

The Daily

May 30, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	74503	-668	-0.89
NIFTY	22705	-183	-0.80
MIDCAP	43352	-163	-0.38
SMALL CAP	47543	109	0.23

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
HEALTHCARE	35671	108	0.31
POWER	7627	19	0.24
METAL	33184	59	0.18
CG	69741	103	0.15
CD	55771	-83	-0.15
AUTO	53933	-164	-0.30
TECK	16054	-95	-0.59
REALTY	7852	-69	-0.88
IT	34204	-317	-0.92
OIL & GAS	28726	-275	-0.95
FINANCIAL SERVICES	10633	-142	-1.32
BANKEK	55311	-769	-1.37

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
UNOMINDA	5.43	ICICIPRULI	-4.41
PAYTM	4.99	BAYERCROP	-4.10
MOTHERSON	3.98	INDIGO	-4.03
HINDALCO	3.64	LODHA	-3.89
JUBLFOOD	2.93	IRCTC	-3.67

ADVANCE/DECLINES		
	BSE	%
ADVANCES	1623	41
DECLINES	2207	56
UNCHANGED	99	3

INSTITUTIONAL ACTIVITY			
Rs Cr	29-05-2024	28-05-2024	MAY TOTAL
FII	-5842	66	-42945
DII	5234	3232	56666

Indian markets could open lower, in line with mostly lower Asian markets today and negative US markets on May 29

Major U.S. stock indexes ended lower as Treasury yields climbed to four-week highs on Wednesday, leaving the S&P 500 and Nasdaq down for the first time in three straight sessions. Two-, 10- and 30-year Treasury rates finished at their highest levels in about a month on Wednesday, as long-dated government debt sold off for a second straight day on a trio of poorly received auctions. The 2-, 10- and 30-year yields finished at 4.983% (up 2 bps), 4.623% (up 7 bps) and 4.742%, respectively. The US sold \$44 billion in seven-year notes at 4.650% — above the pre-auction level of 4.637%. That’s just a day after two other offerings totaling \$139 billion saw lackluster demand.

A U.S. Federal Reserve survey known as the Beige Book showed economic activity continued to expand from early April through mid-May but firms grew more cautious about the future amid weakening consumer demand while inflation continued to increase at a modest pace.

Asian stocks fell Thursday, emulating declines in the US, after another weak sale of Treasuries reinforced concerns about the impact of higher yields. as the deepening rout in global bond markets impacts risk appetite.

Nifty continued falling for the fourth consecutive day on May 29 and recorded its biggest fall in 14 sessions. At close, Nifty was down 0.80% or 183.5 points at 22704.7. Nifty fell with a downgap on May 29 and closed near the day’s low. The support of 22795 has been breached. Nifty could now head towards 22520 while 22859 could offer resistance on upmoves in the near term.

Mazagon Dock Shipbuilders Ltd. (MDL) Q4FY24 results key takeaway

Reported numbers: MDL numbers were above expectations in Q4FY24. Its consolidated revenue grew by 49.3% YoY to Rs 3103.4 crore in Q4FY24.

The company’s EBITDA stood at Rs 524 crore vs. Rs 292 crore in Q4FY23 and EBITDA margin was at 16.9% in Q4FY24 vs. 14% in Q4FY23.

Net profit grew by 103.3% YoY, stood at Rs 663 crore in Q4FY24, supported by higher other income. Other Income increased to Rs 376 crore in Q4FY24 vs. Rs 232 crore in Q4FY23. Net profit margin was at 21.4% in Q4FY24 vs. 15.7% in Q4FY23.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	38442	-411.32	-1.06
S & P 500	5267	-39.09	-0.74
NASDAQ	18737	-132.69	-0.70
FTSE	8183	-71.11	-0.86
CAC	7935	-122.77	-1.52
DAX	18475	-202.99	-1.09
NIKKEI	37786	-735.50	-1.91
SHANGHAI	3111	-0.28	-0.01
HANG SENG	18477	-344.15	-1.83
BOVESPA	122707	-1072.00	-0.87

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.4	0.20
EURO/USD	1.080	0.02
USD/GBP	1.270	-0.06
USD/JPY	157.4	-0.11

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2338.5	-0.12
SILVER (\$ / Oz)	32.2	-0.43
CRUDE OIL FUTURES	79.3	0.13
BRENT OIL (\$ / Barrel)	83.5	0.16

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.01	0.13

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	70.5	-0.58
HDFC BANK	57.0	-1.33
ICICI BANK	26.4	-1.60
TATA MOTORS	25.1	0.00
WIPRO	5.3	-2.05
VEDANTA LTD	16.5	0.00
INFOSYS	17.0	-1.67

Earnings and valuation: Earnings per share was at Rs 32.9 in Q4FY24, Rs 96.1 in FY24, and Rs 55.5 in FY23. At a CMP of Rs 2180, stock is trading at 21.1x FY26E EPS.

Ahluwalia Contacts Ltd. (ACL) Q4FY24 results key takeaway

Reported numbers: ACL numbers in Q4FY24 was above expectations. However, margins slipped. Its consolidated revenue stood at Rs 1164 crore in Q4FY24, reported revenue growth was at 34.8% YoY.

The company's EBITDA stood at Rs 104 crore, reported EBITDA de growth was at 5.4% YoY, impacted by higher raw material and sub contracts cost. EBITDA margin was at 9% in Q4FY24 vs. 12.8% in Q4FY23.

The company's net profit grew by 182.8% YoY basis to Rs 199.8 crore in Q4FY24, supported by exceptional gain a sum of Rs 195 crore, related to arbitration recovery and net of GST.

Earnings and valuation: Earnings per share was at Rs 29.8 in Q4FY24, Rs 56.01 in FY24, and Rs 29 in FY23. At a CMP of Rs 1357, stock is trading at 22x FY26E EPS.

Power Mech Projects bags order worth Rs 563 crore to construct nuclear power plant from BHEL

Power Mech Projects has bagged an order worth Rs 563 crore from state-owned BHEL to construct a nuclear power plant. The Power Mech Projects Ltd (PMPL) has secured its first construction project in the critical nuclear power sector.

India's natural gas demand to rise 7% in 2024

Natural gas demand in India is likely to grow 7% in 2024 owing to higher usage in the industrial and fertiliser sectors, International Energy Agency said. Heatwaves across the South Asian country will also drive up usage from the power sector, but total growth in natural gas use is expected to be slightly lower in 2023, when it grew nearly 10%, the agency added.

Man Industries gets new orders worth Rs 490 cr

Man Industries has secured new orders worth Rs 490 crore in the domestic and international markets. With the latest win, the order book stands around Rs 2,600 crore. The new orders worth Rs 490 crore are from both domestic and international clients, and are scheduled for delivery in the next six months.



Reliance Retail plans 30-minute delivery model for quick commerce re-entry

Reliance Industries' retail arm, Reliance Retail will not compete with Blinkit and Zepto with a 10-minute delivery model for its proposed re-entry into quick commerce venture next month.

Tata Steel to invest \$2.11 bn in Singapore unit to repay overseas debt, fund UK transition

Tata Steel Ltd will invest Rs 17,408 crore (\$2.11 billion) in its Singapore unit, T Steel Holdings Pte Ltd, to fund the restructuring of its struggling UK business as well as repay the debt of its offshore entities.

Tata Steel's board approves Rs 3,000 crore fundraising via NCDs

Tata Steel's board of directors approved a plan to raise funds through the issuance of additional debt securities. The company plans to raise up to Rs 3,000 crore by issuing non-convertible debentures (NCDs) in one or more tranches on a private placement basis. The decision was made after a review of the steelmaker's financing plan. As of March 31, 2024, the company's total debt stands at Rs 77,550 crore.

Inox Wind Energy raises Rs 900 crore through stake sale to trim debt

Inox Wind Energy has raised Rs 900 crore through equity share sale of Inox Wind Ltd, a subsidiary of the INOXGFL Group. It is a significant step towards completely deleveraging external debt in Inox Wind Ltd.

Suzlon Group gets 551 MW wind energy project from Aditya Birla Group

Suzlon Group has secured an order for a 551.25 MW wind power project from Aditya Birla Group. The order is to be executed across two sites in Rajasthan and Gujarat. While 368.55 MW will be developed by Suzlon in the Barmer district of Rajasthan, another 182.70 MW will be developed at the site by the client in the Bhuj district of Gujarat.

HCLTech infuses GenAI into MRO solution to drive enterprises' asset utilisation

HCLTech has added generative AI or GenAI capabilities to its Maintenance, Repair and Overhaul (MRO) solution, to help optimise enterprises' asset utilisation. The infusion of GenAI into its MRO solution -- iMRO/4 -- would help enterprises raise the performance and efficiency of complex, high-value assets in transportation, technology, energy, aerospace and defense.

Important news/developments to influence markets

German inflation higher than expected ahead of ECB rates decision

German inflation rose slightly more than forecast to 2.8% in May, although economists said an increase had been expected and should not alarm European Central Bank policymakers ahead of their interest rate decision next week.



Index	Short term trend	Target	Reversal	CMP	S1-S2	R1-R2
Nifty Fut	DOWN	22560	22874	22743.8	22683-22560	22874-23023
Bank Nifty Fut	DOWN	48301	49411	49011.2	48716-48301	49411-49820

Daily Technical View on Nifty



Market: Observation

Markets corrected further on Wednesday after gap down opening. Nifty lost 183.45 points or 0.8% to close at 22,704.7. Broad market indices like BSE Small Cap gained, thereby outperforming Sensex/Nifty. Market breadth was negative on BSE/NSE.

Nifty: Caution warranted for very near term

On the 15 min chart, we can observe that Nifty opened with a down gap and after a brief pullback, gradually came lower and ended near lows of the day. We also observe that 20 period MA remains below the 50 period MA indicating the negative moving average crossover is intact. This indicates that one needs to be cautious for the very near term until the Nifty can take out the immediate resistances of 22826-22999.



Nifty: Uptrend has weakened

On the Daily chart, uptrend has weakened. Wednesday's negative closing has led to the Nifty closing below the previous swing high of 22795. Nifty nevertheless continues to hold above the 20 and 50 day SMA. 14-day RSI at 56.57 is falling and has now moved below its 9 day EMA. This indicates that momentum is weakening.

Further downsides are now likely once the immediate support of 22685 is broken. Immediate resistance is now at 22826. Markets are likely to be volatile in the coming sessions as we approach the Election result announcement.

Sectorally, except for the Media and Pharma indices, most of the sectoral indices are now correcting.



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	1,338.0	1,319.0	1405	5.0	4-JUN-24
2	24-MAY-24	BUY	CHAMBAL FERTILIZERS JUN FUT	396-411	405.4	390.0	440	8.5	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	383.7	360.9	419.0	449.0	17	5-JUN-24
2	8-APR-24	BUY	GODREJ PROPERTIES*	2603-2490	2758.4	2603.0	2860.0	3020.0	9	8-JUN-24
3	26-APR-24	BUY	COROMANDEL INTERNATIONAL*	1179.10-1135	1287.9	1179.1	1264.0	1359.0	6	26-JUN-24
4	7-MAY-24	BUY	TECH MAHINDRA	1284.50-1240	1286.5	1215.0	1380.0	1478.0	15	7-JUL-24
5	15-MAY-24	BUY	GUJARAT ALKALI	783-728	777.2	713.0	869.0	893.0	15	15-AUG-24
6	16-MAY-24	BUY	AMI ORGANICS	1170-1240	1255.8	1145.0	1333.0	1420.0	13	16-AUG-24
7	21-MAY-24	BUY	NHPC	102.85-98.25	101.6	96.5	110.2	118.5	17	21-JUL-24
8	21-MAY-24	BUY	RAILTEL	414-425	415.9	405.0	465.0	490.0	18	21-AUG-24
9	22-MAY-24	BUY	BRITANNIA	5217.70-4957	5229.8	4905.0	5583.0	5650.0	8	22-JUL-24
10	22-MAY-24	BUY	CIE AUTOMOTIVE	526.90-505	539.5	495.0	574.0	620.0	15	22-AUG-24

*= 1st Target Achieved



QUARTERLY RESULTS ANNOUNCED

COMPANY	Q4FY24		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
Mazagon Dock	3103.7	663.0	49.3	103.2	31.4	5.8	Above Expectations
Ahluwalia Contracts	1163.7	199.9	34.8	176.8	13.4	182.8	Above Expectations
FDC Ltd.	462	46.3	6.3	50.8	1.0	-41.8	Lower than expectations
Kovai Medical	321	52.2	20.3	71.0	0.1	-1.8	In-line with estimates
HCG	495	21.3	12.0	153.6	5.3	273.0	In-line with estimates
Alkem Laboratories	2936	293.5	1.1	313.4	-11.7	-33.8	Lower than expectations
Ipca Laboratories	2033	59.6	34.5	-22.1	-1.0	-66.7	Lower than expectations

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