

# The Daily

Nov 05, 2024





| DOMESTIC INDICES |       |        |          |
|------------------|-------|--------|----------|
|                  | CLOSE | POINTS | % CHANGE |
| SENSEX           | 78782 | -942   | -1.18    |
| NIFTY            | 23995 | -309   | -1.27    |
| MIDCAP           | 45680 | -605   | -1.31    |
| SMALL CAP        | 54705 | -918   | -1.65    |

| SECTORAL INDICES |       |        |          |
|------------------|-------|--------|----------|
|                  | CLOSE | POINTS | % CHANGE |
| IT               | 40467 | -47    | -0.12    |
| TECK             | 18583 | -93    | -0.50    |
| HEALTHCARE       | 43854 | -244   | -0.55    |
| AUTO             | 53634 | -523   | -0.97    |
| BANKEX           | 58303 | -584   | -0.99    |
| CD               | 60405 | -746   | -1.22    |
| FINANCE          | 11432 | -143   | -1.23    |
| CG               | 68524 | -1054  | -1.51    |
| METAL            | 30966 | -528   | -1.68    |
| POWER            | 7734  | -163   | -2.06    |
| OIL & GAS        | 27005 | -703   | -2.54    |
| REALTY           | 7643  | -236   | -3.00    |

| BSE 200 GAINERS/LOSERS |      |            |       |
|------------------------|------|------------|-------|
| GAINERS                | %    | LOSERS     | %     |
| NAUKRI                 | 2.95 | RVNL       | -5.16 |
| PNB                    | 2.69 | SOLARINDS  | -4.64 |
| MAXHEALTH              | 2.60 | STARHEALTH | -4.58 |
| BAJAJHLDNG             | 2.38 | HEROMOTOCO | -4.25 |
| DIXON                  | 2.11 | IOC        | -4.21 |

| ADVANCE/DECLINES |      |    |
|------------------|------|----|
|                  | BSE  | %  |
| ADVANCES         | 1351 | 32 |
| DECLINES         | 2717 | 65 |
| UNCHANGED        | 131  | 3  |

| INSTITUTIONAL ACTIVITY |            |            |           |
|------------------------|------------|------------|-----------|
| Rs Cr                  | 01-11-2024 | 04-11-2024 | NOV TOTAL |
| FII                    | -212       | -4330      | -4542     |
| DII                    | -377       | 2936       | 2559      |

**Indian markets could open flat to mildly higher, in line with mostly higher Asian markets today and despite negative US markets on Nov 04**

U.S. stocks ended lower on Monday after a choppy session, as investors await the too-close-to-call presidential election on Tuesday. US stocks failed to gain traction and bonds climbed, with polls continuing to depict a tight race in the US presidential election ahead of the Federal Reserve rate decision.

New orders for U.S.-manufactured goods fell for a second straight month in September, and business spending on equipment appears to have pulled back in the third quarter. Factory orders dropped 0.5% after a downwardly revised 0.8% decrease in August, the Commerce Department's Census Bureau said on Monday. Economists polled by Reuters had forecast factory orders would fall 0.5% after a previously reported 0.2% decline in August. Factory orders were unchanged from a year earlier.

The HSBC India Manufacturing Purchasing Managers' Index rose from September's eight-month low of 56.5 to 57.5 in October, indicating a substantial and accelerated improvement in operating conditions.

China's services activity expanded at the fastest pace in three months in October, helped by early signs that Beijing's big stimulus push was helping improve business conditions, a private-sector survey showed on Tuesday. The Caixin/S&P Global services purchasing managers' index (PMI) grew to 52.0 in October from 50.3 the previous month.

Asia-Pacific markets traded mostly higher on Tuesday as investors prepared for the U.S. presidential election and a possible interest rate cut from the Federal Reserve later this week.

Nifty closed with a loss of 309 points or 1.27% at 23995 on Nov 04. Nifty broke below the previous swing low of 24073 and 23893, made on 25th October 2024 and 5th August 2024 respectively. Trend of the Nifty remains down as it is placed below 10,20,50 and 100 days EMA. Immediate support for Nifty is seen at 23816, below which it could further fall to 23502. On the higher side 24300 is expected to act as a stiff resistance.



## GLOBAL INDICES

|           | CLOSE  | POINTS  | % CHANGE |
|-----------|--------|---------|----------|
| DOW JONES | 41795  | -257.59 | -0.61    |
| S & P 500 | 5713   | -16.10  | -0.28    |
| NASDAQ    | 19964  | -69.54  | -0.35    |
| FTSE      | 8184   | 7.09    | 0.09     |
| CAC       | 7372   | -37.40  | -0.50    |
| DAX       | 19148  | -107.12 | -0.56    |
| NIKKEI    | 38539  | 485.33  | 1.28     |
| SHANGHAI  | 3350   | 40.12   | 1.21     |
| HANG SENG | 20649  | 80.98   | 0.39     |
| BOVESPA   | 130515 | 2394.00 | 1.87     |

## EXCHANGE RATES

|          | VALUE | % CHANGE |
|----------|-------|----------|
| USD/INR  | 84.1  | 0.20     |
| EURO/USD | 1.088 | 0.00     |
| USD/GBP  | 1.296 | 0.00     |
| USD/JPY  | 152.3 | 0.09     |

## COMMODITIES

|                         | VALUE  | % CHANGE |
|-------------------------|--------|----------|
| GOLD (\$ / Oz)          | 2736.1 | -0.37    |
| SILVER (\$ / Oz)        | 32.5   | -0.39    |
| CRUDE OIL FUTURES       | 71.5   | 0.10     |
| BRENT OIL (\$ / Barrel) | 75.2   | -0.16    |

## BOND YIELD

|                       | VALUE | ABS CHANGE |
|-----------------------|-------|------------|
| IND10 YEAR BOND YIELD | 6.909 | +0.068     |

## ADR

|                | VALUE | % CHANGE |
|----------------|-------|----------|
| DR REDDY'S LAB | 74.0  | -0.38    |
| HDFC BANK      | 62.5  | -1.09    |
| ICICI BANK     | 30.2  | -0.63    |
| TATA MOTORS    | 25.1  | 0.00     |
| WIPRO          | 6.43  | -1.08    |
| VEDANTA LTD    | 16.50 | 0.00     |
| INFOSYS        | 20.72 | -0.19    |

### CIL should prioritise augmenting coal production, supplies to reduce import

Coal India Ltd (CIL) to prioritize increasing coal production and supply to curb imports. CIL's efforts to improve miner welfare and support communities near closed mines.

### Bajaj auto domestic 2-wheelers sales dropped 8 pc

Bajaj Automobiles' domestic two-wheeler sales decreased by 8 per cent in October compared to last year. However, the company's overall two-wheeler sales rose by 2 per cent due to strong exports, which grew by 22 per cent. Domestic commercial vehicle sales also saw a decline.

### Ashok Leyland total sales fell 9%

Ashok Leyland, a prominent commercial vehicle manufacturer, experienced a 9% decrease in total vehicle sales for October, dropping to 15,310 units from 16,864 a year ago. Sales of medium and heavy commercial vehicles fell 8%, while light commercial vehicles saw a 12% decline. Domestic sales also dropped 11% compared to the same period last year.

### Bandhan Financial Services acquires global IT company Genisys

Bandhan Financial Services Ltd (BFSL), promoter of Bandhan Bank, has ventured into the IT sector by acquiring Genisys group of companies for nearly Rs 100 crore. This strategic move aims to leverage technology for business solutions and enhance shareholder value. Genisys, specializing in AI-enabled solutions for various sectors, will operate under BFSL with expanded capabilities.

### Bata India Q2FY25 results key takeaway

Bata India revenue from operations in Q2FY25 stood at Rs 854 crore, registering a rise of 2.4% YoY and reported growth of 23% YoY in consolidated net profit at Rs 520 crore.

### JK Paper Q2FY25 result update

Overall numbers were lower than expectations in the quarter. Revenue for the quarter grew 2% YoY at Rs 1683cr as against estimate of Rs 1757cr. Operating margin slipped 900bps YoY at 15.7% as against expectation of 17.8%. Operating performance was primarily affected due to continuing high wood cost. Finance cost increased 62% YoY at Rs 68cr. Net profit declined 57.5% YoY at Rs 128.5cr. Other Income was down 45% YoY at Rs 32cr.

EPS for the quarter stood at Rs 7.25 and it was at Rs 14.5 for H1FY25. At CMP, the stock trades at 7.5x FY26E EPS.



## **Andhra Paper Q2FY25 result update**

Overall numbers were weak for the quarter. Revenue for the quarter declined 10.3% YoY at Rs 432.3cr. Operating margin slipped 1510bps YoY at 12.1%. Net profit declined 58.4% YoY at Rs 41.7cr. Other Income was higher by 42% YoY at Rs 30.3cr.

EPS for the quarter stood at Rs 2.1 and it was at Rs 3.5 for H1FY25. At CMP, the stock trades at 6.5x FY26E EPS.

## **Gland Pharma Q2FY25 result update**

Revenue for the quarter grew 2.4% YoY at Rs 1405.8cr as against estimate of Rs 1449cr. EBITDA margin contracted 250bps YoY at 21.1% as against expectation of 20.5%. Gross margin was down 300bps YoY at 59%.

Net profit declined 15.7% YoY at Rs 163.5cr. PBT for the quarter was down 11.3% YoY at Rs 257cr. Other Income was up 12% YoY at Rs 59.7cr. Cenexi reported revenue of Rs 340cr with operating loss of Rs 68.5cr in Q2FY25. Management guided for positive EBITDA from Q4FY25 onwards from Cenexi. Company maintains goal of a positive EBITDA for the next fiscal year, driven by an increase in revenue above €200 million threshold.

Company filed 15 ANDAs and received approval for 15 products in H1FY25. As on Sep-2024, the company has filed 363 ANDAs and out of which 59 pending approval with the US FDA. Company has net cash & equivalents of Rs 2541cr as on Sep-2024 as compared to Rs 2176cr as on Mar-2024.

EPS for the quarter stood at Rs 9.9 and it stood at Rs 18.65 for H1FY25. At CMP, the stock trades at 27.5x FY26E EPS.



## Important news/developments to influence markets

### **US Factory Orders decline less than expected, showing modest recovery**

The US economy has witnessed a slight improvement as the latest data on Factory Orders shows a less-than-anticipated decrease. The actual figure recorded a drop of 0.5%, which is less severe than the forecasted decrease of 0.4%.

### **Euro zone investor morale slightly up, but 'turnaround looks different'**

Investor morale in the euro zone rose for a second consecutive month in November, though by slightly less than expected, as somewhat greater satisfaction with the current situation boosted the overall mood, a survey showed on Monday.

### **Euro zone manufacturing slump shows signs of stabilising in October, PMIs show**

Euro zone manufacturing showed some signs of stabilisation in October as while activity contracted for a 28th month it did so at a shallower pace, according to a survey which showed an ongoing decline in demand had also eased.

### **India's factory growth accelerates in October, PMI shows**

India's manufacturing growth gained momentum in October after decelerating for three months as demand improved significantly, helping in job creation and leading to a better business outlook, according to a business survey released on Monday.

### **French industry stuck in recession and outlook stays bleak, survey finds**

France's manufacturing sector remained stuck in decline in October as factory output fell at its fastest rate in nine months, dragged down by low new orders, particularly from international clients, a survey showed on Monday.

### **German factory sector catches breath in October after tough September, shows PMI**

The downturn in Germany's manufacturing sector eased somewhat in October as output, new orders and employment all slowed their rates of decline after the previous month saw the fastest contraction in a year, a survey showed on Monday.



| Index                        | CMP          | View     | R1    | R2    | S1    | S2    |
|------------------------------|--------------|----------|-------|-------|-------|-------|
| <b>Nifty Nov Future</b>      | <b>24100</b> | Negative | 24220 | 24350 | 23960 | 23820 |
| <b>Bank Nifty Nov Future</b> | <b>51541</b> | Negative | 51950 | 52480 | 51060 | 50575 |

## Daily Technical View on Nifty

**The market is in strong downside momentum..**

**Observation:** After showing minor pull back rally amidst range movement in the last five sessions, Nifty slipped into sharp weakness on Monday and closed the day lower by 309 points.

After opening with a minor positive note, the market slipped into a steep weakness in the early to mid-part of the sessions. Minor upside recovery with range bound action was seen in the mid to later part of the session.

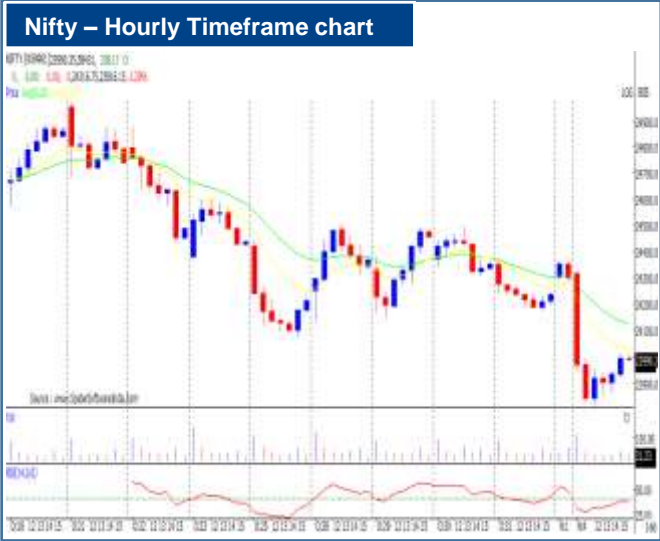
A long bear candle was formed on the daily chart with minor lower shadow. Technically, this candle pattern indicates a decisive downside breakout of the range movement.

Bearish pattern like lower highs and lower lows is continued on Nifty as per daily timeframe chart.

The sharp downside breakouts after minor pull back rallies of the last few weeks signal downside breakout of the bearish flag patterns. This could mean that the market is currently in a strong downside momentum.

**Conclusion:** The short term trend of Nifty continues to be down and one may expect more weakness in the short term.

The next crucial lower supports to be watched around 23500, which is 200 day EMA. Any bounce back from here could find strong resistance around 24200 levels.







## OPEN SHORT TERM CALLS

| NO. | RECO DT.  | RECO | COMPANY NAME | ENTRY        | CMP     | SL      | TARGET 1 | UPSIDE % | VALID TILL |
|-----|-----------|------|--------------|--------------|---------|---------|----------|----------|------------|
| 1   | 4-NOV-24  | SELL | BHEL NOV FUT | 233.44-238   | 234.19  | 242     | 220      | 6.1      | 18-NOV-24  |
| 2   | 30-OCT-24 | BUY  | TITAGARH     | 1194.85-1175 | 1,175.6 | 1,165.0 | 1280     | 8.9      | 13-NOV-24  |
| 3   | 31-OCT-24 | BUY  | CENTRAL BANK | 56.3-54.5    | 56.0    | 53.0    | 62       | 10.8     | 14-NOV-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         | 849.3  | 760.0  | 905.0    | 990.0    | 17       | 10-JAN-25   |
| 2   | 28-OCT-24 | BUY  | CAN FIN HOMES     | 850-860, 790    | 856.4  | 765.0  | 960.0    | 1040.0   | 21       | NEXT DIWALI |
| 3   | 28-OCT-24 | BUY  | AXIS BANK         | 1189-1210, 1100 | 1139.3 | 1070.0 | 1332.0   | 1403.0   | 23       | NEXT DIWALI |
| 4   | 28-OCT-24 | BUY  | KAURUR VYSYA BANK | 214-218, 192    | 223.1  | 183.0  | 249.0    | 269.0    | 21       | NEXT DIWALI |
| 5   | 28-OCT-24 | BUY  | STYLAM INDUSTRIES | 2195-2230, 2000 | 2299.1 | 1880.0 | 2560.0   | 2690.0   | 17       | NEXT DIWALI |
| 6   | 29-OCT-24 | BUY  | BANK OF BARODA    | 251.5-239       | 252.7  | 234.0  | 270.0    | 290.0    | 15       | 29-DEC-24   |
| 7   | 30-OCT-24 | B    | SCI               | 211.85-200      | 213.3  | 194.0  | 227.0    | 270.0    | -27      | 30-JAN-25   |
| 8   | 31-OCT-24 | B    | DCB BANK          | 121.86-115      | 120.0  | 113.0  | 132.0    | 140.0    | -17      | 31-JAN-25   |
| 9   | 31-OCT-24 | B    | ION EXCHANGE      | 683.5-642.5     | 686.6  | 628.8  | 762.0    | 786.0    | -14      | 31-JAN-25   |

\*= 1st Target Achieved

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