

The Daily

July 23, 2024





DOMESTIC INDICES

| | CLOSE | POINTS | % CHANGE |
|-----------|-------|--------|----------|
| SENSEX | 80502 | -103 | -0.13 |
| NIFTY | 24509 | -22 | -0.09 |
| MIDCAP | 46849 | 589 | 1.27 |
| SMALL CAP | 52917 | 435 | 0.83 |

SECTORAL INDICES

| | CLOSE | POINTS | % CHANGE |
|------------|-------|--------|----------|
| POWER | 7838 | 128 | 1.66 |
| CG | 72678 | 1079 | 1.51 |
| AUTO | 57156 | 656 | 1.16 |
| METAL | 31859 | 342 | 1.08 |
| HEALTHCARE | 38513 | 357 | 0.93 |
| FINANCE | 11495 | 39 | 0.34 |
| CD | 57627 | 126 | 0.22 |
| TECK | 18568 | -2 | -0.01 |
| IT | 40593 | -27 | -0.07 |
| OIL & GAS | 30775 | -37 | -0.12 |
| BANKEX | 60002 | -165 | -0.27 |
| REALTY | 8513 | -45 | -0.53 |

BSE 200 GAINERS/LOSERS

| GAINERS | % | LOSERS | % |
|-----------|------|-----------|-------|
| INDHOTEL | 7.63 | WIPRO | -9.24 |
| PIIND | 5.14 | KOTAKBANK | -3.55 |
| OBEROIRLT | 4.26 | RELIANCE | -3.49 |
| HAL | 4.06 | OIL | -2.86 |
| GUJGASLTD | 4.04 | DALBHARAT | -2.54 |

ADVANCE/DECLINES

| | BSE | % |
|-----------|------|----|
| ADVANCES | 2190 | 53 |
| DECLINES | 1822 | 44 |
| UNCHANGED | 140 | 3 |

INSTITUTIONAL ACTIVITY

| Rs Cr | 19-07-2024 | 22-07-2024 | JULY TOTAL |
|-------|------------|------------|------------|
| FII | 1506 | 3444 | 25086 |
| DII | -462 | -1652 | 5785 |

Indian markets could open flat to mildly higher, in line with mostly higher Asian markets today and positive US markets on July 22

US stocks recovered after their worst week since April as investors looked beyond Joe Biden ending his re-election campaign to focus on the start of the tech earnings season. The Dow ended Monday higher by 128 points, or 0.3%. The S&P 500 closed up 1.1% and the Nasdaq gained 1.6%. Much of Monday's gain came from a rebound in tech stocks.

India is scheduled to unveil its first budget under Prime Minister Narendra Modi's third five-year term. The budget is largely expected to be growth-oriented, with some measures aimed at addressing the rural economy. This is largely discounted. Any measure that disturbs the fiscal consolidation path or cuts capex for increasing allocation to revex or strong measures to hurt the capital market taxation could result in a negative reaction.

Asian stocks bounced from one-month lows on Tuesday, with Taiwan's semiconductor shares taking a lead from a Wall Street recovery.

Nifty closed lower for the second consecutive session on July 22 as traders reduced commitments ahead of the Union Budget on July 23 and investors parsed through corporate results. At close, Nifty was down 0.09% or 21.7 points at 24509.3. Nifty formed a doji like pattern on July 22 after recovering well from early morning weakness, though ending marginally in the negative. The Union Budget presentation on July 23 will likely create enough intra day volatility on that day. Nifty could face resistance at 24661 and later at 24801 in the near term while 24141 could provide support on falls.

Anant Raj signed MoU with Google LLC

Anant Raj Cloud, a wholly-owned subsidiary of the company, has entered into a MoU with Google LLC to collaborate for providing Data Center Infrastructure, DC Managed Services and Cloud Platform to various Public & Private enterprises. The company will also develop innovative technological solutions for potential customers.



| GLOBAL INDICES | | | |
|----------------|--------|--------|----------|
| | CLOSE | POINTS | % CHANGE |
| DOW JONES | 40415 | 127.91 | 0.32 |
| S & P 500 | 5564 | 59.41 | 1.08 |
| NASDAQ | 19823 | 300.25 | 1.54 |
| FTSE | 8199 | 43.06 | 0.53 |
| CAC | 7622 | 87.50 | 1.16 |
| DAX | 18407 | 235.14 | 1.29 |
| NIKKEI | 39709 | 130.00 | 0.33 |
| SHANGHAI | 2954 | -10.35 | -0.35 |
| HANG SENG | 17616 | -19.88 | -0.11 |
| BOVESPA | 127860 | 244.00 | 0.19 |

| EXCHANGE RATES | | |
|----------------|-------|----------|
| | VALUE | % CHANGE |
| USD/INR | 83.7 | 0.20 |
| EURO/USD | 1.089 | 0.01 |
| USD/GBP | 1.293 | 0.00 |
| USD/JPY | 156.7 | -0.17 |

| COMMODITIES | | |
|-------------------------|--------|----------|
| | VALUE | % CHANGE |
| GOLD (\$ / Oz) | 2404.2 | 0.40 |
| SILVER (\$ / Oz) | 29.4 | 0.18 |
| CRUDE OIL FUTURES | 78.5 | 0.13 |
| BRENT OIL (\$ / Barrel) | 82.6 | 0.32 |

| BOND YIELD | | |
|-----------------------|-------|------------|
| | VALUE | ABS CHANGE |
| IND10 YEAR BOND YIELD | 6.967 | +0.002 |

| ADR | | |
|----------------|-------|----------|
| | VALUE | % CHANGE |
| DR REDDY'S LAB | 80.1 | 2.50 |
| HDFC BANK | 60.8 | 2.15 |
| ICICI BANK | 29.4 | 0.03 |
| TATA MOTORS | 25.1 | 0.00 |
| WIPRO | 6.00 | -1.48 |
| VEDANTA LTD | 16.50 | 0.00 |
| INFOSYS | 21.79 | 0.51 |

Reliance-Disney \$8.5 billion merger faces scrutiny, CCI sends 100 antitrust queries

The Competition Commission of India (CCI) has sent nearly 100 queries to Reliance Industries and Walt Disney regarding their \$8.5 billion merger of Indian media assets.

Sanofi temporarily recalls Allegra, Combiflam

Sanofi has issued a circular in the Indian market stating that it is going to temporarily halt the sales of its Allegra Suspension syrup (Fexofenadine Hydrochloride Suspension) and Combiflam Suspension (Ibuprofen and Paracetamol Suspension).

Bharat Forge's Kalyanis may enter truce talks with Hiremaths over biz assets

The two business families of Bharat Forge's managing director Baba Kalyani and his sister Sugandha Hiremath are likely to resolve their bitter ongoing dispute over multi-billion dollar assets controlled by the Kalyani family trust through a court-monitored mediation.

Gensol Engineering emerges as winning bidder for 116 MW (150 MWp) of solar projects in Gujarat

Gensol Engineering Ltd. has emerged as winning bidder for 116 MW (150 MWp) of solar projects in Gujarat with approx. EPC revenue of Rs 600 crore. These projects will be distributed across 27 diverse locations, all under the purview of Paschim Gujarat Vij Co. Ltd. (PGVCL), the state electricity distribution company.

RailTel Corporation received an order worth Rs 186.8 crore

RailTel Corporation of India Ltd. has received the work order from Ministry of Railways (Railway Board) for Design, Development, Implementation, Operations and Maintenance of HMIS and Integrated Empanelled Hospital Referral Portal for Indian Railways amounting to Rs 186.81 crore. It is to be executed over the next 4 years.

Ahasolar received an order worth Rs 8 crore

Ahasolar Technologies Limited has received a Work Order for Consultancy Contract for feasibility and site survey of Solar Rooftop Systems on Government buildings in the state of Gujarat from Gujarat Energy Development Agency (GEDA). The whole Consultancy Service order is worth around Rs 8 crore. It is to be executed in the nine months.



Zensar Tech Q1FY25 result key takeaways

Zensar Technologies revenue was above expectations and profitability was below expectations in Q1FY25. For the second consecutive quarter, the company witnessed growth across all the verticals.

Reported Numbers: Consolidated revenue grew by 4.8% QoQ and 5% YoY to Rs 1288.1 crore in Q1FY25. In Q1FY25, the company reported revenue of US\$ 154.4mn, QoQ growth of 4.2% in reported currency and 4.3% in constant currency. On a YoY basis, 3.4% growth in reported currency.

EBIT was down by 4.4% QoQ, and 8.9% YoY to Rs 172 crore in Q1FY25. EBIT margin slipped to 13.3% in Q1FY25 vs. 14.6% in Q4FY24 and 15.3% in Q1FY24. Net profit was at Rs 158 crore in Q1FY25. It was Rs 173 crore in Q4FY24 and Rs 156 crore in Q1FY24. Net Profit margin stood at 12.3% in the quarter.

Operating Metrics: Revenue contribution from Digital was at 81.7% in Q1FY25 vs. 81.6% in Q4FY24, 81.5% in Q3FY24, 81.8% in Q2FY24, and 81.7% in Q1FY24. The US region reported a QoQ revenue growth of 6.5% in reported currency and 6.6% in constant currency.

Banking and Financial Services reported a QoQ revenue growth of 6.8% in both reported and constant currency. Manufacturing and Consumer Services reported a QoQ revenue growth of 2.4% in reported currency and 2.7% in constant currency. Telecommunication, Media, and Technology reported a QoQ revenue growth of 1.2% in both reported and constant currency, and Healthcare and Life Sciences reported a QoQ revenue growth of 6.9% in both reported and constant currency.

Order book and Client's Metrics: The order book stood at US\$ 154mn. Number of active clients was at 148 in Q1FY25.

Earnings and valuation: Earnings per share was at Rs 6.9 in Q1FY25, and Rs 29.4 TTM. At a LTP of Rs 748 stock is trading at 21.1x FY26E EPS.

Dodla Dairy Q1FY25 result update

Dodla Dairy's revenue from operations grew 11 per cent on a YoY basis to Rs 912 crore in the June quarter of FY25, as against Rs 823 crore in the June quarter of FY24. The company's profit jumped 86 per cent on a year-on-year (Y-o-Y) basis to Rs 65 crore in the June quarter of financial year 2025, as opposed to Rs 35 crore in the same quarter last year (Q1FY24).

At the operating front, EBITDA zoomed 78 per cent to Rs 105 crore in the June quarter of financial year 2025, as against Rs 59 crore in the June quarter of financial year 2024. EBITDA margin expanded 430 basis points (bps) to 11.5 per cent in Q1FY25, from 7.2 per cent in Q1FY24.

Cyient DLM Q1FY25 result update

Revenue grew 19% at Rs 258 crore. EBITDA was up 1.5% at Rs 20.1 crore. Net profit increased 96% at Rs 10.6 crore. Other Income stood at Rs 8.9 crore as against Rs 1 crore, a year ago. Company has order book of Rs 2127 crore as compared to Rs 2171 crore as on Q4FY24 and Rs 2500 crore as on Q1FY24.

Poly Medicure Q1FY25 result update

Total revenue grew 20% YoY at Rs 384.8 crore as against estimate of Rs 391 crore. EBITDA margin contracted 20bps YoY at 27% as compared to estimate of 27.7%. Net profit increased 18% YoY at Rs 74 crore. Other Income was up 29% YoY at Rs 16.9 crore.

EPS for the quarter stood at Rs 7.7 and it was at Rs 26.9 for FY24. At CMP, the stock trades at 47x FY26E EPS.



Greenlam Industries consolidated net profit declines 38.8% in the June 2024 quarter

Net profit of Greenlam Industries declined 38.76% to Rs 20.27 crore in the quarter ended June 2024 as against Rs 33.10 crore during the previous quarter ended June 2023. Sales rose 17.4% to Rs 604.7 crore in the quarter ended June 2024 as against Rs 515.2 crore during the previous quarter ended June 2023.

Important news/developments to influence markets

China's fiscal revenue shrinks 2.8% on year in first half

China's fiscal revenue slid 2.8% in the first half of 2024 from a year earlier, unchanged from a 2.8% fall in the January-May period, official data showed on Monday, as prolonged weakness in domestic demand dampened the outlook for an economic recovery.

Taiwan June export orders miss forecast, China demand weakens

Taiwan's export orders rose less than expected in June on weak demand from the island's top trading partner China and for laptops and mobile phones, even as chips saw continued strength from a boom in artificial intelligence (AI) applications.

Euro zone inflation will continue easing, may fall below 2% in 2026, ECB survey shows

Euro zone inflation will continue to slow in the coming years and could dip below the European Central Bank's 2% target by 2026%, an ECB survey showed. The ECB has overshoot its target for years and jacked up interest rates to record highs last year to tame price pressures, but it could still take until the end of 2025 to get back to its goal.



| Index | CMP | View | R1 | R2 | S1 | S2 |
|------------------------|-------|---------------|-------|-------|-------|-------|
| Nifty July Future | 24517 | Consolidation | 24610 | 24725 | 24435 | 24320 |
| Bank Nifty July Future | 52308 | Consolidation | 52750 | 53120 | 51880 | 51465 |

Nifty – Intraday Timeframe chart



Nifty – Daily Timeframe chart



Daily Technical View on Nifty

Awaiting key economic event-Union Budget 2024..

Observation: After showing sharp weakness on Friday, Nifty shifted into a consolidation with weak bias on Monday and closed the day lower by 21 points amidst range bound action.

After opening with a negative note, the market has witnessed a sustainable upside bounce from the lows soon after the opening. It later shifted into narrow range movement in the mid to later part of the session. The opening downside gap has been filled completely.

A small positive candle was formed on the daily chart with minor lower and upper shadow. Technically, this pattern indicates a formation of high wave type candle. Normally, such formations after a decline signal consolidation movement in the market with volatility.

However, such small positive candle formations after the negative pattern of bearish engulfing on the daily chart could be a good sign for bulls to make a comeback from the lows. If the Nifty fails to show any sharp weakness from here in the next 1-2 sessions, one may expect a sizable upside bounce in the market ahead.

Market is awaiting an important economic event of Union Budget 2024, which will be presented in the Parliament tomorrow-23rd July. This event could probably show fresh direction for the market in the near term. One may expect high volatility on the day of event.

Conclusion: The near term trend of Nifty remains weak. However, the lack of sharp selling interest post bearish pattern of Monday could be a sigh of relief for the bulls. Any negative/positive surprises in the Union Budget is likely to open sharp movement on the either side. Immediate support is at 24350 and the next overhead resistance to be watched around 24700 levels.



OPEN SHORT TERM TRADING CALLS

| NO. | RECO DT. | RECO | COMPANY NAME | ENTRY | CMP | SL | TARGET | UPSIDE % | VALID TILL |
|-----|-----------|------|--------------|--------------|---------|---------|--------|----------|------------|
| 1 | 16-JUL-24 | BUY | UBL JULY FUT | 2080.95-2035 | 2,011.5 | 2,002.0 | 2205 | 9.6 | 30-JUL-24 |

OPEN E-MARGIN POSITIONAL CALLS

| NO. | RECO DT. | RECO | COMPANY NAME | ENTRY | CMP | SL | TARGET 1 | TARGET 2 | UPSIDE % | VALID TILL |
|-----|-----------|------|----------------|------------|--------|--------|----------|----------|----------|------------|
| 1 | 14-JUN-24 | BUY | STAR | 947-890 | 951.4 | 870.0 | 1045.0 | 1090.0 | 15 | 14-SEP-24 |
| 2 | 18-JUN-24 | BUY | PRICOL | 482.45-464 | 480.5 | 450.0 | 527.0 | 555.0 | 16 | 18-SEP-24 |
| 3 | 3-JUL-24 | BUY | IPCA LAB | 1155-1114 | 1213.8 | 1080.0 | 1240.0 | 1305.0 | 8 | 3-SEP-24 |
| 4 | 5-JUL-24 | BUY | LAURAS LAB | 460-442 | 441.5 | 430.0 | 495.0 | 529.5 | 20 | 5-SEP-24 |
| 5 | 5-JUL-24 | BUY | NUVOCO VISTA | 354.25-337 | 342.4 | 327.0 | 388.0 | 422.0 | 23 | 5-OCT-24 |
| 6 | 16-JUL-24 | BUY | INDIAN BANK | 580-555 | 569.5 | 540.0 | 625.0 | 665.0 | 17 | 16-SEP-24 |
| 7 | 16-JUL-24 | BUY | TANLA SOLUTION | 993.35-956 | 967.7 | 925.0 | 1070.0 | 1145.0 | 18 | 16-OCT-24 |
| 8 | 16-JUL-24 | BUY | HIL | 3002-2780 | 2987.6 | 2700.0 | 3542.0 | 3600.0 | 20 | 16-OCT-24 |
| 9 | 18-JUL-24 | BUY | AVANTI FEEDS | 613.20-588 | 616.4 | 574.0 | 660.0 | 730.0 | 18 | 18-OCT-24 |

*= 1st Target Achieved



QUARTERLY RESULTS ANNOUNCED

| COMPANY | Q1FY25 | | YOY (%) | | QOQ (%) | | REMARK |
|-------------|---------------|------------|---------|-----|---------|------|---|
| | SALES (RS CR) | NP (RS CR) | SALES | NP | SALES | NP | |
| Zensar Tech | 1288.1 | 157.9 | 5.0 | 1.1 | 4.7 | -8.9 | Revenue Above Expectations & PAT Below Expectations |

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