

# The Daily

Oct 25, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	80065	-17	-0.02
NIFTY	24399	-36	-0.15
MIDCAP	46137	-59	-0.13
SMALL CAP	53643	-387	-0.72

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
BANKEK	58523	317	0.54
HEALTHCARE	42895	186	0.43
POWER	7905	33	0.42
FINANCE	11485	41	0.36
OIL & GAS	28383	42	0.15
CG	67942	33	0.05
CD	62905	-68	-0.11
METAL	31549	-64	-0.20
AUTO	55331	-221	-0.40
TECK	19386	-101	-0.52
IT	41930	-270	-0.64
REALTY	7701	-94	-1.21

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
SONACOMS	13.52	HINDUNILVR	-5.83
ATGL	7.82	ESCORTS	-5.51
AWL	6.71	SCHAEFFLER	-4.64
SYNGENE	5.14	SBILIFE	-4.57
IDBI	4.29	SUPREMEIND	-4.46

ADVANCE/DECLINES		
	BSE	%
ADVANCES	1584	39
DECLINES	2349	58
UNCHANGED	100	2

INSTITUTIONAL ACTIVITY			
Rs Cr	23-10-2024	24-10-2024	OCT TOTAL
FII	-5685	-5062	-108208
DII	6040	3620	106464

## Indian markets could open flat to mildly lower, in line with mixed Asian markets today and mixed US markets on Oct 24

U.S. stocks closed mixed on Thursday, with the blue-chip Dow extending its losing streak to a fourth straight session and the S&P 500 edging higher as Tesla shares surged. S&P 500 and Nasdaq Composite rose for the first time this week, with traders analyzing a slew of corporate earnings for clues on the health of the world's largest economy. A gauge of the "Magnificent Seven" hit a three-month high, with Tesla Inc. up 22% in its biggest rally since May 2013.

The S&P Global Flash US Composite indexes for the month showed a 55.3 reading, up slightly from September and matching the Dow Jones estimate. On the manufacturing side, the index came in at 47.8, a reading still in contraction territory but a half point better than September and above the 47.5 forecast.

In Japan, Governor Kazuo Ueda signaled the central bank won't hike interest rates next week, with almost all BOJ watchers already expecting no policy shift this month.

China's central bank kept the interest rate on medium-term loans to banks unchanged at 2%, according to the bank's statement on Friday.

The Petroleum and Natural Gas Regulatory Board of India has issued a notice to India city gas distribution companies which declares 73 networks as common carriers. The proposed notice implies no exclusivity to existing operators and the open access could allow other entities to enter and provide CNG services in the named regions. City gas distributors like Gujarat Gas Ltd., Indraprastha Gas Ltd., Mahanagar Gas Ltd., Adani Total Gas Ltd., and IRM Energy Ltd. may be under pressure in trade today on the back of this notice.

Major Asian equity benchmarks were split between gains and losses Friday after Wall Street rallied for the first time this week as Tesla Inc. shares jumped.

Nifty settled at over two-month low on October 24 falling for a third consecutive session as earning reports failed to uplift investors' sentiment. Nifty witnessed a 139-point high-low range with volumes falling 17% compared to the previous session. This suggests that constant selling pressure could be close to an end for the time being. Nifty formed a doji after a fall on October 24 suggesting that for the time being sellers may be running out of steam while buyers have begun tiptoeing in. Nifty could now begin its upward correction soon and run into resistance in the 24568-24604 band while 24196 could provide support for the near term.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	42374	-140.59	-0.33
S & P 500	5810	12.40	0.21
NASDAQ	20233	165.91	0.83
FTSE	8269	10.74	0.13
CAC	7503	5.80	0.08
DAX	19443	65.38	0.34
NIKKEI	37819	-358.50	-0.94
SHANGHAI	3287	7.12	0.22
HANG SENG	20684	194.38	0.95
BOVESPA	130067	834.00	0.65

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	84.1	0.20
EURO/USD	1.083	-0.02
USD/GBP	1.297	-0.01
USD/JPY	151.8	-0.01

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2739.8	-0.33
SILVER (\$ / Oz)	33.7	-0.25
CRUDE OIL FUTURES	70.5	0.38
BRENT OIL (\$ / Barrel)	74.7	0.38

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	6.935	+0.117

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	77.5	-0.72
HDFC BANK	64.2	0.11
ICICI BANK	29.6	0.00
TATA MOTORS	25.1	0.00
WIPRO	6.59	-0.30
VEDANTA LTD	16.50	0.00
INFOSYS	22.05	-0.72

## India's oil demand to grow 4 per cent on year in October-December: S&P Global

India's demand for oil and refined oil products is expected to grow by almost 4% in the fourth quarter of the current calendar year compared to the corresponding period of last year, according to S&P Global Commodity Insights. The growth will be supported by the upcoming festival season and recovery seen in the agriculture sector post the excessive rains during the monsoon season.

## Reliance and Nvidia are partnering to build AI infra in India

Reliance Industries and Nvidia are partnering to build artificial intelligence (AI) infrastructure in India. In September last year, Reliance and Nvidia vowed to develop AI supercomputers in India and build large language models trained on its languages. Later that year, Nvidia unveiled a similar partnership with Tata Group.

## Telecom operators urge govt to eliminate AGR-related license fee

Indian telecom operators have urged the government to eliminate or significantly reduce the license fee, including the Universal Service Obligation (USO) fee, from 8 percent of Adjusted Gross Revenue (AGR) to around 0.5-1 percent of AGR, saying the circumstances and regime have changed for the industry.

## NLC India forms joint ventures with rajasthan for power capacity expansion

State-owned NLC India Ltd. on Thursday said it has entered into pacts with Rajasthan Rajya Vidyut Utpadan Nigam Ltd for the formation of two Joint Ventures for power capacity addition. The first JV is signed between NLC India Renewables Ltd. and Rajasthan Rajya Vidyut Utpadan Nigam Ltd. to set up renewable energy projects in Rajasthan and the second JV is between NLCIL and RRVUNL for the developmet of a lignite-based thermal power station.

## Gujarat Fluorochem EV Division Secures INR 1k cr for Expansion

Gujarat Fluorochemicals said its electric vehicle products subsidiary, GFCL EV Products, has raised INR 1,000 crore at an equity valuation of INR 25,000 crore. It said the promoters of InoxGFL Group, of which Gujarat Fluorochemicals is a part of, led the fundraise round along with several marquee investors, including the family offices of some of the largest business groups in India



## **Coromandel International Q2FY25 result update**

Overall numbers were in-line with expectations for the quarter. Revenue for the quarter grew 6.4% YoY at Rs 7433cr. EBITDA margin contracted 200bps YoY at 13.1%. Net profit declined 12.3% YoY at Rs 664cr. Other Income was up 45% YoY at Rs 65cr. Nutrition and allied products revenue grew 7.1% YoY at Rs 6750cr. Crop Protection segment reported 3% YoY at Rs 751cr.

The new granulation train will have an annual production capacity of 7.5 lakh MT, taking the total production capacity of the Kakinada site to 30 lakh MT. The strategic location of the Kakinada facility on the east coast of India provides Coromandel with logistical advantages, ensuring efficient supplies to markets across India. Company would spend Rs 513 crore for the said expansion and it is likely to get commissioned in the next 24 months.

Company is setting up a Multi-Product Plant (MPP) for manufacturing crop protection Technicals at Ankleshwar, Gujarat. The capacity addition would be 600 MT and investment of Rs 164 crore. EPS for the quarter stood at Rs 22.5 and it stood at Rs 33.1 for H1 FY25. At CMP, the stock trades at 25x FY26E EPS.

## **Strides Pharma Q2FY25 result update**

Overall numbers were strong for the quarter. Revenue for the quarter grew 20.2% YoY at Rs 1201cr. EBITDA margin improved 430bps YoY at 19.6%. Gross margin contracted 70bps YoY at 58.5%. Net profit stood at Rs 93.2cr as against net loss of Rs 131.4cr, a year ago. Other Income was down 21% YoY at Rs 28.4cr.

US business reports its highest quarterly revenue of US\$ 75mn, grew 26% YoY. Company is likely to achieve revenue of US\$ 400mn by FY27. Other regulated market revenue grew 6.2% YoY at US\$ 41mn. Company expects H2 to be better than H1 led by new launches.

Management guided for 12-15% growth in revenue and EBITDA of Rs 950-1000cr for FY25. EPS for the quarter stood at Rs 10.1 and it stood at Rs 17.8 for H1 FY25. At CMP, the stock trades at 27.5x FY26E EPS.

## **Glenmark Lifesciences Q2FY25 result update**

Overall numbers were weak for the quarter. Revenue for the quarter declined 14.9% YoY at Rs 506.8cr. EBITDA margin slipped 160bps YoY at 26.5%. Gross margin was up 150bps YoY at 55.6%. Net profit declined 19.7% YoY at Rs 95.3cr. Other Income was up 58.3% YoY at Rs 8.5cr.

Generic API revenue in Q2FY25 decreased 12.7% YoY and 11.5% QoQ at Rs 474cr. CDMO business reported 5% YoY and 43% QoQ decline at Rs 24cr. EPS for the quarter stood at Rs 7.75 and it stood at Rs 16.8 for H1 FY25. At CMP, the stock trades at 22.5x FY26E EPS.

## **Laurus Labs Q2FY25 result update**

Overall numbers were weak for the quarter. Revenue for the quarter remained flat YoY at Rs 1223.7cr. EBITDA margin slipped 80bps YoY at 14.6%. Gross margin improved 270bps YoY at 55.2%. Net profit declined 46.5% YoY at Rs 19.8cr. Other Income was up 155% YoY at Rs 4.6cr.

R&D expenses stood at Rs 67cr or 5.5% of sales for the quarter. CDMO revenue grew 33% YoY at Rs 299cr. Formulation sales declined 1% YoY at Rs 328cr. API sales declined 11% YoY at Rs 557cr. It was impacted from lower demand in Oncology portfolio and ARV volumes dip both YoY and QoQ while Other APIs reported in-line sales.

EPS for the quarter stood at Rs 0.37 and it stood at Rs 0.6 for H1 FY25. At CMP, the stock trades at 30x FY27E EPS.

## **Cyient Ltd Q2FY25 results key takeaway**

Cyient's numbers were above expectations in Q2FY25. Cyient expects sustainability to improve in H2FY25.

Reported numbers: Cyient DET (Digital, Engineering & Technology) revenue at Rs 1450 crore, with QoQ growth of 2.5%, driven by solid growth in Aerospace, Connectivity and New Growth Areas and YoY de-growth of 1.8%.



Cyient DET EBIT of Rs 206 crores, with a margin of 14.2%. Cyient DET PAT at Rs 177 crores, with QoQ growth of 25.1%, and YoY growth of 2.3%.

Consolidated revenue grew by 10.3% on a QoQ basis, and 4% YoY to Rs 1849 crore. Net profit increased by 26.4% QoQ and it was down by 1% YoY to Rs 187 crore. Consolidated PAT margin was at 10.1% in Q2FY25 vs. 8.8% in Q1FY25 and 10.6% in Q4FY23.

Segment-wise performance: Transportation (+3.6% cc QoQ), connectivity (+3.9% cc QoQ), Sustainability (-6.4% cc QoQ) and New Growth Areas (+9.7% cc QoQ).

Earnings and valuation: Cyient EPS stood at Rs 16.1 in Q2FY25, Rs 13 in Q1FY25 and Rs 59. in TTM. At a CMP of Rs 1775, the stock is trading at 20.4x Sept 26E Earnings.

### **Indusind Bank Q2FY25 result update**

Indusind Bank's consolidated net profit for Q2 FY25 fell 40% on-year to Rs 1,331 crore, mainly hit by near doubling of loan loss provisions during the quarter. Profit also fell as operating expenses across the board, including finance costs, rose faster than the bank's income. NII grew 5% on-year to Rs 5,347 crore during the July-September quarter. The bank's NIM declined to 4.08% from 4.29% in the year-ago period. Provisions increased 87% to Rs 1820 crore. Advances grew 13% and deposits 15%. GNPA/NNPA expanded 9/7 bps to 2.11/0.64%.

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

#### **New home sales outpace forecasts, indicating bullish trend for USD**

The recently released data on New Home Sales has shown promising signs for the US economy. The annualized number of new single-family homes sold during the previous month came in at 738K, surpassing both the forecasted and previous figures.

#### **Services PMI edges upward, slightly surpassing forecasts and previous data**

The Services PMI, a critical indicator of the health of the U.S. service sector, has been released, showing a slight increase. The actual figure came in at 55.3, according to data published by Markit Economics.

#### **US weekly jobless claims fall; continuing claims hit highest level in three years**

The number of Americans filing new applications for unemployment aid unexpectedly fell last week, but more people were collecting benefits in mid-October, which raises the risk of a rise in the jobless rate this month.

#### **Euro zone business activity stuck in a rut, survey shows**

Euro zone business activity stalled again this month, remaining in contractionary territory as demand from both home and abroad fell despite firms barely increasing their prices, a survey showed on Thursday.

#### **Saudi Arabia's FDI inflows at \$26 billion in 2023, exceeding target**

Saudi Arabia, the Arab world's biggest economy, attracted foreign direct investment inflows of 96 billion riyals (\$25.6 billion) in 2023, beating official targets, according to government data based on a new calculation methodology.

#### **German business activity contracts at slower pace in October, PMI shows**

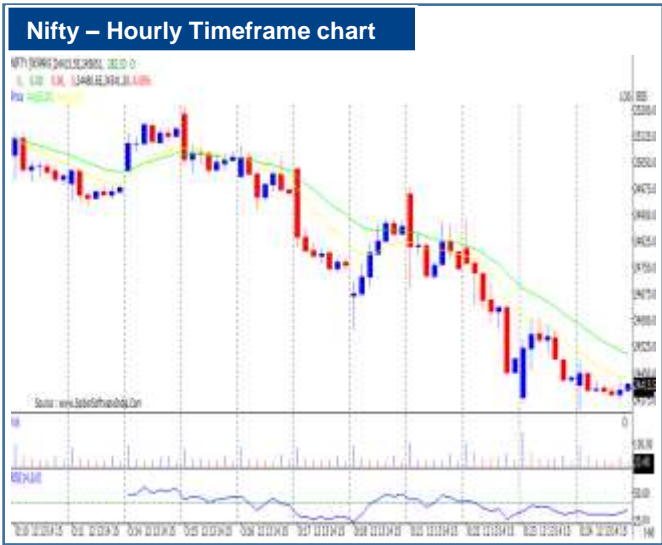
German business activity contracted in October but less steeply than the previous month, according to a survey published on Thursday.



Index	CMP	View	R1	R2	S1	S2
<b>Nifty Oct Future</b>	<b>24474</b>	Range bound	24590	24725	24360	24240
<b>Bank Nifty Oct Future</b>	<b>51680</b>	Positive	52050	52570	51210	50750

## Daily Technical View on Nifty

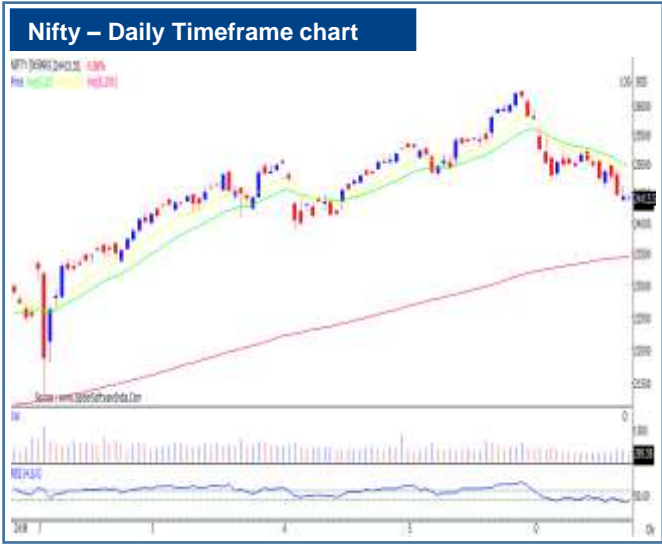
### Slowdown of downside momentum..



**Observation:** After showing intraday weakness from the highs on Wednesday, Nifty shifted into a narrow range movement on Thursday and closed the day lower by 36 points.

After opening with a negative note, the market slipped into minor weakness soon after the opening. It later shifted into a narrow range movement for better part of the session. The high low range for the day was around 139 points.

A small negative candle was formed on the daily chart at the new swing lows of 24341 with minor upper and lower shadow. Technically, this pattern is indicating a formation of doji type candle pattern (not a classical one). Normally, a formation of doji after a reasonable upmove or down moves are considered as an impending reversal pattern on either side post confirmation.



After the formation of inverted hammer type candle on Wednesday, Nifty forming a doji type candle pattern on Thursday could indicate that the bulls are preparing to comeback from the lower levels. Absence of sharp selling momentum at the lows in the last couple of sessions is also signaling the chances of an upside bounce.

**Conclusion:** The short-term trend of Nifty remains negative. But the present pattern formation is signaling a possibility of an upside bounce from here or from slightly lower levels.

A sustainable move above 24600-24700 levels could confirm quantum of upside bounce in the market. However, a slide below 24300 could trigger more weakness for the near term.



## OPEN SHORT TERM CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	UPSIDE %	VALID TILL
1	24-Oct-24	Buy	NHPC	79-80.90	80.1	77	86	7.4	29-Oct-24

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	10-OCT-24	BUY	GUJARAT ALKALIES	827-785	837.0	760.0	905.0	990.0	18	10-JAN-25
2	11-OCT-24	BUY	DODLA DAIRY	1248.30-1160	1254.3	1136.0	1365.0	1440.0	15	11-JAN-25
3	15-OCT-24	BUY	FIVE STAR BUSINESS	870.90-836	885.4	810.0	949.0	1045.0	18	15-JAN-25
4	23-OCT-24	BUY	CAN FIN HOMES	880-840	845.5	820.0	945.0	995.0	18	23-JAN-25

\*= 1st Target Achieved



## QUARTERLY RESULTS ANNOUNCED

COMPANY	Q2FY25		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
<b>Cyient*</b>	1449.6	176.8	-1.8	2.3	2.5	25.1	<b>Above Expectations</b>

\*DET Business



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