

The Daily

May 28, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	75391	-20	-0.03
NIFTY	22932	-25	-0.11
MIDCAP	43794	274	0.63
SMALL CAP	47955	-42	-0.09

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
REALTY	8101	61	0.76
BANKEX	56271	353	0.63
FINANCE	10805	54	0.51
IT	34682	165	0.48
TECK	16224	29	0.18
CG	70303	68	0.10
HEALTHCARE	35459	14	0.04
CD	55929	0	0.00
AUTO	54220	-31	-0.06
METAL	33337	-129	-0.39
POWER	7752	-39	-0.49
OIL & GAS	29354	-209	-0.71

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
IOB	10.69	HINDZINC	-4.60
ASHOKLEY	7.69	LINDEINDIA	-4.29
UCOBANK	7.13	AUROPHARMA	-3.19
JUBLFOOD	5.21	SOLARINDS	-3.16
PERSISTENT	5.17	DMART	-3.13

ADVANCE/DECLINES		
	BSE	%
ADVANCES	1650	40
DECLINES	2323	57
UNCHANGED	132	3

INSTITUTIONAL ACTIVITY			
Rs Cr	24-05-2024	27-05-2024	MAY TOTAL
FII	-945	-541	-37169
DII	2320	923	48200

Indian markets could open flat, in line with muted and range bound Asian markets today

US and UK markets were closed on Monday while European shares edged higher in thin trading after a European Central Bank official signaled that ECB could consider successive rate cuts starting next month.

Goldman Sachs has revised its GDP forecast for India for 2024 by 10 basis points to 6.7 percent expecting a sustained growth momentum with additional fiscal space on account of a bumper dividend transfer from the central bank.

India is likely to see 'above normal' rainfall during monsoon season between June and September 2024, the IMD said, reaffirming its previous forecast. The southwest monsoon seasonal rainfall over the country as a whole is likely to be 106% of the long-period average with a model error of $\pm 4\%$, the IMD stated in a press release on Monday.

Chinese property shares traded higher after the financial hub of Shanghai lowered down-payment ratios and the minimum mortgage threshold, as bigger Chinese cities followed through on the central government's aid for the property sector.

Asian stocks traded in a narrow range on Tuesday ahead of a swath of inflation prints that are expected to influence the direction of global monetary policy.

Nifty ended almost flat in a volatile session on May 27 after hitting record highs in the early part of the session. At close, Nifty was down 0.11% or 24.7 points at 22932.5. Nifty formed a minor bearish candle on May 27 as the daily loss was minimal. It could now face resistance at 23111 while 22794 could offer support in the near term.

India offers a special auction of discovered small oil and gas fields

The Indian government has offered three discovered small oil and gas fields in the latest auction, which would close on July 15. The Directorate General of Hydrocarbons (DGH), the oil ministry arm that conducts oilfield auctions, has announced a special discovered small fields bid round, offering two fields in Mumbai offshore and one coal bed methane field in West Bengal.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	39070	4.33	0.01
S & P 500	5305	36.88	0.70
NASDAQ	18808	184.96	0.99
FTSE	8318	-21.64	-0.26
CAC	8132	37.52	0.46
DAX	18762	68.24	0.37
NIKKEI	38795	-103.50	-0.27
SHANGHAI	3119	-5.25	-0.17
HANG SENG	18906	78.65	0.42
BOVESPA	124496	190.00	0.15

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.1	0.20
EURO/USD	1.087	0.14
USD/GBP	1.278	0.10
USD/JPY	156.8	-0.05

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2356.4	0.17
SILVER (\$ / Oz)	32.0	0.63
CRUDE OIL FUTURES	78.8	0.32
BRENT OIL (\$ / Barrel)	83.0	0.18

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	6.981	-0.017

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	69.5	-0.11
HDFC BANK	58.0	2.17
ICICI BANK	27.3	0.85
TATA MOTORS	25.1	0.00
WIPRO	5.45	-0.18
VEDANTA LTD	16.50	0.00
INFOSYS	17.36	-0.23

Cochin Shipyard gets EUR 60 million order for hybrid SOVs from UK operator

Cochin Shipyard Limited (CSL) has secured another prestigious international order from North Star Shipping, a top UK-based offshore renewable operator, for the construction of a hybrid Service Operation Vessels (SOVs). They will be building hybrid SOVs for a contract with Siemens Gamesa.

IMD retains an above-normal rainfall forecast for June to September

Indian Meteorological Department (IMD) on May 27 retained its April forecast that India is set to receive above-normal monsoon rains this year. Above-normal rains will help the country, which depends heavily on the summer rains for its farm output, boost agriculture and overall economic growth.

Jio bypasses telco role, as Radisys, NGIC team up to boost Africa's 5G infra

Radisys, a subsidiary of Jio Platforms announced a partnership with Next-Gen Infra Co. (NGIC) to establish shared 4G and 5G fixed broadband network infrastructure in Ghana.

Shyam Metalics expands rail infrastructure at its steel plant in Odisha

Shyam Metalics and Energy Limited (SMEL) completed expansion of its rail infrastructure at its integrated steel plant in Pandloi, near Rengali in Odisha's Sambalpur district, aligning with the company's long-term goal of sustainability. The plant, which also includes a coal washery and power plant, has seen rapid growth in recent years including realising the need for better rail facilities to efficiently manage the increased flow of raw materials and finished products.

Inox Wind block deal likely as promoter entity to sell up to 5% stake

Inox Wind's promoter entity IWEL might sell up to 5 percent stake in the company through block deal soon. The block deal will likely happen in the range of Rs 148-150 per share.



Adani Energy Solutions to raise up to Rs 12,500 crore via QIP or other permissible mode

Adani Energy Solutions has approved a fundraise of up to Rs 12,500 crore through Qualified Institutional Placement (QIP) or other permissible mode in accordance with the applicable laws, in one or more tranches. The power distribution company has not specified the reason for the fundraise and the price at which the securities will be issued.

Ontario Inc. looks to sell 3.4% stake in Concord Biotech

Shareholder Ontario Inc plans to sell 3.4% of shares worth Rs 468.40 crore in Concord Biotech. The share sale could have a floor price of Rs 1,320 per share. After the transaction, Ontario Inc. will have a residual stake of 2% in the company, with a 90-day lock-in period before any sale of this residual stake.

Parent entity looking to sell 6.6% stake in Timken India

Parent entity Timken Singapore is looking to sell a 6.6% stake worth Rs 1,775 crore in Timken India. The share sale is expected to have a floor price of Rs 3,550 per share, which represents a 10.2% discount to closing price.

AstraZeneca Pharma Q4FY24 result update

Revenue for the quarter grew 34.5% YoY at Rs 383.2cr. Operating margin contracted 810bps YoY at 13%. Net profit increased 128.3% YoY at Rs 39.5cr. PBT before exceptional items was down 14.3% YoY at Rs 54.4cr. It included exceptional loss of Rs 40.2cr related to VRS expenses in Q4FY23.

Board recommended Rs 24 per share final dividend for the year. EPS for the quarter stood at Rs 15.8 and it stood at Rs 64.6 for FY24. At CMP, the stock trades at 64x FY26E EPS.

Sumitomo Chemical India Ltd. Q4FY24 result update

Overall numbers were strong in the quarter. Revenue for the quarter grew 3.5% YoY at Rs 674.2cr. Operating margin improved 840bps YoY at 20.8% on the back of strong improvement in gross margin. Net profit was up 52% YoY at Rs 109.7cr. Other Income increased 62% YoY at Rs 26.7cr.

Natco Pharma Q4FY24 result update

Overall numbers were above expectations in the quarter. Revenue for the quarter grew 19% YoY at Rs 1068.3cr as against estimate of Rs 1015cr. Operating margin improved 880bps YoY at 46.6% as against expectation of 42%. Net profit increased 40% YoY at Rs 386.3cr. Other Income was up 44.8% YoY at Rs 42cr.

API sales stood at Rs 50cr. Exports formulation sales stood at Rs 955cr. Domestic formulation revenue was at Rs 52.4cr. Capex for the year stood at Rs 332cr. EPS for the quarter stood at Rs 21.6 and it stood at Rs 77.3 for FY24. At CMP, the stock trades at 15x FY26E EPS.

S H Kelkar & Company Q4FY24 result update

Overall numbers were inline with expectations in the quarter. Revenue for the quarter grew 12.8% YoY at Rs 533cr as against estimate of Rs 527cr. Operating margin improved 230bps YoY at 16.5% as against expectation of 16%.

Net profit came in at Rs 33.4cr as against Rs 1.1cr, a year ago. It included Rs 21.8cr as exceptional loss in Q4FY23. PBT before exceptional items increased 39.2% YoY at Rs 56.5cr.

Company gained sales traction from a global MNC account. This growing partnership has led to an order book for FY25 more than double from FY24. Company anticipates that this relationship will grow significantly over the next 3 to 5 years.



EPS for the quarter stood at Rs 2.46 and it stood at Rs 8.93 for FY24. At CMP, the stock trades at 14.5x FY26E EPS.

West Coast Paper Mills Q4FY24 result update

Overall numbers were weak for the quarter. Revenue for the quarter declined 21.2% YoY at Rs 1070cr as against estimate of Rs 1153cr. Operating margin slipped 2040bps YoY at 15.9% as against expectation of 24%. Net profit was down 57% YoY at Rs 119.8cr. Other Income increased 127.5% YoY at Rs 58.5cr.

Board recommended Rs 8 per share as final dividend for the year. EPS for the quarter stood at Rs 18.1 and it stood at Rs 104.8 for FY24. At CMP, the stock trades at 5x FY25E EPS.

Gujarat Mineral Development Corporation Q4 FY24 result update

Revenue down 20.8% YoY at Rs 751 crore. EBITDA declined 47.3% at Rs 205 crore. Net profit was down 53.2% at Rs 207 crore vs Rs 442 crore. Other Income declined 70% YoY at Rs 72 crore. Board recommended Rs 9.55 per share final dividend for the year.

Important news/developments to influence markets

German business sentiment stagnates in May

German business morale stagnated in May, falling short of a forecast improvement and suggesting the recovery of Germany's economy this year will be slow progress.

India economy likely grew at weakest pace in a year in Jan-March: Reuters poll

India's economy likely grew at its slowest pace in a year in the January-March quarter due to weak demand, according to a Reuters poll of economists who said the possibility of growth significantly surpassing their forecasts was low.

China's industrial profits rise 4.3% in Jan-April, unchanged from Q1

Profits at China's industrial firms rose 4.3% in the first four months from the same period last year, official data showed. The jump followed a 4.3% increase in the first quarter and a slew of divergent activity data for April, according to National Bureau of Statistics (NBS) data.



Index	Short term trend	Target	Reversal	CMP	S1-S2	R1-R2
Nifty Fut	UP	23177	22921	23001.1	22921-22850	23090-23177
Bank Nifty Fut	UP	49840	49050	49336.9	49050-48702	49588-49840

Daily Technical View on Nifty

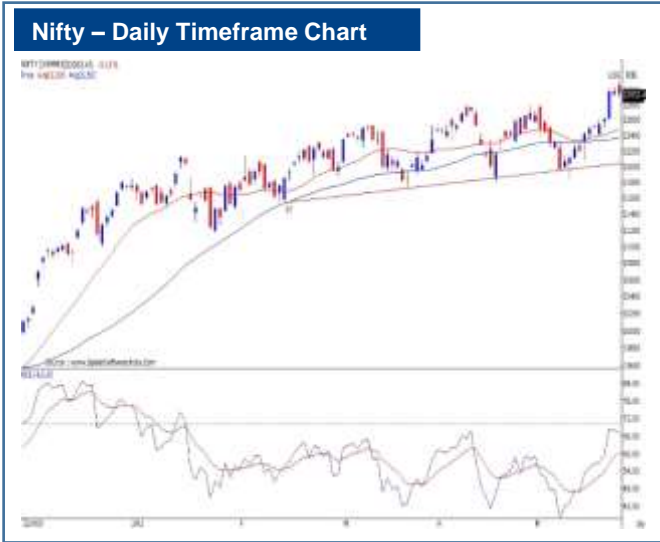


Market: Observation

- Markets ended marginally lower on Monday after touching new life highs. Nifty finally lost 24.65 points or 0.11% to close at 22,932.45. Broad market indices like the BSE Mid Cap index gained more, thereby outperforming the Sensex/Nifty. Market breadth was negative on the BSE/NSE.

Nifty: Caution warranted for very near term

- Zooming into the 15 min chart, we can observe that Nifty opened on a positive note, but soon dived lower. It recovered equally fast and gradually climbed higher to new life highs of 23111. A sell off in the late afternoon session ensured the Nifty ended in the red.



- The 20 period MA remains above the 50 period MA on the 15 min chart. But the Nifty has broken the morning lows and closed below the 20 and 50 period MA on the 15 min chart. This indicates that one needs to be cautious for the very near term until the Nifty can take out the immediate resistance of 23111.

Nifty: At new life highs

- On the Daily chart, Nifty remains in a firm uptrend. Monday's negative closing seems to be more of a breather after the recent sharp upmove.

- Nifty continues to hold above the 20 and 50 day SMA. 14-day RSI at 66.63 is rising and not overbought, which is encouraging. While we expect further upsides and new life highs in the coming sessions in the run up to the election results, we remain open to volatile movements in the very near term. Crucial supports to watch for more weakness are at 22908-22871.

- Most of the sectoral indices too are in uptrend which increases the probability of Nifty testing new life highs. In particular, we like the PSU Bank and Pharma indices.



OPEN SHORT-TERM TRADING CALLS

NO	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	21-MAY-24	BUY	PVR INOX MAY FUT	1347.05-1332	1,339.4	1,319.0	1405	4.9	4-JUN-24
2	24-MAY-24	BUY	CHAMBAL FERTILIZERS JUN FUT	396-411	413.4	390.0	440	6.4	7-JUN-24
3	21-MAY-24	BUY	RAIN	166-169.30	169.4	163.5	182	7.5	4-JUN-24
4	24-MAY-24	BUY	NATCO PHARMA	1010-1031.20	1,029.4	996.0	1083	5.2	7-JUN-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	380.2	360.9	419.0	449.0	18	5-JUN-24
2	8-APR-24	BUY	GODREJ PROPERTIES*	2603-2490	2843.3	2603.0	2860.0	3020.0	6	8-JUN-24
3	24-APR-24	BUY	CAMPUS	240-246.15	254.6	234.0	270.0	294.0	15	24-JUN-24
4	26-APR-24	BUY	COROMANDEL INTERNATIONAL*	1179.10-1135	1246.5	1179.1	1264.0	1359.0	9	26-JUN-24
5	7-MAY-24	BUY	TECH MAHINDRA	1284.50-1240	1329.7	1215.0	1380.0	1478.0	11	7-JUL-24
6	15-MAY-24	BUY	GUJARAT ALKALI	783-728	791.7	713.0	869.0	893.0	13	15-AUG-24
7	16-MAY-24	BUY	AMI ORGANICS	1170-1240	1204.7	1145.0	1333.0	1420.0	18	16-AUG-24
8	21-MAY-24	BUY	SJVN*	133-138	144.5	138.0	150.0	170.0	18	21-AUG-24
9	21-MAY-24	BUY	NHPC	102.85-98.25	102.3	96.5	110.2	118.5	16	21-JUL-24
10	21-MAY-24	BUY	RAILTEL	414-425	429.2	405.0	465.0	490.0	14	21-AUG-24
11	22-MAY-24	BUY	BRITANNIA	5217.70-4957	5212.3	4905.0	5583.0	5650.0	8	22-JUL-24
12	22-MAY-24	BUY	CIE AUTOMOTIVE	526.90-505	539.4	495.0	574.0	620.0	15	22-AUG-24
13	22-MAY-24	BUY	BF UTILITES	978-940	947.4	909.0	1050.0	1130.0	19	22-AUG-24

*= 1st Target Achieved



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