

The Daily

May 29, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	75170	-220	-0.29
NIFTY	22888	-44	-0.19
MIDCAP	43516	-278	-0.63
SMALL CAP	47433	-522	-1.09

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
HEALTHCARE	35562	103	0.29
CD	55854	-75	-0.13
AUTO	54096	-123	-0.23
FINANCE	10775	-30	-0.28
BANKEX	56080	-191	-0.34
IT	34521	-161	-0.46
TECK	16149	-75	-0.46
METAL	33125	-212	-0.64
CG	69638	-665	-0.95
OIL & GAS	29001	-353	-1.20
POWER	7608	-144	-1.86
REALTY	7921	-180	-2.22

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
3MINDIA	9.88	IOB	-5.09
GLAXO	5.40	UCOBANK	-4.69
COROMANDEL	3.51	IDBI	-4.17
PATANJALI	3.25	POLICYBZR	-4.11
DIVISLAB	3.19	PAYTM	-3.95

ADVANCE/DECLINES		
	BSE	%
ADVANCES	1321	34
DECLINES	2510	64
UNCHANGED	103	3

INSTITUTIONAL ACTIVITY			
Rs Cr	27-05-2024	28-05-2024	MAY TOTAL
FII	-541	66	-37103
DII	923	3232	51432

Indian markets could open lower, in line with mostly lower Asian markets today and mixed US markets on May 28

U.S. stocks closed mixed on Tuesday afternoon as the sentiments got hit by rising Treasury yields after auctions of 2-year and 5-year notes were met with soft demand, while Minneapolis Federal Reserve Bank President Neel Kashkari said he would not rule out further interest-rate hikes if price pressures tick up again. Nasdaq finished above the 17,000 level, boosted by a nearly 7% advance in shares of Nvidia Corp.

Investors also reacted to economic data that showed U.S. consumer confidence rebounded in May (index rose in May to 102 from 97.5 in April) after three months of declines, yet worries about inflation persisted.

The 10-year US Treasury yield on Tuesday logged its biggest one-day advance in nearly a month, up 7.1 basis points to 4.542%, the highest level since May 2, according to Dow Jones Market Data.

A global equities index fell slightly on Tuesday while U.S. Treasury yields rose to multi-week peaks as investors waited cautiously for inflation data due later in the week with hopes for clues on the outlook for U.S. interest rates.

The key event for investors will come at the end of the week when the Bureau of Economic Analysis publishes the personal consumption expenditure price index for April. Expectations are for PCE to be in-line with the previous month's reading, rising 2.7% year-over-year.

China's economy is set to grow 5% this year, after a "strong" first quarter, the International Monetary Fund said on Wednesday, upgrading its earlier forecast of 4.6% expansion though it expects slower growth in the years ahead. The IMF said it had revised up both its 2024 and 2025 GDP targets by 0.4 percentage points but warned that growth in China would slow to 3.3% by 2029 due to an ageing population and slower expansion in productivity.

Stocks in Asia opened weak as traders weighed a selloff in bonds, mixed economic data and remarks from Federal Reserve speakers for clues on the policy outlook.

Nifty ended lower for the third day in a row on May 28. At close, Nifty was down 0.19% or 44.3 points at 22888.2. Nifty fell for the third consecutive session forming lower top lower bottom formation compared to the previous day. Nervousness ahead of the election results is on the rise as is evident from the poor advance decline ratio and falling volumes. Nifty could stay in the 22795-23111 band for the near term.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	38853	-216.73	-0.55
S & P 500	5306	1.32	0.02
NASDAQ	18869	61.09	0.32
FTSE	8254	-63.41	-0.76
CAC	8058	-74.69	-0.92
DAX	18685	-90.05	-0.48
NIKKEI	38724	-137.00	-0.35
SHANGHAI	3122	12.30	0.40
HANG SENG	18621	-200.16	-1.06
BOVESPA	123780	-716.00	-0.58

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.2	0.20
EURO/USD	1.085	-0.03
USD/GBP	1.276	-0.03
USD/JPY	157.2	0.05

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2357.0	0.02
SILVER (\$ / Oz)	32.1	0.02
CRUDE OIL FUTURES	80.1	0.31
BRENT OIL (\$ / Barrel)	84.1	-0.24

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	6.981	-

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	70.9	2.00
HDFC BANK	57.8	-0.38
ICICI BANK	26.8	-1.90
TATA MOTORS	25.1	0.00
WIPRO	5.38	-1.38
VEDANTA LTD	16.50	0.00
INFOSYS	17.33	-0.17

BHEL ties up with BARC for electrolyser system to produce hydrogen energy

Bharat Heavy Electricals Limited (BHEL) has signed an agreement with the Bhabha Atomic Research Centre for 50 kW alkaline electrolyser system to produce hydrogen. BHEL has entered into a Technology Transfer Agreement (TTA) with Bhabha Atomic Research Centre (BARC) for 50 kW alkaline electrolyser system for Hydrogen production.

ITC hotel demerger plan gets CCI approval

The Competition Commission of India (CCI) approved the demerger of the hotel business of diversified entity ITC Ltd into a separate entity. After the completion of the demerger, shares of ITC Hotels Ltd, a new entity, will be listed on the stock exchanges. The proposed combination relates to the demerger of the demerged undertaking to ITC's wholly-owned newly incorporated subsidiary, ITC Hotels.

Coal India incorporates new arm for coal-to-chemical business

Coal India announced the incorporation of a subsidiary firm, Bharat Coal Gasification and Chemicals Ltd (BCGCL) for undertaking a coal-to-chemicals business. Coal India (CIL) holds a majority 51 per cent stake in the new entity while the remaining 49 per cent is owned by BHEL.

Hindalco subsidiary Novelis files draft papers with SEC to target \$12.6 billion valuation via US IPO

Novelis Inc. is targeting a valuation of up to US\$ 12.6 billion by offering 45 million shares in its initial public (IPO) offering in the United States, said the US-based wholly-owned subsidiary of Hindalco Industries.

Adani Enterprises approves raising up to Rs 16,600 crore via QIP, other methods

Adani Enterprises has approved raising up to Rs 16,600 crore through qualified institutional placement (QIP) and other methods. Adani Enterprises has approved raising of funds by way of issuance of equity shares and other eligible securities or any combination thereof, for an aggregate amount of Rs 16,600 crore by way of qualified institutional placement (QIP) or other permissible mode in one or more tranches.



Reliance Industries signs deal with Rosneft to buy oil in roubles

Reliance Industries has signed a one-year deal with Russia's Rosneft to buy at least 3 million barrels of oil a month in roubles. The shift to rouble payments follows Russian President Vladimir Putin's push for Moscow and its trading partners to find alternatives to the Western financial system to facilitate trade despite U.S. and European.

WABAG secures 5 Year Operation & Maintenance contract of Al Duqm Desalination Plant in Oman

VA TECH WABAG (WABAG) has secured an order worth around INR 850 million from Nama Water Services in the Sultanate of Oman towards Operation & Maintenance (O&M) of the Al Duqm Desalination Plant for a period of 5 years. WABAG constructed this 8 MLD Desalination Plant over 10 years back and was responsible for the O&M of the Plant until 2018. This long term O&M order which has been won against international competition entails O&M of the Plant, the sea water intake and outfall systems.

Jyoti Resins and Adhesives Q4FY24 result update

Revenue for the quarter grew 9.4% YoY at Rs 71.2cr. Operating margin contracted 100bps YoY at 29.8%. Net profit was up 14.6% YoY at Rs 18.8cr. EPS for the quarter stood at Rs 15.6 and it stood at Rs 55.9 for FY24. Board recommended Rs 9 per share final dividend for the year.

Supriya Lifescience Q4FY24 result update

Revenue for the quarter grew 11.2% YoY at Rs 158.2cr. Operating margin contracted 360bps YoY at 35.1%. Net profit declined 3.4% YoY at Rs 36.9cr.

Company had initially approved a capex program at Ambernath site with an estimated aggregate capital outlay of Rs 60 crore over the next 3 years. Board has additionally approved capital expenditure of approx. Rs 15 crore for site development and related infrastructure on approx. 5000 sq mtr. of land for project at Ambernath. The said capital expenditure would be majorly funded out of internal accruals. The development of this factory will enable to set up facility required for various CDMO projects.

EPS for the quarter stood at Rs 4.6 and it stood at Rs 14.8 for FY24. At CMP, the stock trades at 18.5x FY26E EPS.

Insecticides India Q4FY24 result update

Revenue for the quarter declined 9.7% YoY at Rs 272.5cr. Operating profit stood at Rs 9cr as against loss of Rs 28.3cr, a year ago. Net profit stood at Rs 7.8cr as against net loss of Rs 29.3cr in Q4FY23.

Insecticides contributed to 45% of sales, Herbicides at 33% while Fungicides at 19%.

Company introduced 8 new products in FY24. It would launch at least 7-8 new products in FY25.

EPS for the quarter stood at Rs 2.6 and it stood at Rs 34.6 for FY24.

Aster DM Healthcare Q4FY24 result update

Revenue for the quarter increased 20.6% YoY at Rs 973.6cr. Operating margin improved 100bps YoY at 16.4%. Net profit declined 15.2% YoY at Rs 41.8cr. PBT for the quarter was up 27.5% YoY at Rs 72.3cr. Board recommended Rs 2 per share final dividend for the year.



Company is on track to add ~1700 beds to reach to 6,500+ beds by FY27 through a prudent mix of brownfield and greenfield projects which would result in Aster Medcity and Aster CMI hospitals expanding to 950+ beds and 850+ beds respectively.

Brigade Enterprises Q4 FY24 result update

Revenue up 102% at Rs 1702 crore versus Rs 843 crore. EBITDA increased 114.2% at Rs 432.7 crore. Net profit was up 234.2% at Rs 210.9 crore. Other Income increased 103% YoY at Rs 60.3 crore.

GNFC Q4FY24 result update

Revenue down 7.1% at Rs 2,110 crore. EBITDA was down 60.7% YoY at Rs 145 crore. Net profit declined 61.3% at Rs 130 crore. Other Income declined 12.5% YoY at Rs 108 crore. Board recommended dividend of Rs 16.5 per share for the year.

Important news/developments to influence markets

US consumer confidence recovers; inflation worries persist

U.S. consumer confidence unexpectedly improved in May after deteriorating for three straight months amid optimism about the labor market, but worries about inflation persisted and many households expected higher interest rates over the next year.

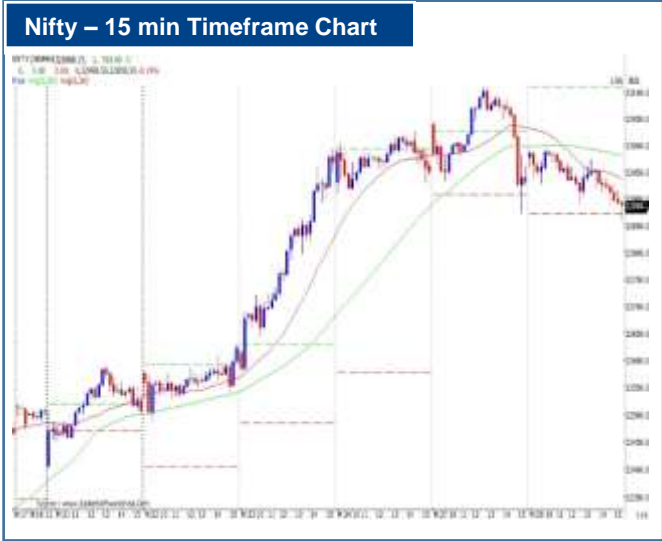
BOJ's underlying inflation measures in April all fall below 2%

The Bank of Japan's key measurements of underlying inflation in April all fell below its 2% target for the first time since August 2022, data showed, heightening uncertainty on the timing of its next interest rate hike.



Index	Short term trend	Target	Reversal	CMP	S1-S2	R1-R2
Nifty Fut	UP	23177	22808	22926.2	22888-22808	23090-23177
Bank Nifty Fut	UP	49840	48702	49131.7	49050-48702	49537-49840

Daily Technical View on Nifty

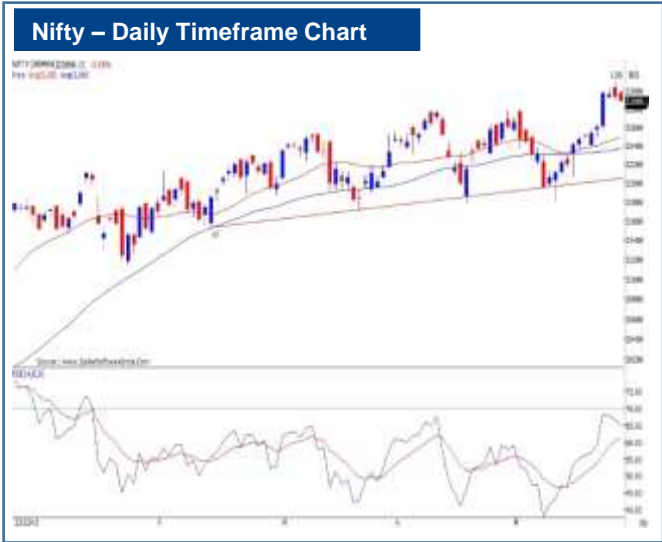


Market: Observation

- Markets corrected on Tuesday after a positive opening. It was the second consecutive negative closing for the Nifty. Nifty finally lost 44.3 points or 0.19% to close at 22,888.15. 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: Caution warranted for very near term

- Zooming into the 15 min chart, we can observe Nifty opened on a positive note, but soon faced resistance and gradually came lower and entered into negative territory. We also observe that the 20 period MA has moved below the 50 period MA indicating a negative moving average crossover. This indicates that one needs to be cautious for the very near term until the Nifty can take out the immediate resistance of 22999.



Nifty: Uptrend intact

- On the Daily chart, Nifty remains in a firm uptrend. Tuesday'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 64.53 is rising and not overbought (though it has eased in the last two sessions), 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. It will be important that the Nifty holds above the previous swing highs of 22795 for the uptrend to continue. Markets are likely to be volatile in the coming sessions as we approach the Election result announcements.

- While most of the sectoral indices are in uptrend, Media and Pharma are currently looking the strongest on the charts.



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	1,333.8	1,319.0	1405	5.3	4-JUN-24
2	24-MAY-24	BUY	CHAMBAL FERTILIZERS JUN FUT	396-411	409.5	390.0	440	7.4	7-JUN-24
3	21-MAY-24	BUY	RAIN	166-169.30	167.7	163.5	182	8.5	4-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	381.0	360.9	419.0	449.0	18	5-JUN-24
2	8-APR-24	BUY	GODREJ PROPERTIES*	2603-2490	2775.3	2603.0	2860.0	3020.0	9	8-JUN-24
3	24-APR-24	BUY	CAMPUS	240-246.15	250.3	234.0	270.0	294.0	17	24-JUN-24
4	26-APR-24	BUY	COROMANDEL INTERNATIONAL*	1179.10-1135	1291.1	1179.1	1264.0	1359.0	5	26-JUN-24
5	7-MAY-24	BUY	TECH MAHINDRA	1284.50-1240	1315.1	1215.0	1380.0	1478.0	12	7-JUL-24
6	15-MAY-24	BUY	GUJARAT ALKALI	783-728	787.1	713.0	869.0	893.0	13	15-AUG-24
7	16-MAY-24	BUY	AMI ORGANICS	1170-1240	1220.0	1145.0	1333.0	1420.0	16	16-AUG-24
8	21-MAY-24	BUY	NHPC	102.85-98.25	100.2	96.5	110.2	118.5	18	21-JUL-24
9	21-MAY-24	BUY	RAILTEL	414-425	419.4	405.0	465.0	490.0	17	21-AUG-24
10	22-MAY-24	BUY	BRITANNIA	5217.70-4957	5250.6	4905.0	5583.0	5650.0	8	22-JUL-24
11	22-MAY-24	BUY	CIE AUTOMOTIVE	526.90-505	542.0	495.0	574.0	620.0	14	22-AUG-24

*= 1st Target Achieved

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