

# The Daily

May 21, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	73917	253	0.34
NIFTY	22466	62	0.28
MIDCAP	42841	498	1.18
SMALL CAP	47592	652	1.39

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
CD	54804	1289	2.41
AUTO	53087	938	1.80
REALTY	7825	129	1.68
METAL	32469	479	1.50
OIL & GAS	28783	340	1.19
CG	66293	515	0.78
POWER	7553	53	0.71
FINANCE	10585	39	0.37
BANKEX	55004	201	0.37
HEALTHCARE	35450	39	0.11
TECK	15906	-100	-0.63
IT	34178	-255	-0.74

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
GLAXO	13.23	HONAUT	-5.04
DIXON	8.27	MPHASIS	-2.55
SOLARINDS	8.17	VOLTAS	-2.45
IRFC	7.11	HDFCAMC	-2.12
ENDURANCE	6.96	MANYAVAR	-2.10

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2403	61
DECLINES	1410	36
UNCHANGED	126	3

INSTITUTIONAL ACTIVITY			
Rs Cr	17-05-2024	18-05-2024	MAY TOTAL
FII	1617	-93	-37793
DII	1556	-153	40299

## Indian markets could open flat, despite mildly lower Asian markets today and mixed US markets on May 20

U.S. stocks ended mixed on Monday, as the Dow Jones Industrial Average fell after ending last week above the 40,000 milestone. The Nasdaq closed at a record high on Monday and gold jumped to an all-time high as investors considered hawkish statements from the Federal Reserve against indication of cooling U.S. inflation.

Crude oil futures gave up early Monday gains to finish lower, as traders weighed potential risks to global crude supplies following the death of Iran's president in a helicopter crash and concerns about the health of Saudi Arabia's king. Oil prices fell in early Asian trade on Tuesday, with investors anticipating higher-for-longer U.S. inflation and interest rates will depress consumer and industrial demand.

Minutes of the US Fed's latest monetary policy meeting are scheduled to be released on Wednesday. Markets are pricing in a 63.3% chance for a cut of at least 25 basis points (bps) at the September meeting, the CME's FedWatch Tool showed.

Asian shares took a respite on Tuesday after seven days of gains, and an index of commodities reached a 15-month high.

Nifty ended higher for the second consecutive session on May 17. Domestic markets extended gains for the third straight session on May 18 with Nifty ending at 22502. Both Sensex and Nifty closed with 0.1 percent gains in a special trading session. On weekly charts, it has formed a bullish piercing pattern formation. A weekly close above 22588 will negate the implications of the bearish candle of the previous week.

Nifty could in the near-term rise towards 22604-22776 band while 22217 could offer support. We are entering the two crucial weeks for the markets when the election phases will happen and vote counting will bring out the winner. This period could be volatile most likely on the upside with index moving up and stocks tending to top out one after the other.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	39807	-196.82	-0.49
S & P 500	5308	4.86	0.09
NASDAQ	18674	127.96	0.69
FTSE	8424	3.94	0.05
CAC	8196	28.47	0.35
DAX	18767	62.64	0.33
NIKKEI	39123	34.00	0.09
SHANGHAI	3158	-13.09	-0.41
HANG SENG	19336	-300.22	-1.53
BOVESPA	127751	-400.00	-0.31

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.3	0.20
EURO/USD	1.085	-0.03
USD/GBP	1.270	-0.04
USD/JPY	156.5	0.14

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2423.8	-0.60
SILVER (\$ / Oz)	31.7	-2.18
CRUDE OIL FUTURES	79.0	-0.43
BRENT OIL (\$ / Barrel)	83.4	-0.39

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.095	-

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	68.7	0.66
HDFC BANK	56.5	-0.48
ICICI BANK	27.1	-0.48
TATA MOTORS	25.1	0.00
WIPRO	5.39	0.00
VEDANTA LTD	16.50	0.00
INFOSYS	17.13	0.00

## Tata Motors' arms partner with Bajaj Finance to provide financing to passenger, EV dealers

Tata Motors passenger vehicles and passenger electric mobility subsidiaries have tied up with Bajaj Finance for providing supply chain finance solutions to their respective dealers. Tata Motors Passenger Vehicles (TMPV) and Tata Passenger Electric Mobility (TPEM), subsidiaries of Tata Motors, have joined hands with Bajaj Finance to extend supply chain finance solutions to its passenger and electric vehicle dealers.

## Airtel Africa's Dutch hold-company completes \$550 million bond repayment

Airtel Africa's Netherlands-based international holding company has concluded a \$550 million bond repayment that was due this month with an aim to cut foreign currency debt.

## RITES signs pact with Bangladesh Railway to supply 200 passenger coaches

RITES Limited signed a contract with Bangladesh Railways to supply 200 broad-gauge passenger carriages to the neighbouring country. "The export arm of Indian Railways, RITES, has won the USD 111.26 million (approximately Rs 915 crore) contract, funded by European Investment Bank, through a global competitive bidding process.

## Godrej Properties acquires 10 land parcels in FY24 to build Rs 21,000 crore worth projects

In a bid to expand the business, Godrej Properties acquired 10 land parcels, of which eight were outright, last financial year to build housing projects worth over Rs 21,000 crore and has set a target for this fiscal to buy more parcels that can generate sales bookings of Rs 20,000 crore. In its investors presentation, Godrej Properties informed that it "added 10 new projects with an expected future booking value of Rs 21,225 crore".

## Indian Oil signs second long-term LNG deal with France's Total Energies

Indian Oil Corporation Ltd signed a long-term contract with French energy giant Total Energies in France for supply of LNG (liquefied natural gas), two people aware of the development said. Under the contract, Total Energies would supply 1 million metric tonne per annum (mmtpa) of LNG to IOCL for a period of around 10 years.



## **Kalpataru Projects signed contracts in Saudi Arabia with Aramco worth Rs 7550 crore**

Company signed three Aramco contracts worth approximately Rs 7,550 crore for three packages of third expansion phase of Master Gas System Network in Saudi Arabia.

## **US FDA inspection at Lupin's Somerset facility**

US FDA concluded a Pre-Approval Inspection at Lupin's Somerset, New Jersey manufacturing facility. The inspection was conducted from May 7, 2024 to May 17, 2024, and closed with an issuance of a Form-483 with six observations. The company is addressing the observations comprehensively and will respond to the US FDA within the stipulated timeframe.

## **RVNL received an order worth Rs 148.27 crore**

Rail Vikas Nigam Limited has received Letter of Acceptance from SER HQELECTRICAL/SOUTH EASTERN RAILWAY for Design, Supply, Erection, Testing and Commissioning for upgradation of Electric traction system from 1 x 25 KV to 2 x 25 KV traction system for Kharagpur (Excl.) - Bhadrak (Excl.) section of Kharagpur division of South Eastern Railway to meet 3000 MT loading Target. The order is valued at Rs 148.27 crore. It is to be executed over the next 18 months.

## **Bharat Electronics Ltd. (BEL) Q4FY24 results key takeaways**

**Reported numbers:** BEL's numbers were above expectations in Q4FY24, margins declined on YoY basis. With robust order book, the company could report strong revenue growth going forward. Its consolidated revenue grew by 32.1% YoY to Rs 8564 crore in Q4FY24.

EBITDA was up 24.9% on YoY basis to Rs 2287 crore. EBITDA margin was at 26.7% in Q4FY24 vs. 28.3% in Q4FY23, impacted by higher raw material cost and other expenses on YoY basis.

Net profit increased 30% on YoY basis to Rs 1797 crore. Net profit margin stood at 21% in Q4FY24 vs. 21.3% in Q4FY23.

**Order book position:** The order book position of the company as on April 01, 2024, stood at Rs 75,934 crore, book to bill stood at 4.2x TTM sales.

**Earnings and valuation:** BEL recommended a Final Dividend of Rs 0.80 per Equity share (face value of Rs.1/- each). Earnings per share was at Rs 2.5 in Q4FY24, Rs 5.5 in FY24, and Rs 4.1 in FY23. At a LTP of Rs 259 stock is trading at 37.5x FY26E EPS

## **Vimta Labs Q4FY24 result update**

Revenue for the quarter declined 1.8% YoY at Rs 79.6 crore. EBITDA margin improved 80bps YoY at 30.5%. Net profit was down 2.4% YoY at Rs 12.4 crore.

Company has initiated long term partnerships with globally leading pharmaceutical and animal health companies.

EPS for the quarter stood at Rs 5.5 and it stood at Rs 18.2 for FY24. Board recommended Rs 2 per share final dividend for the year. At CMP, the stock trades at 19x FY26E EPS.

## **SAIL Q4FY24 result update**

Revenue for the quarter declined 4% YoY at Rs 27958 crore. EBITDA margin expanded 240bps YoY at 12.5%. Net profit was down 2.9% YoY at Rs 1125.7 crore. PBT before exceptional items increased 21.3% YoY at Rs 1943.5 crore. Q4FY24 included exceptional loss of Rs 502.3 crore.



## **Data Patterns Q4FY24 result update**

Revenue declined 1.5% YoY at Rs 182.3 crore. EBITDA margin improved 1140bps YoY at 51%. Gross margin expanded 1410bps YoY at 71.8%. Net profit was up 28.4% YoY at Rs 71.1 crore.

Other Income was up 222% YoY at Rs 12.3 crore.

Order book as on March, 2024 stood at Rs 1,083 crore.

Company has secured more than Rs 670 crore of orders during FY24.

Board has recommended a final dividend of Rs 6.5 per share for FY24.

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

### **China's fiscal revenue shrank 2.7% in Jan-April amid shaky economic recovery**

China's fiscal revenue slipped 2.7% in the first four months of 2024 from a year earlier, after a 2.3% slide in the January-March period, in a further sign of an uneven economic recovery.

Fiscal expenditure rose 3.5% in the first four months, versus a 2.9% gain in the first quarter, according to finance ministry data

### **New supply chain pressure metric shows improvement has stalled : NY Fed**

A new set of supply availability indexes show that improvement in firms' access to inputs hit a wall over the past couple of months, the Federal Reserve Bank of New York said.

### **Japan manufacturers want BOJ to keep yen stable, survey shows**

Japan's large manufacturers saw exchange rate stability as the biggest factor they wanted out of the central bank's monetary policy, a Bank of Japan survey showed.





Index	CMP	View	R1	R2	S1	S2
Nifty May Future	22541	Positive	22675	22800	22430	22315
Bank Nifty May Future	48290	Positive	48750	49160	47890	47450

## Daily Technical View on Nifty

### Uptrend continuation pattern..



**Observation:** Nifty continued with positive bias with range bound action on the special trading session of Saturday-18<sup>th</sup> May and the market closed the day with gains of 35 points.

A small positive candle was formed on the daily chart on Friday with minor upper and lower shadow. Small negative candle was formed on the special trading session of Saturday. Technically, these two candle pattern signal uptrend continuation in the market with range bound action.

Nifty on the weekly chart has bounced back sharply this week. After the formation of long bear candle in the last week, we observe a formation of long bull candle from the lows, which is signaling a bullish Piercing line type candle pattern. This is positive indication and one may expect further upside in the coming week.

The larger range bound action came into play again this week. Nifty bounced back from near the lower range of 21750 this week. Now, all eyes on market reaching the upper range of 22800 levels as per the range pattern target.



**Conclusion:** Nifty sustained the crucial lower supports and bounced back sharply. As per the pattern of larger range movement of 22800-21750 levels, Nifty is expected to move towards the upper range of 22800 levels or slightly higher in the next 1 or 2 weeks. Immediate support is at 22200, which can be placed as SL for trading longs.

The market is preparing for a big move after the important political event of 4th June (2024 General Election Results). However, exit poll predictions on television around 1st June evening could hint the probable outcome of results.



## OPEN SHORT-TERM TRADING CALLS

NO	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	17-MAY-24	BUY	MCX 30TH MAY 4000 CALL OPTION	131.05	154.9	85.0	200	29.2	22-MAY-24
2	13-MAY-24	BUY	AXIS BANK MAY FUT	1135.40-1108	1,145.0	1,090.0	1198	4.6	27-MAY-24
3	13-MAY-24	BUY	ABBOT INDIA MAY FUT	27123.55-26350	26,555.3	26,079.0	28525	7.4	27-MAY-24
4	16-MAY-24	BUY	TATA COMM MAY FUT	1787.10-1750	1,798.2	1,722.0	1892	5.2	30-MAY-24
5	16-MAY-24	BUY	LTIM MAY FUT	4735-4666	4,761.0	4,610.0	4920	3.3	30-MAY-24
6	17-MAY-24	BUY	DIVIS LAB MAY FUT	3932.60-3879	3,921.3	3,835.0	4080	4.0	31-MAY-24
7	17-MAY-24	BUY	ITC MAY FUT	435.50-422	436.8	417.9	457.5	4.7	31-MAY-24
8	14-MAY-24	BUY	HEG	2409-2337	2,485.1	2,290.0	2560	3.0	28-MAY-24
9	16-MAY-24	BUY	BF UTILITIES	920.40-890	926.5	874.0	990	6.9	30-MAY-24
10	17-MAY-24	BUY	GMDC	421-408	435.5	400.0	455	4.5	31-MAY-24
11	17-MAY-24	BUY	MAITHAN ALLOYS	1285.15-1245	1,319.4	1,221.0	1380	4.6	31-MAY-24
12	17-MAY-24	BUY	MTAR TECH	1932.10-1875	2,042.3	1,838.0	2050	0.4	31-MAY-24

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	5-APR-24	BUY	BALRAMPUR CHINI	387.35-374	381.2	360.9	419.0	449.0	18	5-JUN-24
2	8-APR-24	BUY	GODREJ PROPERTIES*	2603-2490	2856.1	2603.0	2860.0	3020.0	6	8-JUN-24
3	24-APR-24	BUY	CAMPUS	240-246.15	256.5	234.0	270.0	294.0	15	24-JUN-24
4	26-APR-24	BUY	COROMANDEL INTERNATIONAL*	1179.10-1135	1250.4	1179.1	1264.0	1359.0	9	26-JUN-24
5	7-MAY-24	BUY	TECH MAHINDRA	1284.50-1240	1305.7	1215.0	1380.0	1478.0	13	7-JUL-24
6	14-MAY-24	BUY	IRFC*	155.15-148	173.3	143.0	170.0	185.0	7	14-JUL-24
7	15-MAY-24	BUY	SHIPPING CORPORATION	217.40-207	231.0	200.0	238.0	254.0	10	15-AUG-24
8	15-MAY-24	BUY	GUJARAT ALKALI	783-728	813.0	713.0	869.0	893.0	10	15-AUG-24
9	16-MAY-24	BUY	AMI ORGANICS	1170-1240	1244.3	1145.0	1333.0	1420.0	14	16-AUG-24
10	17-MAY-24	BUY	BITES	686.70-651	715.9	632.0	752.0	815.0	14	17-AUG-24

\*= 1st Target Achieved



## QUARTERLY RESULTS ANNOUNCED

COMPANY	Q4FY24		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
<b>Bharat Electronics</b>	8564.1	1796.7	32.2	30.0	105.8	108.9	<b>Above Expectations</b>



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