

# The Daily

May 14, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	72776	112	0.15
NIFTY	22104	49	0.22
MIDCAP	41177	149	0.36
SMALL CAP	45293	-104	-0.23

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
CG	61805	818	1.34
REALTY	7416	96	1.32
HEALTHCARE	35094	399	1.15
POWER	7165	62	0.88
BANKEX	54508	354	0.65
METAL	30923	149	0.49
FINANCE	10426	48	0.46
IT	33788	87	0.26
TECK	15671	4	0.02
CD	51905	-299	-0.57
OIL & GAS	27634	-199	-0.72
AUTO	51224	-760	-1.46

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
ABB	11.16	BANKINDIA	-10.33
HINDZINC	9.71	TATAMTRDVR	-8.64
SIEMENS	7.42	TATAMOTORS	-8.34
UPL	6.45	TIINDIA	-4.39
CIPLA	5.63	UNIONBANK	-3.98

ADVANCE/DECLINES		
	BSE	%
ADVANCES	1777	43
DECLINES	2180	53
UNCHANGED	130	3

INSTITUTIONAL ACTIVITY			
Rs Cr	10-05-2024	13-05-2024	MAY TOTAL
FII	-2118	-4498	-31642
DII	2710	3563	29452

**Indian markets could open flat to mildly higher, in line with mostly higher Asian markets today and despite lower US markets on May 13**

U.S. stocks closed mostly lower on Monday as investors prepared for US inflation numbers due later this week.

U.S. producer price data is also due this week, along with final reports on European inflation that should support expectations for a June rate cut from the European Central Bank.

Markets are pricing in around an 80% chance of a rate cut by the Fed's September meeting, with almost 44 basis points (bps) of declines in total expected in 2024, LSEG data showed.

Economists polled by Reuters expect the closely watched core CPI to rise by 0.3% in the month, down from 0.4% in March, for an annual gain of 3.6%, down from 3.8%.

China's finance ministry said on Monday it will start the long-awaited sales of 1 trillion yuan (\$138.23 billion) of long-term treasury bonds that Beijing hopes will help stimulate key sectors of a flagging economy this week.

The Bank of Japan on Monday sent a hawkish signal to markets by cutting the amount of Japanese government bonds it offered to buy in a regular operation.

India's consumer price index for April climbed 4.83% year on year (compared with 4.85% in March and the slowest rate of inflation since June 2023), nearly in line with the 4.8% expected by economists polled by Reuters. India's wholesale inflation reading is due to be released later on Tuesday.

Asia-Pacific markets were moving around 15-month highs on Tuesday even as stocks on Wall Street tripped.

Nifty recovered from the day's low to end higher in a big swing day on May 13. At close, Nifty was up 0.22% or 48.9 points at 22104.1. Nifty recovered smartly from the morning lows on May 13 and formed a bullish hammer on daily charts. Nifty seems to have taken support from the bottom of the horizontal channel. It could now rise towards 22185-22232 band while 21932 could offer support in the near term.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	39432	-81.33	-0.21
S & P 500	5221	-1.26	-0.02
NASDAQ	18199	37.43	0.21
FTSE	8415	-18.77	-0.22
CAC	8209	-9.86	-0.12
DAX	18738	-34.38	-0.18
NIKKEI	38223	57.00	0.15
SHANGHAI	3148	-0.04	-0.21
HANG SENG	19115	151.38	0.80
BOVESPA	128155	555.00	0.44

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.5	0.20
EURO/USD	1.079	-0.03
USD/GBP	1.256	-0.02
USD/JPY	156.4	0.15

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2345.8	0.12
SILVER (\$ / Oz)	28.6	0.40
CRUDE OIL FUTURES	79.3	0.16
BRENT OIL (\$ / Barrel)	83.5	0.08

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.116	-0.011

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	69.9	1.07
HDFC BANK	55.9	0.72
ICICI BANK	26.9	0.45
TATA MOTORS	25.1	0.00
WIPRO	5.37	0.85
VEDANTA LTD	16.50	0.00
INFOSYS	16.92	0.30

## Vedanta mulls raising funds via issue of equity shares, FPO, rights issue

Vedanta Ltd is considering to raise funds through issue of equity shares or via by way of further public offer, rights issue, or other ways. The decision is expected to be approved during the board meeting scheduled to be held on May 16. During the meeting, the company is also set to announce first Interim dividend on equity shares, if any, for the FY2024-25. Among other ways, the company is looking at raising cash through American Depository Receipts/Global Depository Receipts/Foreign Currency Convertible Bonds etc.

## Airtel ties up with Google Cloud to offer cloud and gen-AI solutions to Indian businesses

Bharti Airtel has formed a strategic collaboration with Google Cloud to deliver cloud and generative-AI solutions to Indian businesses. Through the collaboration, the telecom company will adopt a suite of solutions from Google Cloud to fast-track its cloud adoption and modernisation. Airtel will also provide a suite of cloud-managed services to its business customers, comprising more than 2,000 large enterprises and about a million emerging businesses.

## Biocon inks supply, distribution pact with Medix for chronic weight management drug in Mexico

Biocon announced the signing of a semi-exclusive distribution and supply agreement with Mexico-based Medix for the commercialization of its drug Liraglutide (gSaxenda), used in the treatment of chronic weight management. Under the agreement with Medix, a specialty pharmaceutical firm, Biocon will be responsible for obtaining regulatory approval, manufacturing and supply of the drug. On the other hand, Medix will take the responsibility for its commercialisation in the Mexican market.

## NCLT defers ICICI Securities delisting case to July

The National Company Law Tribunal (NCLT) has deferred the ICICI Securities case in which non-institutional minority shareholders challenged its delisting and merger with ICICI Bank. The NCLT is now expected to take the case up in July.

## Dhanuka Agritech launched Purge, Herbicide in India

Dhanuka launched Purge, Herbicide in India. It controls on NLWs and BLWs in Soybean and Groundnut crop.



### **Zomato to surrender RBI licence to operate as online payment aggregator**

Zomato's subsidiary Zomato Payment Pvt Ltd (ZPPL) has decided to voluntarily surrender the certificate of authorisation it obtained from the Reserve Bank to operate as an online payment aggregator.

### **HGS launches comprehensive suite of Cybersecurity solutions**

Hinduja Global Solutions (HGS) announced the launch of a comprehensive suite of cutting-edge Cybersecurity solutions for the market. The suite comprises of seven essential Cybersecurity solution offerings designed to provide enterprises with state-of-the-art protection against evolving cyber threats.

### **KPI Green Energy Limited to raise up to Rs. 1000 crore through QIP**

KPI Green Energy Limited has approved the raising of funds through issuance of equity shares of the Company ('Equity Shares') or any other equity linked securities of the Company or other securities convertible into or exchangeable for Equity Shares by way of qualified institutions placement.

### **WABAG wins ADB funded DBO order from Kathmandu Upatyaka Khanepani Limited**

VA TECH WABAG secured a repeat order of about US\$ 49 million from Kathmandu Upatyaka Khanepani Limited (KUKL), funded by Asian Development Bank (ADB). The order entails Design, Build, Operate ('DBO'), towards three Waste Water Treatment Plants (WWTP) in Nepal at Sallaghari, Kodku and Dhobighat to treat about 69 MLD of Waste Water, and is expected to be completed over a period of twenty-four (24) months, followed by a five (5) year operation and maintenance (O&M).

### **DLF to launch 11 million sq ft projects with revenue potential of Rs 36,000 crore in FY25**

DLF planned to launch more than 11 msf of new products during FY25 targeting various markets including Gurugram, Mumbai, Goa and Chandigarh Tri-city. The estimated sales potential of these launches is approximately Rs 36,000 crore which should lead to steady growth in the business.

### **Coromandel increases stake in Drone company Dhaksha**

Coromandel International Limited, through its owned subsidiary Coromandel Technology Limited (CTL), announced acquisition of an additional 7% stake in Chennai-based drone manufacturing company Dhaksha Unmanned Systems Private Limited.

It will invest Rs 150 crore through fresh issue of shares to increase its overall shareholding in Dhaksha to 58%. Dhaksha, incorporated in 2019 and headquartered in Chennai, is a leading player in drone space in India, providing complete range of Unmanned Aerial Systems (UAS) technology solutions across agriculture, defence, surveillance and enterprise applications.

In the last year, Dhaksha has bagged several orders from defence and agri input companies and its current order book stands at Rs 265 crore. The company has recently expanded its production capacity with a manufacturing facility established on the outskirts of Chennai. It had reported revenue of Rs 46.4 crore in FY24.

### **ABB India says private capital expenditure robust, unlikely to slowdown anytime soon**

ABB India spent around Rs 180-200 crore in the past two years to expand capacity and would continue to do the same, as it does not see demand slowing down especially in sectors such as data centre automation, industrial automation, metals and mining.



## **Sanofi India Q1CY24 result update**

Overall numbers were in-line with estimates for the quarter. Revenue for the quarter declined 0.6% YoY at Rs 732.4cr as compared to expectation of Rs 751cr. Operating margin contracted 130bps YoY at 29.9% as against estimate of 29.2%.

Net profit declined 28.3% YoY at Rs 136.6cr. It included exceptional one-off items of personnel separation cost of Rs 26.7cr in the quarter. PBT before exceptional items was down 12.5% YoY at Rs 215cr. Other Income declined 74.8% YoY at Rs 6.5cr.

EPS for the quarter stood at Rs 59.3 and it stood at Rs 262 for CY23. At CMP, the stock trades at 24.8x CY25E EPS.

## **Aarti Pharmalabs Q4FY24 result update**

Revenue for the quarter grew 4.3% YoY at Rs 505.8cr. Operating margin expanded 720bps YoY at 23.3%. Net profit was up 52% YoY at Rs 65.25cr. PBT for the quarter was up 63% YoY at Rs 95.8cr.

EPS for the quarter stood at Rs 7.2 and it stood at Rs 23.9 for FY24.

## **Jindal Steel and Power Q4FY24 result update**

Revenue down 1.5% at Rs 13,487 crore. EBITDA increased 11.75% at Rs 2,444 crore. Margin improved 214 bps at 18.12%. Net profit increased 100.5% YoY at Rs 933 crore. In Q4FY23, the company had exceptional loss of Rs 153cr. PBT before exceptional loss grew 21% YoY at Rs 1163 crore.

## **Bharti Airtel Q4FY24 result preview**

Bharti Airtel could report 7.9% YoY revenue growth to Rs 38,850 crore in Q4FY24. The company could report net profit of Rs 2,500 crore in Q4FY24. The company could report rise in ARPU by 1% QoQ in Q4FY24 at a range of Rs 210-211. The management commentary on, roll-out of new-age technologies, 5G IoT Platform, and strategies for client addition would be key monitorables.

## **Important news/developments to influence markets**

### **China CPI inflation picks up in April, PPI lags**

Chinese consumer price index inflation grew for a third straight month in April, as continued policy support from Beijing appeared to be boosting consumer demand, although producer price index inflation continued to decline.

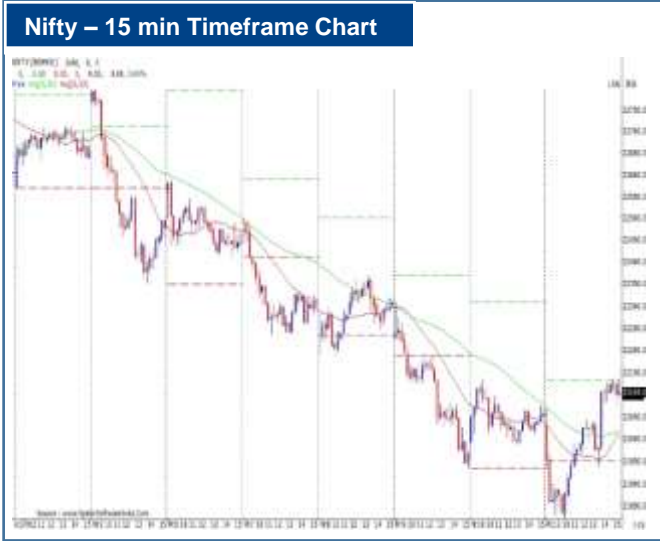
### **Japan economy expected to shrink in Q1 due to weak consumption**

Japan's economy likely contracted an annualised 1.5% in the January-March quarter as all key drivers of growth slumped due to an uncertain outlook, which will probably set back Bank of Japan efforts to raise interest rates.



Index	Short term trend	Target	Reversal	CMP	S1-S2	R1-R2
Nifty Fut	UP	22388	22050	22201.1	22050-21963	22286-22388
Bank Nifty Fut	UP	48733	47479	48003.7	47479-47200	48367-48733

## Daily Technical View on Nifty



### Market: Observation

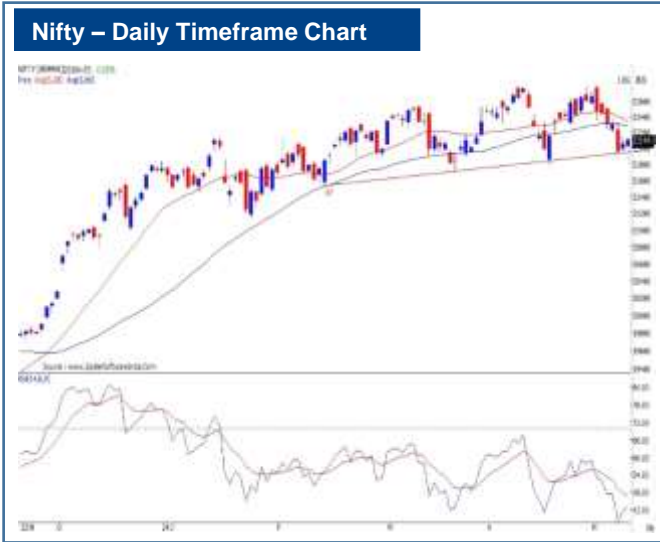
- Markets bounced back on Monday after a negative morning session. Nifty finally gained 48.85 points or 0.22% to close at 22,104.05. Broad market indices like the BSE Mid Cap index gained more, thereby outperforming the Sensex/Nifty. Market breadth was negative on the BSE/NSE.

### Nifty: Near term downtrend could reverse

- Zooming into 15 min chart, we observe that Nifty is still in a short term downtrend as it is still making lower tops and lower bottoms for the last 7 sessions.

- The moving averages too confirm this as the 20 period SMA is below the 50 period SMA on the 15 min chart.

- The healthy bounce back from the lows of Monday however indicates that bulls are not giving up easily and the current downtrend could soon reverse.



### Nifty: Short term downtrend could reverse

- On the daily chart, we can observe that the Nifty has bounced back from a low of 21821 and is now holding above the trend line support connecting the swing lows of the last three months.

- The 14-day RSI too has bounced back from oversold levels which is encouraging.

- Traders will need to watch if the Nifty can now gradually move higher and take out the previous swing highs of 22308-22369 to reverse the current downtrend.



## OPEN SHORT-TERM TRADING CALLS

NO	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	13-MAY-24	BUY	BANK NIFTY MAY FUT	48000-47800	48,075.0	47,700.0	48500	0.9	16-MAY-24
2	13-MAY-24	BUY	BANK NIFTY 15TH MAY 47900 CALL OPTION	200.2	231.4	145.0	300	29.7	16-MAY-24
3	13-MAY-24	BUY	NIFTY 16TH MAY 22050 CALL OPTION	152.9	168.7	109.0	215	27.5	16-MAY-24
4	13-MAY-24	BUY	COFORGE MAY FUT	4492.10-4414	4,521.2	4,350.0	4700	4.0	27-MAY-24
5	13-MAY-24	BUY	AXIS BANK MAY FUT	1135.40-1108	1,137.9	1,090.0	1198	5.3	27-MAY-24
6	13-MAY-24	BUY	ABBOT INDIA MAY FUT	27123.55-26350	27,214.7	26,079.0	28525	4.8	27-MAY-24
7	8-MAY-24	BUY	JYOTHY LAB	458.40-450	454.5	444.0	495	8.9	22-MAY-24
8	10-MAY-24	BUY	TECHNO ELECTRIC	985-1022.90	1,038.6	964.0	1125	8.3	24-MAY-24
9	13-MAY-24	BUY	MOIL	425-409	432.3	402.0	459.5	6.3	27-MAY-24
10	13-MAY-24	BUY	MAITHAN ALLOYS	1205-1170	1,216.8	1,145.0	1295	6.4	27-MAY-24

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	2-APR-24	BUY	IRCTC*	945-969.05	990.2	969.1	1037.0	1120.0	13	2-JUN-24
2	5-APR-24	BUY	BALRAMPUR CHINI	387.35-374	372.5	360.9	419.0	449.0	21	5-JUN-24
3	8-APR-24	BUY	GODREJ PROPERTIES*	2603-2490	2766.6	2603.0	2860.0	3020.0	9	8-JUN-24
4	8-APR-24	BUY	JUBILANT PHARMA*	610-632.90	688.0	621.5	686.0	740.0	8	8-JUL-24
5	23-APR-24	BUY	MIDHANI	429.80-399	424.8	386.0	477.0	494.0	16	23-JUL-24
6	24-APR-24	BUY	CAMPUS	240-246.15	243.8	234.0	270.0	294.0	21	24-JUN-24
7	26-APR-24	BUY	COROMANDEL INTERNATIONAL	1179.10-1135	1203.9	1111.0	1264.0	1359.0	13	26-JUN-24
8	7-MAY-24	BUY	TECH MAHINDRA	1284.50-1240	1262.1	1215.0	1380.0	1478.0	17	7-JUL-24

\*= 1st Target Achieved



## QUARTERLY RESULTS ANNOUNCED

COMPANY	Q4FY24		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
<b>Jay Bharat Maruti</b>	598.1	11.2	-11.2	-21.7	9.2	67.3	Below expectations
<b>Aditya Birla Capital</b>	10963.6	1245.4	36.2	104.6	24.4	69.3	Above expectations



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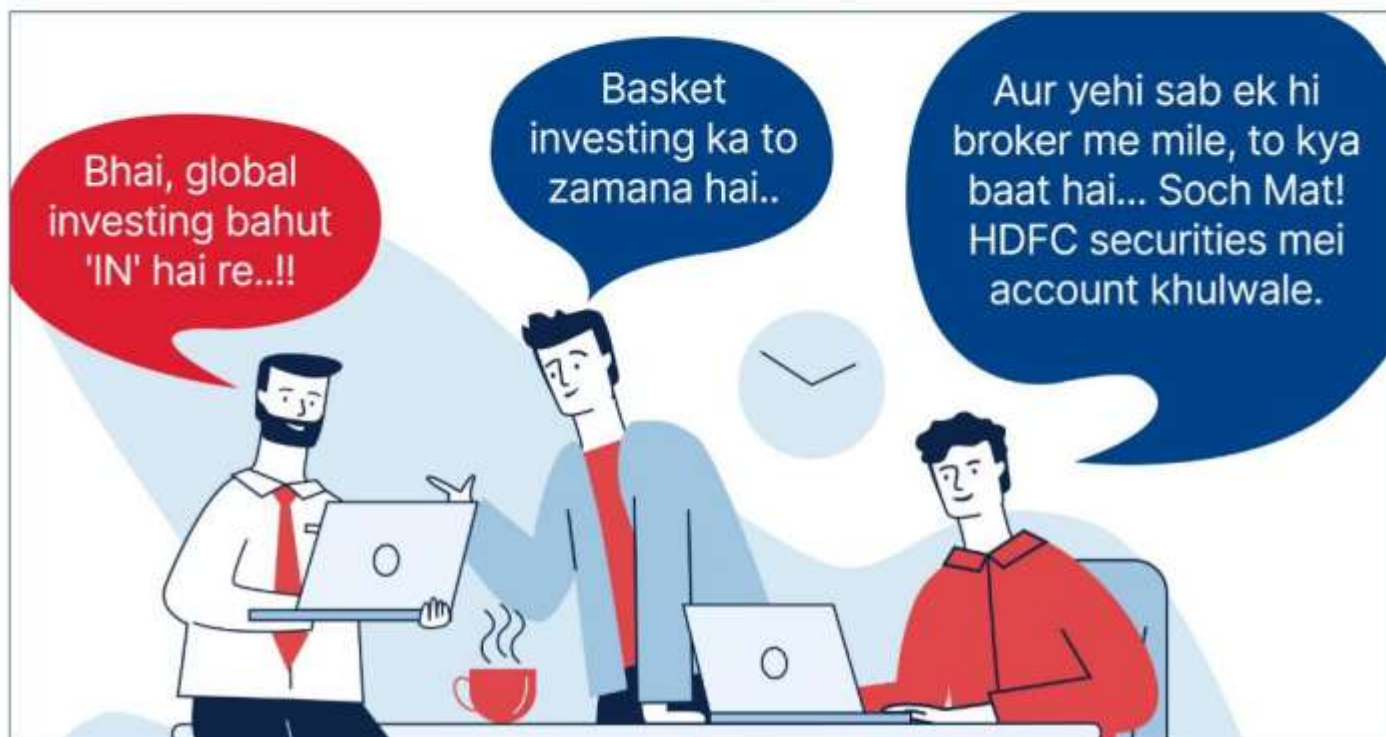
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