

# The Daily

July 25, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	80149	-280	-0.35
NIFTY	24414	-66	-0.27
MIDCAP	46820	316	0.68
SMALL CAP	53832	1009	1.91

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
OIL & GAS	30881	514	1.69
POWER	7921	97	1.24
CD	59666	630	1.07
HEALTHCARE	39100	358	0.92
REALTY	8391	61	0.74
CG	71559	360	0.51
METAL	31638	104	0.33
IT	41028	102	0.25
TECK	18674	2	0.01
AUTO	57171	-94	-0.16
FINANCE	11322	-27	-0.24
BANKEK	58784	-570	-0.96

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
IDBI	12.84	GODREJCP	-4.02
ICICIPRULI	8.83	BANDHANBNK	-3.76
LICI	6.64	DABUR	-3.11
SCHAEFFLER	6.01	SUPREMEIND	-2.55
MFSL	5.52	BAJAJFINSV	-2.43

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2802	70
DECLINES	1094	27
UNCHANGED	112	3

INSTITUTIONAL ACTIVITY			
Rs Cr	23-07-2024	24-07-2024	JULY TOTAL
FII	-2975	-5131	16980
DII	1419	3137	10341

## Indian markets could open lower, in line with lower Asian markets today and sharply negative US markets on July 24

U.S. stocks finished sharply lower on Wednesday, led by a 3.6% drop in the Nasdaq Composite, after disappointing earnings from megacap technology companies initiated a flight to safety by investors and sparked concerns that the AI optimism that has powered stock-market gains is losing steam. The Nasdaq Composite on Wednesday registered its biggest percentage decline since October 2022 and its biggest points decline in more than four years. Wednesday's losses came as Tesla Inc. shares fell 12% in the biggest drop since September 2020 after falling short of second-quarter profit estimates and Alphabet fell 5%.

A large U.S. stocks sell-off sent Wall Street's most watched gauge of market volatility to a three-month high. As stocks tumbled, the Cboe Volatility Index - known as Wall Street's fear gauge - closed at 18.04, the highest since April 19.

The U.S. PMI flash manufacturing output index fell to 49.5 in July - a six month low, unexpectedly slipping into contraction territory as new orders, production and inventories declined. Economists had forecast a reading of 51.5, according to Dow Jones.

Copper's September-dated futures were trading at a low of \$4.133 per pound Wednesday morning, marking their lowest level since April 3, 2024.

In Asia, the People's Bank of China cut its medium-term lending facility rate to 2.3% from 2.5% on Thursday, following a surprise reduction to a key short-term rate to boost slowing economic activity.

Equities in Asia declined as investors began pulling back on the artificial-intelligence frenzy that has powered the bull market this year. Japan's Nikkei 225 extended its six-day losing streak to plunge 2.6%.

Nifty fell for a fourth consecutive session on July 24 logging its worst streak since May 2024. At close, Nifty was down 0.27% or 65.6 points at 24413.5. Nifty formed a high wave type candle on July 24 giving a mildly negative signal as its high low range remained within the high low range of the previous day. Nifty could stay in the 24141-24595 band for the near term.

## India raises US oil imports in June, cuts Russia

India's monthly oil imports from its biggest supplier Russia slipped marginally in June while those from the United States rose to the highest since Feb. 2022.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	39854	-504.22	-1.25
S & P 500	5427	-128.61	-2.31
NASDAQ	19032	-721.95	-3.65
FTSE	8154	-13.68	-0.17
CAC	7514	-84.90	-1.12
DAX	18387	-170.24	-0.92
NIKKEI	38093	-1033.50	-2.64
SHANGHAI	2889	-12.92	-0.45
HANG SENG	17133	-178.05	-1.03
BOVESPA	126423	-167.00	-0.13

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.8	0.20
EURO/USD	1.084	0.00
USD/GBP	1.289	-0.12
USD/JPY	152.9	-0.65

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2376.0	-1.64
SILVER (\$ / Oz)	28.4	-3.11
CRUDE OIL FUTURES	77.2	-0.49
BRENT OIL (\$ / Barrel)	81.3	-0.18

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.086	+0.116

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	80.1	-1.03
HDFC BANK	59.7	-1.40
ICICI BANK	28.6	-1.68
TATA MOTORS	25.1	0.00
WIPRO	5.87	-1.51
VEDANTA LTD	16.50	0.00
INFOSYS	21.86	-1.00

## Reliance gets US approval to resume crude imports from Venezuela

Reliance Industries Ltd. has secured US approval to resume importing oil from Venezuela despite White House sanctions on the country. Reliance accounted for around 90% of India's crude imports from Venezuela after the sanctions were lifted last year, according to data intelligence firm Kpler.

## Hindustan Zinc explores doubling capacity; launches low-carbon zinc

Hindustan Zinc Ltd. is exploring options to double its annual output capacity to 2 million tonnes, and expects a final report from mining and production consultants next month for presenting to its board of directors.

## Adani Green Energy operationalises 250 MW wind capacity at Khavda, Gujarat

Adani Green Energy has operationalised a 250MW wind power generation at the world's largest 30,000 MW renewable energy plant at Khavda, Gujarat. With this milestone, 2,250 MW of cumulative capacity has been made operational at the Khavda plant.

## Indraprastha Gas Ltd (IGL) Q1FY25 result key takeaways

**Reported numbers:** IGL numbers were above expectations in Q1FY25, the company's revenue growth was largely hit by a decline in realisation. Standalone net revenue was up by 3.3% YoY to Rs 3,521 crore in Q1FY25. EBITDA was down by 9.4% YoY to Rs 582 crore in Q1FY25 and EBITDA margin slipped to 16.5% in Q1FY25 vs. 18.9% in Q1FY24.

Net Profit declined 8.4% YoY at Rs 401 crore in Q1FY25 and PAT margin was at 11.4% in Q1FY25 vs. 12.9% in Q1FY24.

**Physical metrics:** Overall sales volume was at 785.98 million standard cubic meters (mscm) in Q1FY25 vs. 746.12 in Q1FY24. It registered an average daily sales of 8.64 million standard cubic meters in the quarter vs. 8.2 million standard cubic meters in Q1FY24.

CNG registered sales volume at 587.12 million standard cubic meters in Q1FY25 vs. 561.42 million standard cubic meters in Q1FY24, 4.6% YoY growth. PNG overall sales volume growth of 7.4% in the quarter on YoY basis at 198.45 million standard cubic meters.

CNG registered sales (value) growth of 5% YoY and PNG was unchanged in the quarter on YoY basis. CNG and PNG revenue in value terms contributed 77% and 23% respectively in Q1FY25.



**Earnings and valuation:** EPS was at Rs 5.7 in Q1FY25, Rs 24.4 TTM. At a CMP, stock trades at 18.2x FY26E EPS.

### **L&T Ltd Q1FY25 Result Review**

Consolidated revenue stood at Rs 55,120 crore and revenue grew by 15% YoY. EBITDA was up by 15% YoY to Rs 5,615 crore and with an EBITDA margin of 10.2%. Consolidated PAT for the quarter stood at Rs. 2,786 crore, registering growth of 12% compared to the previous year. Company received orders worth Rs. 70,936 crore at the group level during the quarter, registering a 8% YoY growth, aided by the strong ordering momentum in the Middle East.

Consolidated order book of the group as on June 30 2024 stood at Rs. 4,90,881 crore registering a growth of 3% over Mar'24 and 19% YoY, with the share of international orders at 38%.

During the quarter, orders were received across multiple segments like Offshore vertical of Hydrocarbon business, Renewables, Transmission & Distribution, Roads, Nuclear Power, Hydel & Tunnel, Ferrous Metals, Health, and the Precision Engineering sectors.

The Infrastructure/Energy/Services/Hi-Tech Manufacturing/Others segments contributed 49/15/30/3/3% respectively of the overall revenue. Order book split as on 30th June 2024 for Infrastructure/Energy/Hi-Tech Manufacturing/Others was 66/24/7/3% respectively.

Infrastructure revenue stood at Rs. 26,908 crore registering a strong YoY growth of 22%, aided by improved execution momentum witnessed across various project sites. Energy segment revenues stood at Rs. 8,495 crore registering a robust growth of 27% YoY mainly due to execution ramp up in international projects in the Hydrocarbon business. Hi Tech manufacturing segmental revenues stood at Rs. 1,845 crore registering a growth of 4% YoY, with improved execution in Precision Engineering & Systems business. Realty and Other segments revenue stood at Rs. 1,375 crore registering a de-growth of 37% YoY, primarily due to lower handover of residential units in the Realty business.

### **Axis Bank Q1FY25 result update**

Axis Bank reported a 4% YoY growth in net profit of Rs 6,035 crore for Q1 FY25. On a sequential basis, the profitability dropped by 15%. Net interest income (NII) rose to Rs 13,448 crore from Rs 11,959 crore in the same quarter a year ago. Net interest margin (NIM) for Q1FY25 stood at 4.05% versus 4.10% last year.

Advances of the bank grew 14% YoY and 2% QoQ to Rs 9.80 lakh crore. Retail loans grew 18% YoY to Rs 5.85 lakh crore and accounted for 60% of the net advances of the bank. The total deposits grew 13% YoY and share of current account and savings account (CASA) deposits in total deposits stood at 42%. The bank's asset quality worsened sequentially with gross non-performing assets up 11 basis points (bps) at 1.54% and net non-performing assets 3 bps up at 0.34%.

### **JK Paper Q1FY25 result update**

JK Paper reported poor numbers for the quarter. Net revenue grew 8.2% YoY at Rs 1713.7cr. Operating margin slipped 1470bps YoY and 450bps QoQ at 16.4%. Gross margin was down 1240bps YoY at 42.7%. Net profit declined 54.7% YoY at Rs 139.7cr. Other Income was down 47% YoY at Rs 29cr.

The results have been adversely impacted due to significant drop in market prices coupled with surge in wood cost as compared to the corresponding quarter. Company reported healthy growth in sales volume driven by higher utilisation in Packaging Board Business.

EPS for the quarter stood at Rs 7.25. At CMP, the stock at 9.5x FY25E EPS.

### **Epac Durable Q1FY25 result update**

Total revenue grew 77.2% YoY at Rs 773.7cr. Operating margin remained flat YoY at 6.7%. Net profit increased 169% YoY at Rs 23.4cr. Other Income surged 662% YoY at Rs 6.1cr.



### **Bikaji Foods International Q1FY25 result update**

Total revenue grew 18.7% YoY at Rs 572.2cr. Overall volume growth for the quarter was at 16.2%. Operating margin expanded 240bps YoY at 16%. Gross margin improved 110bps YoY at 33.9%. Net profit increased 40% YoY at Rs 58cr. Other Income surged 662% YoY at Rs 6.1cr.

### **Syngene International Q1FY25 result update**

Total revenue declined 2.3% YoY at Rs 789.7cr. Operating margin slipped 470bps YoY at 21.5%. It was the lowest almost in the last 12 quarters.

Net profit declined 19% YoY at Rs 75.7cr. PBT before exceptional items was down 43.7% YoY at Rs 69.3cr. Exceptional gain for the quarter stood at Rs 32cr. Other Income was down 23% YoY at Rs 18.1cr.

EPS for the quarter stood at Rs 1.88. At CMP, the stock at 41.5x FY26E EPS.

### **Craftsman Automation Q1FY25 result update**

Net profit of the company declined 29%/15% YoY/QoQ to Rs 53 crore. Revenue from operations increased 17%/4% to Rs 1151 crore. Higher raw material costs resulted in EBITDA declining 8% YoY to Rs 197 crore and EBITDA margin contraction of 350bps to 17.1% in the quarter.

### **Aditya Birla Sunlife AMC Q1FY25 result update**

Aditya Birla Sun Life AMC reported 27.7% year-on-year (YoY) increase in net profit at Rs 235.7 crore. Revenue from operations rose 24.2% to Rs 386.6 crore. At the operating level, EBITDA increased 29.5% to Rs 220.2 crore. EBITDA margin stood at 57% as compared to 54.6% in the corresponding period in the previous fiscal.

ABSL AMC's assets under management stood at Rs 3.52 lakh crore at the end of the June 2024 quarter, reflecting a 19% year-on-year growth. Equity Mutual Fund Quarterly Average Assets Under Management (QAAUM) increased by 37% year-on-year to Rs 1.62 lakh crore. The Equity Mutual Fund mix increased from 40% in Q1 FY24 to 46% in Q1 FY25.

### **PG Electroplast Q1 FY25 result update**

Revenue grew 95% YoY at Rs 1,321 crore. EBITDA margin stood at 9.9% vs. 9.7%. Net profit surged 147% YoY at Rs 84 crore. Company guides for 33% YoY growth in revenue with better margin for FY25.

### **Jindal Steel & Power Q1 FY25 result update**

Revenue up 8% YoY at Rs 13,618 crore. EBITDA was up 8% at Rs 2,839 crore. Net profit declined 21% YoY at Rs 1,340 crore. PBT for the quarter was up 5.2% YoY at Rs 1859 crore. Consolidated net debt stood at Rs 10,462 crore.



## Important news/developments to influence markets

### **US goods trade deficit narrows in June; inventories increase**

The U.S. trade deficit in goods narrowed in June amid a broad rebound in exports, but that probably was insufficient to prevent trade from remaining a drag on economic growth in the second quarter.

### **US business activity edges higher; pricing power diminishing**

U.S. business activity climbed to a 27-month high in July, but firms appeared to have some difficulty sustaining higher prices for their goods and services amid resistance from consumers, offering a further boost to the inflation outlook.

### **UK business activity picks up after pre-election lull, PMI data shows**

British business activity picked up this month after a lull in the run-up to a July 4 election, bolstered by the fastest manufacturing growth in two years and the strongest inflow of new orders since April 2023, a major survey showed

### **India's business growth at three-month high in July, PMI shows**

India's business activity accelerated at its fastest pace in three months in July thanks to strong demand, especially in the services sector, according to a survey that also showed companies hired at the fastest pace in over 18 years.



Index	CMP	View	R1	R2	S1	S2
<b>Nifty July Future</b>	<b>24421</b>	Consolidation	24530	24625	24305	24180
<b>Bank Nifty July Future</b>	<b>51480</b>	Negative	51875	52360	51040	50620

## Daily Technical View on Nifty



### Continuation of weakness..

**Observation:** After showing sharp upside recovery from the lows on Tuesday (Union Budget day), Nifty continued with weakness amidst a range movement on Wednesday and closed the day lower by 65 points. After opening with a negative note, Nifty showed further decline in the early to mid-part of the session. Upside recovery has emerged from the day's low and Nifty finally closed the day lower.

A small negative candle was formed on the daily chart with minor upper and lower shadow, which reflect volatility in the market. Technically, this pattern signals a formation of high wave type candle pattern after a reasonable decline from the new highs.

Immediate support of 10day EMA has been broken on the downside and Nifty is currently placed near another support of 20day EMA around 24270 levels. These moving averages have been upheld in the last 5-6 weeks and the market's inability to sustain above these supports could eventually open sharp weakness ahead.

However, the formation of bullish hammer and the high wave back-to-back in two sessions could signal temporary halt in sharp downside momentum. A sustainable move above 24580 levels could only confirm near term bottom reversal pattern.



**Conclusion:** The short term trend of Nifty continues to be weak. Further weakness from here could find lower supports around 24270-24100 and one may expect emergence of buying from the lows. Immediate hurdles to be watched around 24580.



## OPEN SHORT TERM CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	UPSIDE %	VALID TILL
1	24-JUL-24	BUY	VEDL 29TH AUG 440 PUT OPTION	22.4	22.3	17.5	30	34.8	29-JUL-24
2	24-JUL-24	SELL	BAJAJ FINANCE AUG FUT	6622-6755	6,647.6	6,859.0	6230	6.3	7-AUG-24

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	3-JUL-24	BUY	IPCA LAB*	1155-1114	1236.6	1155.0	1240.0	1305.0	6	3-SEP-24
2	16-JUL-24	BUY	INDIAN BANK	580-555	569.6	540.0	625.0	665.0	17	16-SEP-24
3	16-JUL-24	BUY	HIL	2979.5-2757.5	3013.0	2677.5	3519.5	3577.5	19	16-OCT-24
4	24-JUL-24	BUY	DEEPAK FERTILIZERS	783.40-725	842.5	695.0	880.0	920.0	9	24-OCT-24

\*= 1st Target Achieved





## QUARTERLY RESULTS ANNOUNCED

COMPANY	Q1FY25		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
Axis Bank	13448.2	6034.6	12.5	4.1	2.7	-15.4	Below expectations
Craftsman Automation	1151.2	53.2	10.9	-28.6	4.1	-14.7	Below expectations
ABSL AMC	386.6	235.7	24.3	27.7	5.8	13.1	As per expectations
L&T	55120.0	2786.0	15.0	12.0	-18	-37	Above expectations
Indraprastha Gas	3520.6	401.5	3.3	-8.4	-2.1	4.9	Above Expectations

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