CD	54804	1289	2.41
AUTO	53087	938	1.80
REALTY	7825	129	1.68
METAL	32469	479	1.50
OIL & GAS	28783	340	1.19
CG	66293	515	0.78
POWER	7553	53	0.71
FINANCE	10585	39	0.37
BANKEX	55004	201	0.37
HEALTHCARE	35450	39	0.11
TECK	15906	-100	-0.63
IT	34178	-255	-0.74

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
GLAXO	13.23	HONAUT	-5.04
DIXON	8.27	MPHISIS	-2.55
SOLARINDS	8.17	VOLTAS	-2.45
IRFC	7.11	HDFCAMC	-2.12
ENDURANCE	6.96	MANYAVAR	-2.10

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2403	61
DECLINES	1410	36
UNCHANGED	126	3

INSTITUTIONAL ACTIVITY			
Rs Cr	16-05-2024	17-05-2024	MAY TOTAL
FII	-776	1617	-37700
DII	2128	1556	40452

Indian markets could open flat to mildly higher, in line mildly higher US markets on May 17

U.S. stocks ended mostly higher Friday, with the Dow Jones Industrial Average's modest rise taking the blue-chip index to a finish above 40,000 for the first time ever as data supported expectations for interest rate cuts by the Federal Reserve this year. For the week, the Dow climbed 1.2%, the S&P 500 advanced 1.5% and the technology-heavy Nasdaq rose 2.1%.

The Cboe Volatility Index, which measures the 30-day implied volatility of the S&P 500, closed Friday at the lowest level since November 2019. Aside from an April rise, the VIX has been muted for much of 2024 as shares climbed.

Friday was an exciting day for the metals market, with gold and silver futures marking their highest settlements on record, and silver prices marking their highest finish since 2013. Gold, silver and copper are all experiencing notable gains from economic uncertainty, increasing demand for safe-haven assets, supply-chain disturbances impacting availability, and increased industrial demand, particularly for green technologies. Gold for June delivery climbed \$31.90, or 1.3%, to end at \$2,417.40 an ounce on Comex to reach a fresh record-high settlement, according to Dow Jones Market Data. July silver climbed \$1.38, or 4.6%, to settle at \$31.26 an ounce, for the highest finish since Feb. 8, 2013. July copper futures added 17 cents, or 3.6%, to finish at \$5.05 a pound Friday, reaching a fresh all-time settlement high.

Oil futures climbed on Friday, leading to gains for the week and leading U.S. benchmark prices to settle above \$80 a barrel for the first time this month. Economic data from the U.S. and China raised hopes for stronger crude demand, while back-to-back weekly declines in domestic crude supplies contributed to oil's price climb.

Indian stock markets will remain open on Saturday, May 18, 2024, as both the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) have scheduled a special trading session. This session, focused on the equity and equity derivatives segments, aims to evaluate the exchanges' disaster preparedness in the event of major disruptions.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	40004	134.21	0.34
S & P 500	5303	6.17	0.12
NASDAQ	18546	-11.73	-0.06
FTSE	8420	-18.39	-0.22
CAC	8168	-20.99	-0.26
DAX	18707	-31.53	-0.17
NIKKEI	38767	-154.50	-0.40
SHANGHAI	3154	31.63	1.01
HANG SENG	19554	177.08	0.91
BOVESPA	128151	-133.00	-0.10

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.3	0.20
EURO/USD	1.087	0.04
USD/GBP	1.270	0.28
USD/JPY	155.7	0.18

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2419.8	1.44
SILVER (\$ / Oz)	31.8	6.36
CRUDE OIL FUTURES	80.0	0.97
BRENT OIL (\$ / Barrel)	84.0	0.88

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.095	+0.019

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	68.3	-1.49
HDFC BANK	56.8	1.30
ICICI BANK	27.2	0.37
TATA MOTORS	25.1	0.00
WIPRO	5.40	-0.83
VEDANTA LTD	16.50	0.00
INFOSYS	17.14	-0.55

Nifty ended higher for the second consecutive session on May 17. At close, Nifty was up 0.28% or 62.3 points at 22466.1. Nifty formed a high wave type small bull candle on May 17. For the week, Nifty rose 1.86%, the most this week since the week ended February 2. On weekly charts, it has formed a bullish piercing pattern formation. A weekly close above 22588 will negate the bearish implications of the bearish candle of the previous week. Nifty could in the near-term rise towards 22568-22604 band while 22217 could offer support.

JSW Steel earmarks Rs 20,000 crore capex for FY25

JSW Steel will spend Rs 20,000 crore in the financial year 2024-24 amid the steelmaker's ambitious target to scale up its capacities to 50 million tonnes by FY31. The company had pegged FY24 capex Rs 20,000 crore but revised it earlier in the year to Rs 18,000 crore, citing a timing issue and flagged that the balance capex amount would be passed on to the next financial year. JSW Steel expects to spend Rs 23,000 crore in FY26 and Rs 21,434 crore in FY27. It spent Rs 16,752 crore in FY24.

JSW Steel's board approves raising up to Rs 7,000 cr via NCDs, equity or convertible shares

JSW Steel has approved raising funds upto Rs 7,000 crore through non-convertible debentures (NCDs) with warrants, equity or convertible shares, amid expansion plans of the steelmaker to capture the booming domestic demand. The company's joint managing director and chief executive officer Jayant Acharya specified that it's an enabling resolution. An enabling resolution is an authorization made by a governing body, such as a board of directors, that grants the authority to take specific actions or implement certain policies.

Larsen & Toubro bags multiple orders for buildings, factories business

Larsen & Toubro (L&T) buildings and factories business vertical has bagged multiple orders. The company has bagged a project from the Institute of Neurosciences Kolkata, for constructing a medical college and hospital campus in Kolkata on a design and build mode. This involves a 605-bed hospital and a medical college. The project is to be executed in two phases over a period of 60 months.



TVS Motor rolls out black edition of TVS Apache RTR 160 series at Rs 1.09 lakh

TVS Motor Company strengthening its product portfolio has launched 'A Blaze of Black' Dark edition of its popular motorcycle TVS Apache 160 RTR. The new range of TVS Apache RTR 160 series will be available for Rs 1,09,990 while TVS Apache RTR 160 4 Valve at Rs 1,19,990 (ex-showroom Tamil Nadu) pan India.

Indian Oil Corp completes Mercator acquisition

Indian Oil Corp Ltd (IOCL), India's largest oil marketing company has completed the Rs 148 crore deal to acquire oil and gas company Mercator Petroleum, its first acquisition through the insolvency and bankruptcy code (IBC). The deal was completed on Tuesday after the company transferred the amount to lead lender Bank of Baroda (BoB).

Adani Energy Solutions buys Essar Transco for Rs 1,900 crore

Adani Energy Solutions Ltd (AESL) said that it has completed the acquisition of Essar Transco Ltd for an enterprise value of Rs 1,900 crore after securing necessary approvals. The companies had signed agreements for the deal in June 2022. It comprises the fully operational 400 kV, 673 circuit kms inter-state transmission line linking Mahan in Madhya Pradesh to Sipat pooling substation in Chhattisgarh.

Dhanuka Agritech Q4FY24 result update

Overall numbers were in-line with estimates. Revenue for the quarter declined 0.8% YoY at Rs 368.3cr as against expectation of Rs 382cr. EBITDA margin improved 70bps YoY at 21.7% as compared to estimate of 20.8%. Gross margin expanded 550bps YoY at 43.5%. Net profit was down 9.6% YoY at Rs 59cr.

Board declared final dividend of Rs 6 per share for the year. EPS for the quarter stood at Rs 12.95 and it stood at Rs 52.5 for FY24. At CMP, the stock trades at 19.5x FY26E EPS.

Poly Medicare Q4FY24 result update

Revenue came in better than expectations while margin was below estimates. Revenue for the quarter grew 23.2% YoY at Rs 378cr as against expectation of Rs 359cr. EBITDA margin contracted 160bps YoY at 25.5% as compared to estimate of 26.8%. Net profit was up 16.3% YoY at Rs 68.4cr. Other Income increased 76.5% at Rs 15cr.

Capex for FY24 stood at Rs 277cr. EPS for the quarter stood at Rs 7.12 and it stood at Rs 26.9 for FY24. At CMP, the stock trades at 41x FY26E EPS.

Pfizer Ltd. Q4FY24 result update

Revenue for the quarter declined 4.5% YoY at Rs 546.6cr. EBITDA margin improved 300bps YoY at 34.7%. Net profit was up 37.9% YoY at Rs 178.8cr. Other Income increased 139% at Rs 75.1cr. Board recommended Rs 35 per share final dividend for the year.

GlaxoSmithKline (GSK) Pharma Q4FY24 result update

Overall numbers were better than estimates. Revenue for the quarter grew 18.1% YoY at Rs 929.8cr as against expectation of Rs 827cr. EBITDA margin improved 620bps YoY at 27.7% as compared to estimate of 24.4%. Net profit increased 45.8% YoY at Rs 194.5cr. Other Income was up 8% at Rs 29.8cr.

Board recommended Rs 32 per share final dividend for FY24. EPS for the quarter stood at Rs 11.5 and it stood at Rs 41.1 for FY24. At CMP, the stock trades at 39.5x FY26E EPS.



Zydus Lifesciences inks licensing, supply pact with MSN for generic cancer drug in US market

Zydus Lifesciences Ltd announced an exclusive licensing and supply agreement with MSN Laboratories for generic cancer treatment drug Cabozantinib tablets, for the US market. The company's wholly-owned subsidiary, Zydus Lifesciences Global FZE, has entered into an exclusive licensing and supply agreement with MSN Laboratories for Cabozantinib tablets for the US market. It is the generic version of CABOMETYX of Exelixis.

MSN was a first sole ANDA applicant for Cabozantinib Tablets, to submit a substantially complete ANDA with a paragraph IV certification and therefore may be eligible for 180 days of generic drug exclusivity for the generic version of CABOMETYX.

The total addressable market opportunity of Cabozantinib Tablets in US is approximately US\$ 1,464 million (IQVIA MAT Mar 2024).

Zydus Lifesciences Q4FY24 result update

Company reported strong numbers for the quarter. Revenue for the quarter grew 10.4% YoY at Rs 5533.8cr as against estimate of Rs 5362cr. EBITDA margin improved 440bps YoY at 29.5% as against estimate of 27.5%. Gross margin expanded 470bps YoY at 70.9%.

Adjusted net profit increased 31.3% YoY at Rs 1179cr. Reported PAT surged 294% YoY for the quarter. It included impairment loss of Rs 601cr in Q4FY23. Other Income increased 314% YoY at Rs 156.4cr.

For FY24, total revenue grew 13.4% YoY at Rs 19547cr. Gross margin expanded 470bps at 68.1%. Operating margin improved 510bps YoY at 27.5%. Net profit was up 97% YoY at Rs 3859.5cr.

Domestic formulation business grew 7% YoY at Rs 1380.6cr. Company continues to maintain leadership position in Nephrology and Oncology segment. It gained market share in dermatology and anti-infective therapies. Consumer wellness revenue grew 9.6% YoY at Rs 775.5cr.

US formulations sales were up 12% YoY and 37% QoQ at Rs 2523.5cr. Base business grew sequentially every quarter through the year driven by volume expansion and new launches. It was also due to pick in sales of high margin products (Mesalamine franchise (Asacol) and gRevlimid)

It launched 5 new products and received approval for 12 new products (incl. 4 tentative approvals). For the full year, the company filed 20 ANDAs, received approval for 46 new products (incl. 5 tentative approvals) and launched 29 new products. Company has filings for 460 products and approval for 402 products (incl. 22 tentative approvals) as on Mar-2024.

Emerging market (EM) business grew 13% YoY at Rs 496cr in the quarter.

R&D expenses for the quarter stood at Rs 352cr or 6.4% of sales and it was at Rs 1310cr or 6.7% of sales for FY24.

Company guides to file 25-30 ANDAs in FY25. It is also trying to find more in-licensing opportunities. Zydus expects to launch 35 products in the US in FY25. In Asacol, Zydus expects competition in FY25 but low double digit growth in US is still likely.



Management expects to register high-teens growth in overall business in FY25 and EBITDA margin of FY24 of 27.5% can be maintained.

EPS for the quarter stood at Rs 11.7 and it stood at Rs 37.9 for FY24. At CMP, the stock trades at 26x FY26E EPS.

Important news/developments to influence markets

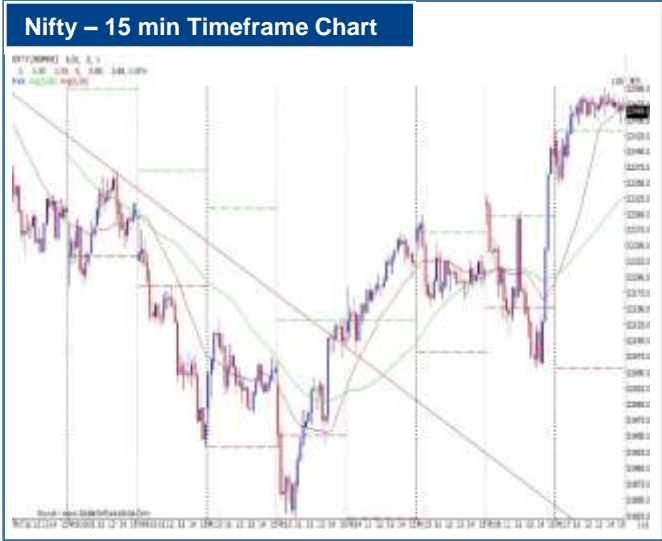
China industrial production grows in April, retail sales disappoint

Chinese industrial production grew more than expected in April, indicating that a recovery in the country's massive manufacturing sector remained on track amid increased Government support.



Index	Short term trend	Target	Reversal	CMP	S1-S2	R1-R2
Nifty Fut	UP	22977	22154	22497.7	22407-22154	22686-22977
Bank Nifty Fut	UP	48799	47731	48195.1	47930-47731	48367-48799

Daily Technical View on Nifty



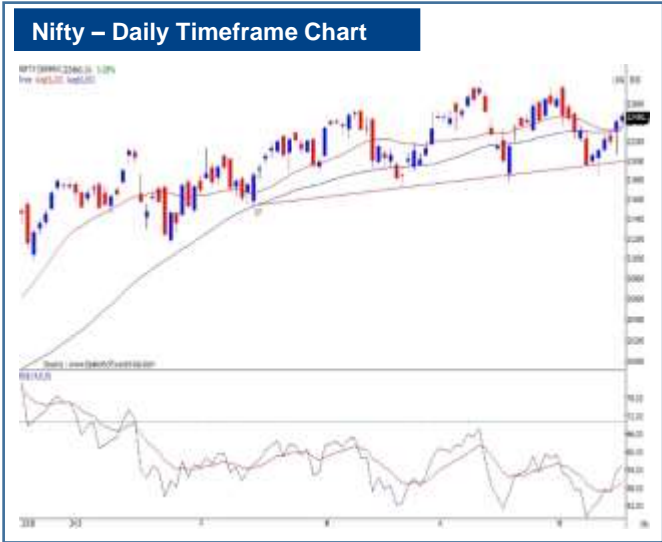
Market: Observation

●Markets surged higher on Friday to end the week on a positive note. Nifty finally gained 62.25 points or 0.28% to close at 22,466.1. 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: Uptrend to continue

●Zooming into 15 min chart, we observe that Nifty opened higher and gradually climbed during the session to close near the highs of the day.

●In the process, there was a positive moving average crossover as the 20 period MA moved above the 50 period MA on the 15 min chart. Nifty also continues to trade above the recent two day range as it had broken out of this range on Thursday. This suggests that the near term uptrend looks set to continue.



Nifty: Remains above 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 this week barring the negative closing on Wednesday when the index took a breather. Index also continues to hold above a trend line support connecting the swing lows of last three months.

●And with the Nifty now taking out the previous swing high of 22368 and comfortably trading above the 20 and 50 day SMA, the uptrend looks set to continue. The 14-day RSI too is in rising mode and not overbought after recently bouncing back from oversold levels.

●Nifty could therefore now move higher towards the current life highs of 22795 in the coming sessions.



OPEN SHORT-TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	17-MAY-24	BUY	MCX 30TH MAY 4000 CALL OPTION	131.05	154.9	85.0	200	29.2	22-MAY-24
2	13-MAY-24	BUY	AXIS BANK MAY FUT	1135.40-1108	1,145.0	1,090.0	1198	4.6	27-MAY-24
3	13-MAY-24	BUY	ABBOT INDIA MAY FUT	27123.55-26350	26,555.3	26,079.0	28525	7.4	27-MAY-24
4	16-MAY-24	BUY	TATA COMM MAY FUT	1787.10-1750	1,798.2	1,722.0	1892	5.2	30-MAY-24
5	16-MAY-24	BUY	LTIM MAY FUT	4735-4666	4,761.0	4,610.0	4920	3.3	30-MAY-24
6	17-MAY-24	BUY	DIVIS LAB MAY FUT	3932.60-3879	3,921.3	3,835.0	4080	4.0	31-MAY-24
7	17-MAY-24	BUY	ITC MAY FUT	435.50-422	436.8	417.9	457.5	4.7	31-MAY-24
8	14-MAY-24	BUY	HEG	2409-2337	2,412.8	2,290.0	2560	6.1	28-MAY-24
9	16-MAY-24	BUY	FDC	468.60-460	478.1	454.0	505	5.6	30-MAY-24
10	16-MAY-24	BUY	BF UTILITIES	920.40-890	920.9	874.0	990	7.5	30-MAY-24
11	17-MAY-24	BUY	GMDC	421-408	428.5	400.0	455	6.2	31-MAY-24
12	17-MAY-24	BUY	MAITHAN ALLOYS	1285.15-1245	1,315.5	1,221.0	1380	4.9	31-MAY-24
13	17-MAY-24	BUY	MTAR TECH	1932.10-1875	1,969.9	1,838.0	2050	4.1	31-MAY-24

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	5-APR-24	BUY	BALRAMPUR CHINI	387.35-374	384.2	360.9	419.0	449.0	17	5-JUN-24
2	8-APR-24	BUY	GODREJ PROPERTIES*	2603-2490	2852.8	2603.0	2860.0	3020.0	6	8-JUN-24
3	24-APR-24	BUY	CAMPUS	240-246.15	258.0	234.0	270.0	294.0	14	24-JUN-24
4	26-APR-24	BUY	COROMANDEL INTERNATIONAL	1179.10-1135	1260.2	1111.0	1264.0	1359.0	8	26-JUN-24
5	7-MAY-24	BUY	TECH MAHINDRA	1284.50-1240	1305.4	1215.0	1380.0	1478.0	13	7-JUL-24
6	14-MAY-24	BUY	IRFC*	155.15-148	169.0	143.0	170.0	185.0	9	14-JUL-24
7	15-MAY-24	BUY	SHIPPING CORPORATION	217.40-207	234.7	200.0	238.0	254.0	8	15-AUG-24
8	15-MAY-24	BUY	GUJARAT ALKALI	783-728	809.2	713.0	869.0	893.0	10	15-AUG-24
9	16-MAY-24	BUY	AMI ORGANICS	1170-1240	1250.5	1145.0	1333.0	1420.0	14	16-AUG-24
10	17-MAY-24	BUY	BITES	686.70-651	696.1	632.0	752.0	815.0	17	17-AUG-24

*= 1st Target Achieved

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