

Thursday, 16 January 2025



Nifty	Sensex	US \$	Gold \$	Crude Oil \$
23,213.20	76,724.08	109.06	2,696.41	80.16
0.16%	0.29%	-0.02%	0.06%	0.16%

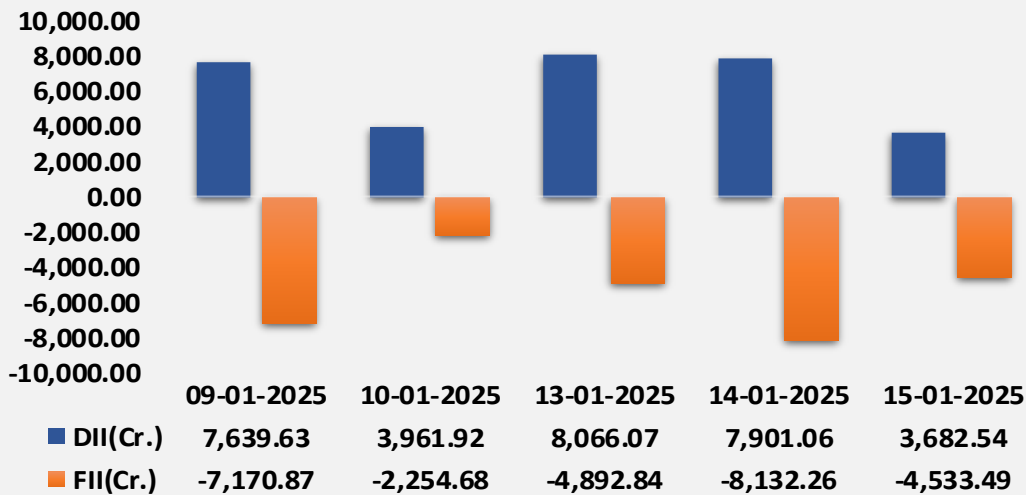
Equity Indices – Key Valuation Ratio

Index	Last Close	% Change	P/E	Dividend Yield
Sensex	76,724.08	0.29	22.22	1.18
Nifty	23,213.20	0.16	21.37	1.30
Nifty Smallcap 50	8,288.10	0.71	28.63	0.91
Nifty Midcap 50	15,038.40	0.46	47.07	0.82
Nifty Auto	22,712.75	-0.53	22.17	0.99
Nifty Bank	48,751.70	0.05	13.11	1.02
Nifty Energy	33,821.20	0.76	15.44	2.31
Nifty Fin. Services	22,680.10	-0.19	15.73	0.94
Nifty FMCG	55,549.85	-0.14	45.34	1.86
Nifty IT	43,401.25	0.79	33.79	1.90
Nifty Pharma	21,972.70	-1.04	34.76	0.61
Nifty PSU Bank	6,150.95	0.10	7.00	2.40
Nifty India Defence	6,066.35	-0.19	46.65	0.55

Equity Market Observations

Wall Street indices surged overnight following a cooler-than-expected core inflation report and strong earnings from US major banks JP Morgan and Goldman Sachs Group, which rose for the third consecutive month to 2.9%. Asian stocks also traded higher in early hours today. The European Central Bank will release its meeting minutes, while US data on initial jobless claims and retail sales will provide a broader economic outlook. South Korea unexpectedly kept rates unchanged, Japan's producer prices rose 3.8% in December, and oil prices saw limited gains due to the Hamas ceasefire deal in Israel. Brent crude fell from \$82, while a large drop in US crude inventories kept oil prices buoyant. Foreign Institutional Investors (FIIs) witnessed again net selling ₹4,533.49 crore of equity. It's a busy earnings day with large cap stocks such as Infosys, Reliance Industries, Axis Bank, and LTI Mindtree set to announce their third-quarter results, which could offer key market direction. Watch out for Adani Group stocks as the group is in advanced negotiations with Dubai-based Emaar Properties to acquire a majority stake in its Indian arm, Emaar India, for an estimated Rs 4,000-5,000 crore. The domestic equity market may trade in a positive territory today.

Fund Activity



Economic Update: India & Global

India Total Passenger Vehicle Sales - Total passenger vehicle sales in India surged 11.4% year-over-year to 270,704 units in December 2024, following a 4.3% rise in the previous month. As the new year commences with a positive sentiment being created through the Bharat Mobility Global Expo, this momentum would further propel growth in 2025.

United Kingdom Inflation Rate - The United Kingdom's inflation rate eased to 2.50% in December 2024 from 2.60% in November, remaining below the long-term average of 2.82% recorded since 1989. Inflation peaked at an all-time high of 11.10% in October 2022 and hit a record low of -0.10% in April 2015. The recent slowdown was driven by a deceleration in prices for restaurants and hotels, which grew by 3.4% (the lowest since July 2021) compared to 4% in November, influenced by a 1.9% decline in hotel prices.

India Balance of Trade- India's trade deficit narrowed to \$21.94 billion in December 2024 from \$32.84 billion in November, driven by higher exports and lower imports. The deficit remains a key focus as Donald Trump plans to establish the External Revenue Service to impose tariffs, potentially impacting global trade.

United States Inflation Rate- The annual inflation rate in the US increased for the third consecutive month to 2.9% in December 2024, up from 2.7% in November, in line with market expectations. This rise is partly due to low base effects from last year, especially in energy. Energy costs saw a smaller decline, particularly for gasoline (-3.4% vs -8.1%), fuel oil (-13.1% vs -19.5%), and natural gas (4.9% vs 1.8%). Additionally, inflation accelerated for food (2.5% vs 2.4%) and transportation (7.3% vs 7.1%), while price decreases for new vehicles were less significant.

Economic Event for the Day

- USA Initials Jobless Claim (previous 201k)
- USA Retail Sales (Previous 0.7%)
- Great Britain Balance of Trade (Previous £-3.72B)

Key Stocks in Focus

- **Rail Vikas Nigam** has secured a ₹3,622 crore order from Bharat Sanchar Nigam Limited (BSNL) for developing, upgrading, and maintaining the Middle Mile network of BharatNet under the Design, Build, Operate, and Maintain (DBOM) model. Impact- **Positive**
- **Azad Engineering** has entered into a long-term supply agreement with GE Vernova International LLC, USA, to provide highly engineered rotating and stationary airfoils for advanced gas turbine engines. This phase of the contract is valued at \$112 million (approximately ₹960 crore) to meet global demand in the power generation industry. Impact- **Positive**
- **Happiest Minds Technologies** announced a collaboration with Coca-Cola Beverages Vietnam to deploy an innovative GenAI conversational interface. Impact- **Positive**
- **Rashi Peripherals** has announced its plan to acquire a 70% equity stake in Satcom Infotech, a distributor specializing in cybersecurity solutions. Impact- **Neutral to Positive**
- **Indian Railway Finance Corporation** has signed a lease agreement with NTPC for eight BOBR rakes worth ₹250 crore in the first phase. The IRFC Board had approved financing for 20 BOBR rakes under the General Purpose Wagon Investment Scheme (GPWIS) of Indian Railways, amounting to up to ₹700 crore, to be provided to NTPC on a finance lease basis in October 2024. Impact- **Positive**
- **Swiggy** has received approval from the Ministry of Corporate Affairs for the incorporation of Swiggy Sports, a wholly owned subsidiary of the company. Impact- **Neutral to Positive**

Quarterly Results Update

- **HDFC Life Insurance** reported a 13.66% YoY rise in Q3 standalone profit to ₹414.9 crore, with net premium income increasing 10% to ₹16,771.3 crore. Net commission surged 55.1% to ₹1,932.5 crore, while total APE grew 11.9% to ₹3,569 crore. VNB rose 8.6% to ₹930 crore, though the VNB margin declined to 26.06% from 26.8%.
- **L&T Technology Services** Q3 results (QoQ) showed a 0.87% rise in profit to ₹322.4 crore, with revenue up 3.1% at ₹2,653 crore. EBIT increased 8.8% to ₹421.9 crore, expanding the margin by 80 bps to 15.9%. Dollar revenue grew 1.7% to \$311.9 million.
- **CEAT** Q3 results (YoY) reported a 46.5% drop in profit to ₹97.1 crore, while revenue grew 11.4% to ₹3,300 crore. EBITDA declined 18.3% to ₹340.9 crore, with margins shrinking 380 bps to 10.3%.
- **Transrail Lighting** Q2 (YoY) results showed a 19.1% rise in profit to ₹55.1 crore, with revenue increasing 11.4% to ₹1,088.4 crore. EBITDA grew 16.2% to ₹138.4 crore, and margins improved by 50 bps to 12.7%.
- **Authum Investment and Infrastructure** Q3 (YoY) results showed a 10.3% decline in profit to ₹539.4 crore, while revenue fell 10.8% to ₹616.9 crore.
- **Oracle Financial Services Software** Q3 (YoY) results reported a 27% drop in profit to ₹541.3 crore, with revenue decreasing by 5.9% to ₹1,715.2 crore.
- **Punjab & Sind Bank** reported a 146.7% YoY surge in Q3 profit to ₹282 crore, supported by a 27% rise in net interest income to ₹938.8 crore and a 74.7% jump in pre-provision operating profit to ₹484 crore. Provisions increased to ₹109.3 crore YoY but dropped sequentially from ₹150.6 crore. Asset quality improved, with gross NPA falling to 3.83% (vs. 4.21% QoQ) and net NPA reducing to 1.25% (vs. 1.46% QoQ).

Results for the Day

Reliance Industries, Infosys, Axis Bank, LTIMindtree, Alok Industries, Havells India, Bhansali Engineering Polymers, D B Corp, Hatsun Agro Product, Kesoram Industries, Mastek, Metro Brands, Mudra Financial Services, Plastiblends India, Shemaroo Entertainment, Spencers Retail, Sterling and Wilson Renewable Energy, and Waaree Renewable Technologies

Latest IPOs

Closed IPOs

Laxmi Dental Limited's IPO, which was open from January 13 to January 15, 2025, with a price band of ₹407 to ₹428 and an issue size of ₹698.06 crore, saw a robust response. By 5:00 pm on the final day, the IPO was subscribed 114.14 times. The retail investor quota was subscribed 75.1 times, the non-institutional investor (NII) portion 147.69 times, and the qualified institutional buyer (QIB) category 110.38 times. The allotment will be released later this evening. The company's diversified product portfolio, robust professional network, and strategic use of digital technologies are key drivers of its growth potential.

Ongoing IPOs

Stallion India Limited's, a book-built issue worth ₹199.45 crore, comprises a fresh issue of 1.79 crore shares totaling ₹160.73 crore and an offer for sale of 0.43 crore shares amounting to ₹38.72 crore. The IPO will be going to opens today and closes on January 20, 2025. The company specializes in refrigerant and industrial gases, known for quality and cost-effective products. By focusing on high-margin offerings and strategic expansion, it aims to boost earnings. With reasonable pricing and solid financials, the IPO is suitable for medium to long-term investment.

Bulk Deals

Company	Acquirer	Qty	Price	Seller	Qty	Price
SHANGAR	SHARE INDIA SECURITIES LIMITED	500000	5.9	UMA SHANKAR EXIM PRIVATE LIMITED	500000	5.9
NAV KAR	SETU SECURITIES PVT LTD	3000000	12.9	MANSI SHARE & STOCK ADVISORS PRIVATE LIMITED	3000000	12.9
GUJTLRM	JNSP TRADING LLP	1483082	13.93	JNSP TRADING LLP	1483082	13.95
MOBIKWIK	MARWADI CHANDARANA INTERMEDIARIES BROKERS PRIVATE LIMITED	473232	475.43	MICROCURVES TRADING PRIVATE LIMITED	483756	479.98

Source: SSL Research Centre/ET/Business Standard/Trading Economics/Money control/Mint, Etc.,

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