

Monday, 20 January 2025



Nifty	Sensex	US \$	Gold \$	Crude Oil \$
23,203.20	76,619.33	109.19	2,695.37	77.9
-0.47%	-0.55%	-0.19%	-0.21%	0.18%

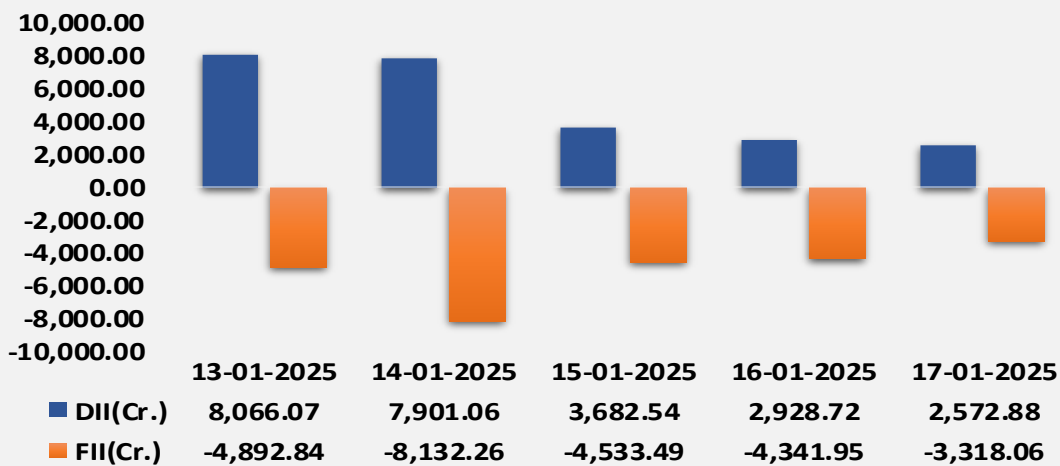
## Equity Indices – Key Valuation Ratio

Index	Last Close	% Change	P/E	Dividend Yield
Sensex	76,619.33	-0.55	22.06	1.21
Nifty	23,203.20	-0.47	21.36	1.39
Nifty Smallcap 50	2,080.60	-0.44	58.73	0.12
Nifty Midcap 50	15,139.65	0.05	47.29	0.81
Nifty Auto	22,791.10	-0.31	22.24	0.99
Nifty Bank	48,540.60	-1.50	13.06	1.03
Nifty Energy	34,686.10	1.20	15.84	2.26
Nifty Fin. Services	22,608.20	-1.46	15.67	0.94
Nifty FMCG	55,800.85	1.02	45.55	1.85
Nifty IT	42,032.20	-2.68	32.72	2.51
Nifty Pharma	22,061.70	0.69	34.90	0.61
Nifty PSU Bank	6,294.00	-0.22	7.14	2.34
Nifty India Defence	21,676.35	0.19	27.96	0.75

## Equity Market Observations

All eyes are on Trump's inauguration as the 47th U.S. President tonight, with crude oil prices rising amid supply concerns linked to U.S. sanctions on Russia's energy sector over the Ukraine conflict. In early Asian trading, equities climbed, following U.S. market gains after a constructive dialogue between Trump and Chinese leader Xi Jinping. On domestic front, the index heavyweight Reliance helped to limit the losses post earnings report of higher profit on last Friday. Wipro reported a 4.5% QoQ increase in consolidated net profit for Q3, driven by margin improvement which will indicate positive price movements. Kotak Mahindra Bank's Q3 2025 results fell short of expectations, showing a quarterly decline in total income. The continuous offloading of shares by FIIs, totaling ₹3,318.06 crore on Friday, is a bit of a concern. Today, results from major banks and financial companies, including Paytm, Central Bank of India, IDBI Bank, Indian Overseas Bank, Indian Railway Finance Corporation, and ICICI Securities, are expected to influence the sector's movements. The domestic equity market is likely to remain volatile in the near term ahead of Q3FY25 earnings.

### Fund Activity



## Economic Update: India & Global

**China GDP Annual Growth Rate-** The Chinese economy expanded by 5.4% yoy in Q4 2024, accelerating from 4.6% in Q3 and surpassing market estimates of 5.0%. It was the strongest annual growth rate in 1-1/2 years, boosted by a series of stimulus measures launched since September to boost recovery and regain confidence.

**United Kingdom Retail Sales-** Retail sales in the UK unexpectedly dropped 0.3% month-over-month in December 2024, following a revised 0.1% increase in November, and missing the forecasted 0.4% rise. The decline was driven by a 1.9% fall in food stores, particularly supermarkets, although a 1.1% increase in non-food stores, including a 4.4% rebound in clothing retailers, partly offset the decline.

**India Foreign Exchange Reserves -** India's foreign exchange reserves fell to \$625 billion in the second week of 2025, the lowest since March 2024, down from a peak of \$704.9 billion in September. The decline reflects RBI's forex sales to manage the rupee's crawling peg. Despite this, the rupee hit new record lows as slowing growth and market barriers led foreign investors to shift focus to other Asian markets, while equity benchmarks fell and G-Sec yields rose.

**United States Industrial Production -** U.S. industrial production rose by 0.9% in December 2024, the strongest increase since February, far exceeding the expected 0.3% rise. The growth was mainly driven by a 0.2 percentage point contribution from aircraft and parts production, following the resolution of a work stoppage at a major manufacturer.

## Economic Event for the Day

- Japan Industrial Production (Previous 2.8%)

## Key Stocks in Focus

- Adani Electricity Mumbai (AEML), a subsidiary of **Adani Energy Solutions**, has signed a Share Purchase Agreement with Adani Properties to acquire 100% of Superheights Infraspace. This entity holds development rights for a 3,000 sq. meter plot at Bandra Kurla Complex, Mumbai, where AEML is building a 220 kV extra high-voltage substation. Impact- **Positive**
- **Ashapura Minechem's** overseas subsidiary has signed a long-term Memorandum of Understanding (MOU) with China Railway to collaboratively develop its Fako bauxite deposit in Guinea's Kindia region. Impact- **Positive**
- **Dixon Technologies** subsidiary, IsmartU India (IIPL), has signed a binding Memorandum of Understanding with KHY Electronic India for the acquisition of land, buildings, machinery, and other tangible assets for Rs 133 crore. Impact- **Neutral to Positive**
- **Hyundai Motor Company** is exploring a potential collaboration with **TVS Motor** to develop advanced electric three-wheelers and micro four-wheelers in India. While no binding agreements have been made, Hyundai would focus on design, engineering, and technology, while TVS Motor would handle manufacturing and marketing of the vehicles. Impact- **Neutral to Positive**
- **KP Energy** has successfully commissioned a 6.3 MW (Phase-XI) ISTS-connected wind power project at the Sidhpur site in Devbhoomi Dwarka, completing the entire 252 MW project capacity. Impact- **Neutral to Positive**
- **Hitachi Energy's** Board has approved raising funds of up to Rs 4,200 crore through public issue, rights issue, preferential allotment, private placement, including qualified institutional placement (QIP), in one or more tranches. Impact- **Positive**

## Quarterly Results Update

- **Tech Mahindra's** Q3 profit dropped 21.4% QoQ to ₹983.2 crore, while revenue dipped slightly by 0.2% to ₹13,285.6 crore. EBIT rose 5.5% to ₹1,350.2 crore, with margins improving by 60 bps to 10.2%. Dollar revenue fell 1.3% to \$1,567.5 million.
- **Wipro's** Q3 IT services revenue increased 0.4% QoQ to ₹22,285.1 crore, while EBIT rose 4.5% to ₹3,899 crore, with margins expanding 70 bps to 17.5%. Dollar revenue dropped 1.2% to \$2,629.1 million, and constant currency revenue grew 0.1%. The company declared an interim dividend of ₹6 per share and projected Q4 IT services revenue in the \$2,602-2,655 million range, reflecting growth of (-1%) to +1%.
- **Kotak Mahindra Bank's** Q3 (Standalone YoY) profit rose 10% to ₹3,304.8 crore, while net interest income grew 9.8% to ₹7,196.3 crore. Provisions and contingencies surged 37.1% YoY to ₹794.1 crore and increased 20.2% QoQ from ₹660.4 crore.
- **RBL Bank's Q3** (Standalone YoY) profit plunged 86% to ₹33 crore, while net interest income grew 3% to ₹1,585 crore. Provisions and contingencies surged 159.5% YoY to ₹1,188.9 crore and 92.3% QoQ. Tax credit stood at ₹224.9 crore compared to tax expenses of ₹74 crore. Net NPA declined to 0.53% from 0.79% QoQ, while Gross NPA rose slightly to 2.92% from 2.88%.
- **Jio Financial Services** Q3 (Consolidated YoY) reported a profit growth of 0.3% at ₹294.8 crore compared to ₹293.8 crore, while revenue increased by 6% to ₹438.4 crore from ₹413.6 crore.
- **ICICI Lombard General Insurance** Q3 (YoY) reported a 67.9% surge in profit to ₹724.4 crore from ₹431.5 crore. The combined ratio improved to 102.7% from 103.6%, while gross direct premium income dipped 0.3% to ₹6,214 crore. Return on average equity rose to 21.5% from 15.3%, and the solvency ratio declined to 2.36x from 2.65x.
- **Rallis India** Q3 (YoY) reported a 54.2% decline in profit to ₹11 crore from ₹24 crore, while revenue fell 12.7% to ₹522 crore from ₹598 crore.
- **Indian Hotels** Q3 (Consolidated YoY) reported a profit growth of 32.6% to ₹632.5 crore from ₹476.9 crore, while revenue surged 29% to ₹2,533 crore from ₹1,963.8 crore.
- **Ramkrishna Forgings** Q3 (Consolidated YoY) reported a 14.7% increase in profit to ₹99.6 crore from ₹86.86 crore, while revenue grew 7.85% to ₹1,073.8 crore from ₹995.6 crore.

## Results for the Day

One 97 Communications Paytm, Zomato, APL Apollo Tubes, Central Bank of India, Dixon Technologies, IDBI Bank, Indian Overseas Bank, Indian Railway Finance Corporation, ICICI Securities, Jammu & Kashmir Bank, L&T Finance, MCX India, Newgen Software Technologies, Oberoi Realty, and Sunteck Realty.

## Latest IPOs

### Ongoing IPOs

**Stallion India Limited's**, a book-built issue worth ₹199.45 crore, comprises a fresh issue of 1.79 crore shares totalling ₹160.73 crore and an offer for sale of 0.43 crore shares amounting to ₹38.72 crore. The IPO will close today. On the second day of bidding, the IPO was subscribed 32.19 times. The retail investor portion was subscribed 31.15 times, while the non-institutional investor (NII) portion saw a strong subscription of 77.13 times. The qualified institutional buyer (QIB) category has been subscribed 0.31 times. 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
CGFL	SUPRIYA KATARIA	500000	33.02	BSEL INFRASTRUCTURE REALTY LIMITED	500000	33
IFINSER	NNM SECURITIES PVT LTD	35000	34.4	VIBHUTI ENTERPRISES	29999	34.4
HARSHILAGR	UMA SHANKAR EXIM PRIVATE LIMITED	831666	5.77	AMIN ABDULBHAI NAYANI	867524	5.76
Aeroflex Industries Ltd	HRTI PRIVATE LIMITED	1227742	242.38	GRAVITON RESEARCH CAPITAL LLP	1233196	238.77

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

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