

# The Daily

April 26, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	74339	487	0.66
NIFTY	22570	168	0.75
MIDCAP	41247	290	0.71
SMALL CAP	47113	254	0.54

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
METAL	31418	362	1.16
HEALTHCARE	35281	339	0.97
POWER	7072	66	0.94
AUTO	50256	452	0.91
OIL & GAS	28849	251	0.88
CG	63250	545	0.87
BANKEX	54994	389	0.71
FINANCE	10691	74	0.69
TECK	15996	64	0.40
IT	34386	111	0.32
REALTY	7569	-9	-0.12
CD	54171	-246	-0.45

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
BHARATFORG	7.37	KOTAKBANK	-10.85
ABCAPITAL	6.12	DALBHARAT	-7.91
AXISBANK	5.98	INDHOTEL	-5.06
IOB	5.69	LODHA	-3.05
IDEA	5.27	DMART	-3.00

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2076	53
DECLINES	1718	44
UNCHANGED	140	4

INSTITUTIONAL ACTIVITY			
Rs Cr	24-04-2024	25-04-2024	APR TOTAL
FII	-2512	-2823	-27560
DII	3810	6168	31744

## Indian markets could open mildly higher, in line with mostly higher Asian markets today and despite lower US markets on Apr 25

US stocks closed lower on Thursday as markets were shocked by data showing slower-than-expected U.S. economic growth and persistent inflation. Stocks also reacted to disappointing forecasts from Facebook and Instagram owner Meta hammered the tech sector.

The world's largest technology companies soared in late trading as stellar results from Microsoft Corp. and Google's parent Alphabet Inc. fueled confidence in Wall Street's megacap group. However, Intel shares dropped 8% in extended hours trading after it forecast second-quarter revenue and profit below market estimates.

US GDP measured an annualized rate of 1.6% in the first quarter, the weakest pace of growth since the second quarter of 2022 when the economy contracted. That's a steep slowdown from the fourth quarter's 3.4% rate and also below the 2.2% rate economists projected.

US pending home sales — a forward-looking indicator based on contract signings rather than closings — climbed 3.4% in March, which was "the best performance in a year,". That was well above the 0.3% *decline* forecast by economists. US inflation surged, with the personal consumption expenditures (PCE) price index, excluding food and energy, increasing at a 3.7 percent rate after rising at 2 percent in the fourth quarter.

These reinforced expectations that the US Fed may not cut interest rates before September. Money markets are pricing in just about 36 basis points of rate cuts from the Fed this year, down from about 150 bps seen at the start of the year, according to LSEG data.

Asian shares rose cautiously on Friday as markets are now getting used to the idea that U.S. rate cuts were most likely some time away. The highlight of the Asia day was on the BOJ's rate decision at the conclusion of its two-day monetary policy meeting, as well as Governor Kazuo Ueda's news conference thereafter.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	38086	-375.12	-0.98
S & P 500	5048	-23.21	-0.46
NASDAQ	17431	-96.30	-0.55
FTSE	8079	38.48	0.48
CAC	8017	-75.21	-0.93
DAX	17924	-164.91	-0.91
NIKKEI	37813	184.52	0.49
SHANGHAI	3065	12.30	0.40
HANG SENG	17539	254.46	1.47
BOVESPA	124646	-95.00	-0.08

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.3	0.20
EURO/USD	1.073	-0.01
USD/GBP	1.251	-0.05
USD/JPY	155.6	-0.02

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2344.6	0.09
SILVER (\$ / Oz)	27.4	0.24
CRUDE OIL FUTURES	83.8	0.25
BRENT OIL (\$ / Barrel)	89.3	0.29

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.204	+0.018

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	74.0	4.37
HDFC BANK	58.3	0.12
ICICI BANK	26.6	1.57
TATA MOTORS	25.1	0.00
WIPRO	5.44	-0.64
VEDANTA LTD	16.50	0.00
INFOSYS	17.02	-0.15

The Nifty ended higher for the fifth consecutive session on April 25, led by buying across sectors after 12:45 pm. At close, the Nifty was up 0.75% or 167.9 points at 22,570.3. The Nifty formed an engulfing bull pattern on April 25, though the placement of the candle is not ideal. In the process, it filled the down gap at 22,427-22,503 formed on April 15. The Nifty could head towards the 22,726-22,775 band on the upside, while 22,402 could provide support in the near term.

### IndiGo orders 30 wide-body aircraft from Airbus

IndiGo, India's leading airline, has ventured into the wide-body aircraft space with its first order of 30 Airbus A350-900 aircraft. These state-of-the-art A350s will be powered by Rolls Royce's Trent XWB engines, known for their efficiency and reliability. With this acquisition, IndiGo is poised to elevate its operational capabilities and expand its global footprint.

### Tata Steel to go ahead with £1.25-billion investment for Port Talbot furnace

Tata Steel announced on April 25 that the steelmaker will proceed with its £1.25-billion investment to build an electric arc furnace in Port Talbot, replacing two blast furnaces and commence closure of the existing heavy end assets in the following months.

Tata Steel said it has informed the trade unions that Port Talbot's two Blast Furnaces No.5 and No.4 will close by the end of June, and by the end of September, respectively. This is in contrary to the union's plan which would have kept a blast furnace in operation while building an electric arc furnace.

### Crisil Ratings' arm gets license from SEBI to commence business of ERP

CRISIL Ratings said SEBI has approved CRISIL ESG Ratings & Analytics Ltd as a Category 1 provider of environmental, social and governance (ESG) ratings. CRISIL ESG Ratings & Analytics Ltd is a wholly owned subsidiary of CRISIL Ratings Ltd. CRISIL Ltd launched its ESG 'scoring' business in 2021 and gradually expanded coverage from 225 to 1,000 companies across 65 sectors. This business will now be transferred to CRISIL ESG Ratings.



## **Adani Green Energy seeks \$400 million loan for capex push**

Adani Green Energy, which is looking to develop a 25 gigawatt portfolio by 2025, is in advanced talks with Rabobank, MUFG, SMBC and DBS for a \$400 million loan, according to people familiar with the development. The loan is likely to be priced at a secured overnight financing rate (SOFR) plus 250 basis points with a five-year tenor, they said. In addition to this loan, Adani Green is planning to raise a \$1.3 billion bond in the next two months, after the general elections.

## **Bajaj Finance Q4FY24 result update**

Bajaj Finance reported 21% YoY growth in its consolidated profit after tax to 3,825 crore in the fourth quarter of the financial year 2023-24 on the back of rising assets under management, net interest income and improvement in the asset quality. Assets under management (AUM) grew by 34% to Rs 3.31 lakh crore as of March 31. Net interest income increased by 28% in January-March quarter, to Rs 8,013 crore.

Gross NPA and Net NPA as of March 31, 2024 stood at 0.85% and 0.37%, respectively, as against 0.95% and 0.37% as of December 2023. The Company has provisioning coverage ratio of 57% on stage 3 assets. Capital adequacy ratio as of March 31, 2024 was 22.52%. The Tier-I capital was 21.51%. The NBFC declared a dividend of Rs 36 per equity share of Rs 2 face value.

## **Laurus Labs Q4FY24 result update**

Revenue came in little better than expectations while operational performance was below expectations. Revenue for the quarter grew 4.3% YoY at Rs 1439.7cr as against estimate of Rs 1354cr. EBITDA declined 15.4% YoY at Rs 241cr. Operating margin contracted 390bps YoY at 16.8% as compared to expectation of 19.2%. Net profit declined 26.6% YoY at Rs 75.6cr. Other Income surged 988% YoY at Rs 18.5cr.

Formulations sales grew 9% YoY at Rs 430cr. API revenue grew 4% YoY and 30% QoQ at Rs 745cr. CDMO-Synthesis revenue increased 4% YoY at Rs 236cr.

Capex for FY24 stood at Rs 700cr. R&D expenditure reported at Rs 241cr, increased 14% and stood at 4.8% of sales for the year.

Company spent Rs 12cr on new initiatives (Cell & Gene Therapy, Animal Health) for the quarter and Rs 50cr for FY24.

Laurus derived 51% of sales from APIs, Formulation at 28%, CDMO at 18% and the balance from others for FY24. Company derived 40% of revenue from Top-10 customers in FY24.

Company guided for healthy growth in revenue with significant improvement in operational performance for FY25. It would be led by projects ramp-up & new assets coming online.

US\$ 100mn CDMO investments remain on track. R&D centre to come on line by end of Jun-24.

Gross debt increased to Rs 2500cr as on Mar-2024 as compared to Rs 1980cr as on Mar-2023. Net Debt stood at Rs 2,368cr, higher due to ongoing growth capex.

EPS for the quarter stood at Rs 1.4 and it stood at Rs 2.98 for FY24. At CMP, the stock trades at 30x FY26E EPS.

## **Himadri Speciality Chemicals Q4FY24 result update**

Revenue for the quarter grew 14.4% YoY at Rs 1177cr. Operating margin improved 300bps YoY at 15.2%. Net profit increased 51% YoY at Rs 115.2cr. Other Income was up 18% YoY at Rs 12.4cr.

To support the growth and increasing market demand, the company announced a brownfield expansion of new speciality carbon black line of 70,000 MTPA (increasing the total speciality carbon black capacity to 130,000 MTPA) at an estimated capex of Rs 220 crore, which is scheduled to be operational within 18 months.

EPS for the quarter stood at Rs 2.4 and it stood at Rs 9.2 for FY24.



## **Coromandel International Q4FY24 result update**

Coromandel International reported 33 per cent decline in its consolidated net profit to Rs 163.9 crore.

Total income fell to Rs 1,640.6 crore in the January-March period of the 2023-24 fiscal from Rs 2,012.9 crore in the corresponding period of the preceding year.

Nutrient business revenue for the quarter was at Rs. 3,358 crore as against Rs. 4,881 crore during Q4 of Previous Year. Profit before interest and tax for the quarter was at Rs. 248 crore vs Rs. 339 crore for the quarter, a year ago.

Crop Protection revenue for the quarter was at Rs. 564 crore as against Rs. 610 crore during Q4 of Previous Year. Profit before interest and tax for the quarter was at Rs. 63 crore vs Rs. 89 crore for the quarter ended March 2023.

Board recommended Rs 6 per share final dividend for FY24

## **Nestle India Results review**

The company reported 9% YoY growth in revenue to Rs 5,268 cr in Jan-Mar 2024. EBITDA grew 23% YoY to Rs 1,349 cr and PAT was up 27% YoY to Rs 934 cr.

The Out-of-Home business reported strong growth and e-commerce sustained its upward trajectory, contributing to 6.8 % of sales. The company witnessed broad-based domestic sales growth of 8.9% YoY during the quarter. Export sales for the quarter increased by 19.0% YoY. The company declared a final dividend of Rs 8.5 per share for the fifteen months financial year ended 31st March 2024.

The company entered into a definitive agreement to form a joint venture with Dr. Reddy's Laboratories Limited to take health science nutraceutical portfolio to consumers. The joint venture company would be formed with Dr Reddy's holding 51% and Nestlé India's holding 49%. Nestlé India will have a call option to increase shareholding upto 60% after six years at a Fair Market Value. Dr Reddy's shall continue to hold at least 40% of the shareholding after the Company exercises its call option.

**Note:** The Financial Year of the Company was changed from 1st January – 31st December cycle to 1st April – 31st March cycle. Accordingly, the previous Financial Year of the Company was extended up to 31st March 2024 covering a period of 15 months commencing from 1st January 2023 to 31st March 2024 comprising five quarters.

## **Schaeffler India Q1 Results: Net profit shrinks 25% but revenue rises 11%**

Schaeffler India Ltd reported a 25.3% year-on-year (YoY) fall in net profit at Rs 219.7 crore for the first quarter that ended March 31, 2024.

In the corresponding quarter, Schaeffler India posted a net profit of Rs 294.1 crore, the company said in a regulatory filing. The company's revenue from operations increased 10.6% to Rs 1,873.1 crore against Rs 1,693.6 crore in the corresponding period of the preceding fiscal.



## Important news/developments to influence markets

- The index of leading economic indicators in Japan rose to 111.8 in February from 109.5 in the previous month. This was the highest score since August 2022, when it was 112.9.
- The GfK Consumer Climate Indicator for Germany rose to -24.2 heading into May 2024 from a marginally revised -27.3 in the previous period. It was the highest reading in two years.
- The GfK Consumer Confidence indicator in the United Kingdom rose to -19 in April 2024 from -21 in March, improving for the first time in three months.
- The US economy expanded an annualized 1.6% in Q1 2024, compared to 3.4% in the previous quarter and below forecasts of 2.5%. It was the lowest growth since the contractions in the first half of 2022, the advance estimate showed.
- The trade deficit in the US widened to \$68.9 billion in February 2024, the highest in ten months, from an upwardly revised \$67.6 billion gap in January. Exports rose 2.3% to a record high of \$263 billion. Imports increased 2.2% to \$331.9 billion.
- Pending home sales in the United States rose by 3.4% from the previous month in March 2024, more than doubling the 1.6% increase seen in the previous month.



Index	CMP	View	R1	R2	S1	S2
Nifty May Future	22645	Positive	22760	22885	22550	22430
Bank Nifty May Future	48643	Positive	49110	49575	48150	47690

## Daily Technical View on Nifty

**Decisive upside breakout of gap resistance..**

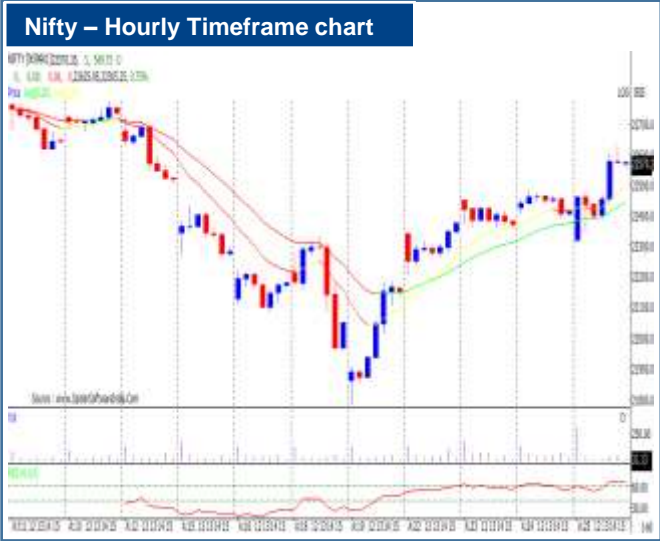
**Observation:** After showing range bound action in the last couple of sessions, Nifty witnessed sharp upmove amidst volatility on Thursday and closed the day higher by 167 points.

Nifty opened with a negative note, but started to show a sustainable upside recovery from the lows in the early part of the session. Intraday weakness in between has been bought into and Nifty closed near the highs.

A long bull candle was formed on the daily chart, that has surpassed the crucial overhead resistance of opening downside gap of 15th April around 22500 levels and closed higher. This is positive indication and is expected to result in more upside for the market ahead.

The positive chart pattern like higher tops and bottoms is on the cards. Having formed a new higher bottom in the last week at 21777, the Nifty is expected to move up from here to form a new higher top of the pattern around 22800 levels.

**Conclusion:** The short term uptrend seems to have resumed in the market after a small pause. Having sustained above the key hurdle, Nifty is expected to move towards the new all-time high of 22800 and higher in the near term. Immediate support is at 22470.





## OPEN SHORT-TERM TRADING CALLS

NO	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	24-APR-24	BUY	CHOLA FINANCE 1160 MAY CALL OPTION	54.75	53.5	40.0	88.0	64.5	29-APR-24
2	25-APR-24	BUY	PVR INOX MAY FUT	1418.05-1375	1,426.4	1,348.0	1,502.0	5.3	9-MAY-24
3	22-APR-24	BUY	CUB MAY FUT	157.30-154.15	158.6	151.8	166	4.7	6-MAY-24
4	23-APR-24	BUY	WELSPUN LIVING	153.-157.70	155.6	148.0	168	8.0	7-MAY-24

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	22-MAR-24	BUY	APTECH *	225-234.05	254.3	234.1	258.0	282.0	11	22-JUN-24
2	1-APR-24	BUY	BASF*	3472-3333	3616.4	3472.0	3715.0	4000.0	11	1-JUL-24
3	2-APR-24	BUY	IRCTC*	945-969.05	1027.8	969.1	1037.0	1120.0	9	2-JUN-24
4	5-APR-24	BUY	BALRAMPUR CHINI	387.35-374	388.1	360.9	419.0	449.0	16	5-JUN-24
5	8-APR-24	BUY	GODREJ PROPERTIES	2603-2490	2571.4	2396.0	2860.0	3020.0	17	8-JUN-24
6	8-APR-24	BUY	JUBILANT PHARMA*	610-632.90	677.8	621.5	686.0	740.0	9	8-JUL-24
7	10-APR-24	BUY	RELIGARE	232-219	223.1	212.0	257.0	280.0	26	10-JUL-24
8	22-APR-24	BUY	POWERMECH	5219.70-4900	5341.0	4680.0	5795.0	6000.0	12	22-JUL-24
9	22-APR-24	BUY	FLUROCHEM	3696.50-3545	3657.5	3455.0	3985.0	4300.0	18	22-JUN-24
10	22-APR-24	BUY	KIRLOSKAR OIL ENGINE	942.25-885	954.1	863.0	1039.0	1090.0	14	22-JUL-24
11	23-APR-24	BUY	HAVELLS INDIA	1553.0-1491	1560.6	1460.0	1662.0	1785.0	14	23-JUN-24
12	23-APR-24	BUY	BDL*	1907-1795	2060.2	1907.0	2080.0	2199.0	7	23-JUL-24
13	23-APR-24	BUY	MIDHANI	429.80-399	443.5	386.0	477.0	494.0	11	23-JUL-24
14	23-APR-24	BUY	RVNL*	262-272.55	287.2	272.6	292.0	318.0	11	23-JUL-24
15	24-APR-24	BUY	POLYPLEX	901.50-856	943.6	830.0	983.0	1060.0	12	24-JUL-24
16	24-APR-24	BUY	FINOLEX INDUSTRIES	268.70-257.90	271.1	253.0	288.0	310.0	14	24-JUL-24
17	24-APR-24	BUY	CAMPUS	240-246.15	254.5	234.0	270.0	294.0	16	24-JUN-24

\*= 1st Target Achieved





## QUARTERLY RESULTS ANNOUNCED

COMPANY	Q4FY24		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
<b>Bajaj Finance</b>	8013.0	3824.5	3.1	21.1	4.7	5.1	As per expectations
<b>L&amp;T Tech</b>	2537.5	341.4	7.04	0.00	4.78	1.37	Inline
<b>Cyient</b>	1860.8	196.9	6.25	20.65	2.16	28.52	Above Expectations
<b>Zensar Tech</b>	1229.7	173.3	1.41	45.39	2.13	7.17	Revenue Inline and PAT Above Expectations



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