

The Daily

Oct 17, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	81501	-319	-0.39
NIFTY	24971	-86	-0.34
MIDCAP	48645	-49	-0.10
SMALL CAP	57403	178	0.31

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
REALTY	8475	54	0.64
OIL & GAS	30192	61	0.20
FINANCE	11640	3	0.03
CG	72350	-5	-0.01
METAL	33037	-39	-0.12
POWER	8403	-15	-0.18
CD	66197	-135	-0.20
HEALTHCARE	44654	-95	-0.21
BANKEX	58774	-159	-0.27
TECK	19801	-152	-0.76
AUTO	58829	-576	-0.97
IT	42656	-506	-1.17

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
HDFCAMC	5.82	OIL	-5.78
TIINDIA	3.93	POLYCAB	-4.10
VOLTAS	3.70	TRENT	-3.97
CUMMINSIND	3.27	ZYDUSLIFE	-3.64
HINDPETRO	2.84	COFORGE	-3.49

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2021	50
DECLINES	1941	48
UNCHANGED	106	3

INSTITUTIONAL ACTIVITY			
Rs Cr	15-10-2024	16-10-2024	OCT TOTAL
FII	-1749	-3436	-78313
DII	1655	2256	77514

Indian markets could open flat to mildly higher, in line with mostly higher Asian markets today and positive US markets on Oct 16

Major U.S. stock indexes bounced back from a selloff in the prior session to finish higher on Wednesday, buoyed by strong corporate-earnings results from names like Morgan Stanley and United Airlines.

Global bonds rallied after a surprisingly large drop in British inflation and as the European Central Bank is expected to announce its first back-to-back rate cut in 13 years.

Oil futures fell for a fourth straight session of declines on Wednesday, with prices holding ground at their lowest in two weeks as traders focused on an uncertain demand outlook.

China will expand a "white list" of housing projects eligible for financing and increase bank lending for such developments to 4 trillion yuan (\$562 billion), Minister of Housing and Urban-Rural Development Ni Hong said on Thursday.

Equities in Asia rose after Wall Street closed higher, helped along by a rotation out of megacap tech and into economically sensitive shares including smaller companies.

Nifty recorded two-day losing streak on October 16 tracking sell-off across the globe with Nifty closing below 25,000. At close, Nifty was down 0.34% or 86.1 points at 24971.3. Nifty formed a small negative candle (like a doji) after 1 day fall suggesting indecision. A breach of 24908 could take the Nifty to 24832 while 25234 could continue to be a stiff resistance for the near term.

Nokia in talks with Bharti Airtel for multi-billion dollar 5G contract

Nokia is in talks with Bharti Airtel about securing a multi-billion dollar contract to provide 5G telecom equipment for the Indian mobile operator which is expanding its network. Ericsson already won a multi-billion dollar contract from Bharti Airtel.

India's Russian oil imports rise 11.7% in September

India's crude oil imports from Russia rose by 11.7% to about 1.9 million barrels per day (bpd) in September, accounting for about two-fifths of the South Asian nation's overall crude imports in the month.



GLOBAL INDICES

	CLOSE	POINTS	% CHANGE
DOW JONES	43078	337.28	0.79
S & P 500	5843	27.20	0.47
NASDAQ	20174	14.22	0.07
FTSE	8329	79.79	0.97
CAC	7492	-29.97	-0.40
DAX	19433	-53.38	-0.27
NIKKEI	38991	-211.00	-0.54
SHANGHAI	3218	14.78	0.46
HANG SENG	20599	312.15	1.54
BOVESPA	131750	707.00	0.54

EXCHANGE RATES

	VALUE	% CHANGE
USD/INR	84.0	0.20
EURO/USD	1.086	0.01
USD/GBP	1.300	0.05
USD/JPY	149.4	-0.16

COMMODITIES

	VALUE	% CHANGE
GOLD (\$ / Oz)	2697.4	0.23
SILVER (\$ / Oz)	32.0	0.00
CRUDE OIL FUTURES	70.9	0.72
BRENT OIL (\$ / Barrel)	74.7	0.62

BOND YIELD

	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	6.885	+0.116

ADR

	VALUE	% CHANGE
DR REDDY'S LAB	79.2	0.15
HDFC BANK	62.3	1.47
ICICI BANK	29.6	0.89
TATA MOTORS	25.1	0.00
WIPRO	6.42	0.63
VEDANTA LTD	16.50	0.00
INFOSYS	22.90	-0.52

HFCL expects 70% revenue in fibre optic, 50% in telecom gear from exports in 3 years

HFCL expects 70 per cent of its revenue in fibre optic segment and half of network equipment business will start flowing into the company from exports in the next three years.

Oriana Power inks rs 375-crore deal with Maharashtra Discom for solar plant

Oriana Power Ltd. announced on Wednesday that it has won a contract from the Maharashtra State Electricity Distribution Co. for the construction of a 75-megawatt alternating current solar power plant. According to the terms and conditions of the contract, it involves the implementation of feeder level solarisation under 'Component C' of the Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiya. The project is to be completed within 12 months, according to the exchange filing.

Godrej Properties secures 3 adjoining plots totalling 6.5 acres in Mumbai

Godrej Properties has emerged as the highest bidder for three adjoining plots with a revenue potential of Rs 3,500 crore in Kharghar, Mumbai metropolitan region (MMR), according to the company's stock exchange filing following auction results announced by the City and Industrial Development Corporation of Maharashtra (CIDCO).

According to the company, the plots, measuring 6.54 acres, offer a development potential of about 2 million square feet (msf), comprising premium residential apartments of varied configurations.

L&T Technology Services Ltd (LTTS) Q2FY25 results key takeaway

LTTS revenue was inline with estimates and net profit was below expectations in Q2FY25 and maintained FY25E guidance of 8-10% revenue growth in constant currency, and medium-term outlook of US\$ 2 bn revenue with EBIT margin of 17-18%.

Reported numbers: Consolidated revenue grew by 4.5% QoQ and 7.8% YoY to Rs 2,573 crore vs. expectation of Rs 2,577 crore in Rupee terms, driven by broad-based growth across segments and geographies. USD Revenue at \$307 million; growth of 3.9% QoQ and 6.5% YoY.



EBIT was up by 1% QoQ and it was down by 4.8% YoY to Rs 388 crore and EBIT margin inched down by 50bps QoQ and 200bps YoY to 17.1% in Q2FY25. Net Profit grew by 1.9% QoQ and 1.3% YoY to Rs 320 crore and net profit margin was down by 40bps sequentially and 80bps YoY to 12.4% in Q2FY25.

Deals: LTTS won two USD 20 million and four USD 10 million TCV deals.

View and valuation: The company recommended an Interim Dividend of Rs 17 per share; Record date October 25, 2024. EPS stood at Rs 31.1 in Q2FY25, Rs 29.6 in Q1FY25, and Rs 123.9 in TTM. At a CMP of Rs 5351, the stock is trading at 31x Sept 26 Earnings.

Bajaj Auto Q2FY25 result review

Bajaj Auto reported 9% growth in net profit to Rs 2,005 crore during the second quarter of FY2024-25. The homegrown automaker's July-September quarter revenue rose 22 percent to Rs 13,127 crore. The company claimed that the portfolio comprising of electric and CNG vehicles across both the two-wheeler and three-wheeler portfolio, now contributes a significant 40 percent of total domestic revenues. It achieved its highest level ever EBITDA at Rs 2,653 crore, growing a robust 24 percent year-on-year, with margins remaining above 20 percent again. Bajaj Auto said it sold 12,21,504 units (across all segments) in the second quarter, up 16 percent.

Crisil Q3CY24 result review

Ratings firms CRISIL Ltd reported a 12.9% year-on-year (YoY) increase in net profit at ₹172 crore for Q3CY24. The company's revenue from operations rose 10.3% to ₹812 crore. At the operating level, EBITDA increased 16.7% to ₹224 crore in the third quarter. EBITDA margin stood at 27.6% in the reporting quarter as compared to 26.1% in the corresponding period in the previous fiscal. The board of directors declared an interim dividend of ₹15 per share.

Infosys Q2FY25 result preview

Infosys could report 3.4% QoQ and 4.3% YoY growth in revenue to Rs 40,665 crore in Rupee terms. In US\$ terms, revenue could increase by 3% QoQ and 2.9% YoY to US\$ 4,856 mn in Q2FY25. Net profit could rise by 8% QoQ and 10.7% YoY to Rs 6,878 crore in Q2FY25. EBIT margin could increase by 60 bps QoQ and 50bps YoY to 21.7%.

The management commentary on the demand environment across verticals like BFSI, Retail and Manufacturing, and geographies like the US and Europe, order inflows, deal pipeline, and pricing outlook, would be key monitorables.

LTI Mindtree (LTIM) Q2FY25 result preview

LTIM could report revenue growth of 3.7% QoQ and 6.4% YoY growth to Rs 9,478 crore in Rupee terms. In US\$ term, revenue could increase by 3.2% QoQ and 5.2% YoY to US\$ 1132 mn in Q2FY25. Net profit is expected to rise by 8.5% QoQ and 6% YoY to Rs 1,232 crore in Q2FY25. EBIT margin could increase by 80bps QoQ and it could fall by 20bps YoY to 15.8%. The management commentary on demand outlook, and deal pipeline would be key monitorables.



Important news/developments to influence markets

At BRICS summit, Russia to push to end dollar dominance

Russia is seeking to convince BRICS countries to build an alternative platform for international payments that would be immune to Western sanctions when it hosts the group's leaders at a summit next week.

Canadian housing starts rise less than expected in September

Canadian housing starts rose 5% in September compared with the previous month as groundbreaking increased on multi-unit and single-family-detached urban homes, data from the national housing agency showed on Wednesday.

Inflation expected to stay above ECB target in medium term, survey finds

Economists expect inflation rates to stay above the European Central Bank's 2% target in the medium term, according to a survey published by Germany's Ifo institute on Wednesday, a day before the central bank holds its next monetary policy meeting.

Japan August machinery orders fall 1.9% m/m, worse than expected

Japan's core machinery orders fell 1.9% in August from the previous month, down for two straight months and the drop was bigger than expected, government data showed on Wednesday.

US holiday sales to grow up to 3.5% in 2024, NRF forecasts

U.S. holiday sales are expected to grow as much as 3.5%, the slowest pace in six years, the National Retail Federation forecast on Tuesday, as shoppers turn more frugal and get picky with spending on non-essentials.



Index	CMP	View	R1	R2	S1	S2
Nifty Oct Future	25032	Range bound	25150	25285	24960	24720
Bank Nifty Oct Future	52028	Range bound	52550	53020	51575	51150

Daily Technical View on Nifty

Placed near the lower range..

Observation: The weakness with range bound action continued in the market on Wednesday and Nifty closed the day lower by 86 points.

After opening with a negative note, Nifty made an attempt to bounce back from the lower levels in the early part of the session.

Selling pressure has emerged at the intraday highs in the early and in mid part of the session and Nifty finally closed near the lows.

A small negative candle was formed on the daily chart with minor upper shadow. Technically this pattern reflects ongoing range bound action in the market and the Nifty is currently placed near the lower range around 24900 levels.

After sustaining above the daily 10 and 20 period EMA in the last couple of months, the moving average supports have been broken on the downside recently.

Presently, the said moving average (10 & 20 period EMA) are acting as a hurdle around 25150-25200 as per the concept of change in polarity.

Conclusion: The underlying trend of Nifty continues to be choppy with weak bias. A sustainable move only above 25200 and a sharp weakness below 24800-24700 could bring strong momentum in the market on either side.





OPEN SHORT TERM CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	UPSIDE %	VALID TILL
1	10-OCT-24	BUY	PETRONET OCT FUT	358-347.25	357.3	345.4	371.4	4.0	24-OCT-24
2	15-OCT-24	BUY	TATA POWER OCT FUT	467.30-462	462.3	459.0	490	6.0	29-OCT-24
3	15-OCT-24	BUY	BEL OCT FUT	289.70-282	287.0	278.0	305	6.3	29-OCT-24
4	16-OCT-24	BUY	VOLTAS OCT FUT	1877-1840	1,887.2	1,812.0	1987	5.3	30-OCT-24
5	11-OCT-24	BUY	SH KELLAR	326.90-316	326.8	312.5	346	5.9	25-OCT-24

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	20-SEP-24	BUY	IDFC FIRST BANK	73.30-70.70	72.2	68.5	79.0	84.0	16	20-NOV-24
2	26-SEP-24	BUY	TATA STEEL	156-162.70	155.2	150.0	175.0	188.0	21	26-NOV-24
3	9-OCT-24	BUY	CG POWER *	792.45-751	834.7	792.4	853.0	938.0	12	9-DEC-24
4	9-OCT-24	BUY	INDIA MART	2981.90-2866	3045.2	2770.0	3200.0	3405.0	12	9-DEC-24
5	9-OCT-24	BUY	TATA CHEMICAL	1117.30-1073	1100.4	1045.0	1206.0	1290.0	17	9-DEC-24
6	10-OCT-24	BUY	GUJARAT ALKALIES	827-785	871.8	760.0	905.0	990.0	14	10-JAN-25
7	11-OCT-24	BUY	DODLA DAIRY	1248.30-1160	1315.6	1136.0	1365.0	1440.0	9	11-JAN-25
8	14-OCT-24	BUY	FINOLEX INDUSTRIES	312-297	322.7	288.0	342.0	365.0	13	14-JAN-25
9	15-OCT-24	BUY	FIVE STAR BUSINESS	870.90-836	900.4	810.0	949.0	1045.0	16	15-JAN-25
10	16-OCT-24	BUY	JUBILANT INGREVIA LTD	766.70-707	781.3	680.0	860.0	950.0	950	16-JAN-25

*= 1st Target Achieved



QUARTERLY RESULTS ANNOUNCED

COMPANY	Q2FY25		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
Bajaj Auto	13127.5	2005.0	21.8	9.2	10.1	0.8	As per expectations
Crisil	811.8	171.6	10.3	12.9	1.8	14.3	Above expectations
L&T Tech	2572.9	320	7.81	1.30	4.51	1.94	Revenue Inline & PAT Below Expectations

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