

Friday, 14 February 2025



Nifty	Sensex	US \$	Gold \$	Crude Oil \$
23,031.40	76,138.97	107.07	2,927.80	71.4
-0.06%	-0.04%	-0.83%	-0.13%	0.18%

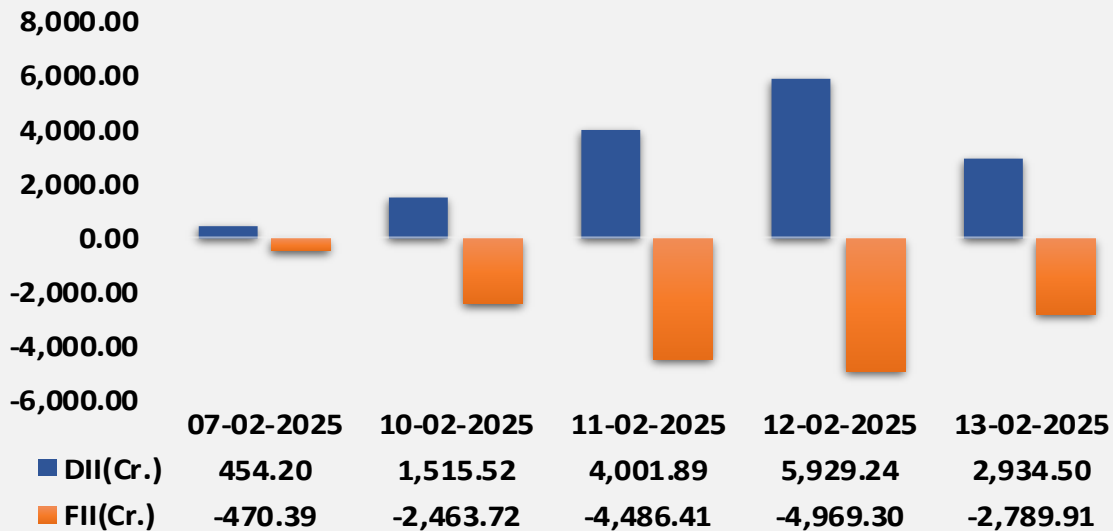
Equity Indices – Key Valuation Ratio

Index	Last Close	% Change	P/E	Dividend Yield
Sensex	76,138.97	-0.04	21.20	1.23
Nifty	23,031.40	-0.06	20.51	1.45
Nifty Smallcap 50	14,997.50	-0.35	28.23	0.96
Nifty Midcap 50	14,257.05	0.27	39.20	0.82
Nifty Auto	22,344.30	-0.28	21.58	1.13
Nifty Bank	49,359.85	-0.24	12.91	1.01
Nifty Energy	31,286.80	-0.10	14.42	3.00
Nifty Fin. Services	23,272.40	0.34	15.55	0.92
Nifty FMCG	53,314.75	-0.79	43.43	2.05
Nifty IT	41,315.55	-1.00	31.31	2.48
Nifty Pharma	21,427.10	1.35	33.16	0.66
Nifty PSU Bank	5,997.85	-0.90	6.35	2.46
Nifty India Defence	18,407.20	-0.14	24.00	1.11

Equity Market Observations

Overnight, Wall Street indices ended higher. Oil prices remained steady above \$71 per barrel as markets assessed the impact of former President Donald Trump’s directive on potential reciprocal tariffs. Asian markets were in positive gains on Friday, buoyed by optimism that the U.S. tariffs might be delayed, opening room for negotiations. The reciprocal tariff study is set to conclude by April 1, with implementation expected from April 2. Yesterday, after a gap-up start, the Indian equity indices advanced as investor sentiment improved, supported by global and domestic factors, including cooling retail inflation at a five-month low and declining crude prices amid progress in ending the Ukraine-Russia war. However, the equity indices observed profit booking later as FIIs continued their selling spree for the seventh consecutive day, offloading equities worth Rs 2,789.91 crore. Sectors to watch include defence and oil & gas, as India explores a new trade deal under Prime Minister Modi. Meanwhile, India and the U.S. aim to double bilateral trade to \$500 billion by 2030, which is positive sign for India. Stocks in focus today include Hindalco, Godfrey Phillips, KNR Construction, and IPCA Labs, which reported strong earnings. **We believe, there is no major negatives on Trump-Modi meeting and India agrees to buy more oil & gas from US. However, market participants are likely to remain in focus on geopolitics & US trade war tensions. One is advised to note that, the domestic equity markets will heavily depend on GDP growth and Corporate earnings growth in long term scenario.**

Fund Activity



Economic Update: India & Global

United Kingdom Balance of Trade Dec - The UK's trade deficit narrowed to £2.82 billion in December 2024, the smallest since September, down from £4.35 billion in November. Imports fell 1.5% to £71.88 billion, driven by lower goods imports from China and Switzerland, while exports rose 0.7% to £69.06 billion. EU imports dropped 3.3%, mainly in machinery and transport equipment, while services imports increased 1.5%. Goods exports remained steady at £28.8 billion, with non-EU exports rising 3.5% and EU exports declining 3.6%, mainly to Germany and France. Services exports grew 1.2%.

United Kingdom Industrial and Manufacturing Production Dec - The UK's industrial production fell 1.9% YoY in December 2024, easing from a 2% decline in November but missing forecasts of a 2.1% drop. Manufacturing production declined 1.4%, extending from a 1.1% fall but performing better than the expected 1.9% drop. Industrial and manufacturing output remains below historical averages, with past highs in 1973 and 2021, respectively, and record lows in April 2020.

United Kingdom GDP MoM Dec - The UK economy grew 0.4% MoM in December 2024, the fastest in nine months, surpassing the 0.1% forecast. Growth was driven by a 0.4% rise in services, particularly in professional, scientific, and technical activities (1.2%) and administrative support (1.1%). Industrial production increased by 0.5%, with manufacturing up 0.7%, led by pharmaceuticals (5.1%) and machinery (5.9%). Mining and quarrying grew 1.5%, while declines were seen in electricity and gas (-0.6%), water supply (-0.4%), construction (-0.2%), and sectors like computer programming and car sales.

US initial jobless Feb/08 - US initial jobless claims dropped by 7,000 to 213,000 in early February, below the expected 215,000. Continuing claims fell by 36,000 to 1.85 million, beating forecasts of 1.88 million. The data reflects a resilient labor market, supporting the Fed's cautious stance on rate cuts.

Today's Economic event

- India WPI Inflation YoY Jan- (Previous 2.37%)
- India Bank Loan and Deposit Growth Jan/31 – Previous (11.5% & 10.8%)
- India Foreign Exchange Reserve Feb/07 – Previous (\$630.61B)
- USA Industrial and manufacturing Production MoM Jan – Previous (0.9% & 0.6%)

Key Stocks in Focus

- **TCS** has partnered with UPM for a comprehensive IT transformation aimed at driving growth, enhancing user experience, and implementing an AI-first operating model. The collaboration will also improve the digital experience of UPM's 15,800 employees by leveraging AI for better human-machine interaction. Impact- **Neutral to Positive**
- **UltraTech Cement** has expanded its Karur, Tamil Nadu unit by adding 0.6 MTPA slag-based grinding capacity, raising the plant's total capacity to 3.30 MTPA. This increases its domestic grey cement capacity to 166.91 MTPA and global capacity to 172.31 MTPA, including 5.4 MTPA overseas. Impact- **Neutral to Positive**
- **Mahindra Lifespace Developers'** Board has approved raising up to ₹1,500 crore through a rights issue. Impact- **Neutral to Positive**
- **Piramal Enterprises'** Board has approved issuing NCDs worth up to ₹75 crore, with a green shoe option to retain oversubscription of up to ₹375 crore, via private placement. Impact- **Neutral to Positive**
- The RBI has authorized **Bank of Maharashtra** to establish an IFSC banking unit in GIFT City, Gandhinagar, Gujarat. Impact- **Positive**
- **Bank of Baroda's** Board has approved raising up to Rs 8,500 crore via QIP in tranches until March 2028. Additionally, it extended the timeline until March 2026 for raising Rs 4,000 crore through AT I and/or Tier II debt instruments from the previously approved Rs 7,500 crore capital plan. Impact- **Neutral to Positive**
- **One 97 Communications'** subsidiary, Paytm Money, has settled a case with SEBI over alleged norm violations by paying a settlement amount of Rs 45.50 lakh. Impact- **Neutral**

Quarterly Results Update

- **Hindalco Industries'** Q3 standalone profit surged 74.6% YoY to ₹1,463 crore, while revenue increased 17.2% to ₹23,776 crore. Impact- **Positive**
- **United Breweries'** Q3 standalone profit plunged 54.9% YoY to ₹38.3 crore, while revenue rose 9.6% to ₹1,998.4 crore. The company reported an exceptional loss of ₹25.8 crore. Impact- **Negative**
- **Godfrey Phillips India's** Q3 consolidated profit surged 48.7% YoY to ₹315.8 crore, while revenue climbed 27.3% to ₹1,591.3 crore. Impact- **Positive**
- **Kalpataru Projects International's** Q3 consolidated profit edged up 0.65% YoY to ₹141.96 crore, while revenue increased 17.1% to ₹5,732.5 crore. Impact- **Neutral**
- **Titagarh Rail Systems'** Q3 consolidated profit declined 16.1% YoY to ₹62.8 crore, while revenue dropped 5.5% to ₹902.2 crore. Impact- **Negative**
- **Manappuram Finance's** Q3 standalone profit increased 5.8% YoY to ₹453.4 crore, while net interest income rose 13.7% to ₹1,160.9 crore. Impact- **Negative**
- **Carborundum Universal's** Q3 consolidated profit plunged 68.8% YoY to ₹34.8 crore, while revenue grew 9% to ₹1,255.5 crore. Impact- **Negative**
- **Deepak Nitrite's** Q3 consolidated profit dropped 51.5% YoY to ₹98.1 crore, while revenue declined 5.3% to ₹1,903.4 crore. Impact- **Negative**

- **Nazara Technologies'** Q3 consolidated profit fell 52.9% YoY to ₹13.7 crore, while revenue surged 66.9% to ₹534.7 crore. Impact- **Negative**
- **KNR Construction's** Q3 consolidated profit jumped 78% YoY to ₹248.6 crore, while revenue declined 14.9% to ₹848.1 crore. Impact- **Positive**
- **IPCA Labs** reported a 9.4% revenue growth to Rs 2,245 crore, while EBITDA surged 40% to Rs 463 crore. Margins stood at 20.6%, surpassing the estimated 18.1%. Net profit jumped 39% to Rs 248 crore. Impact- **Positive**

Results for the Day

Glenmark Pharmaceuticals, Aditya Birla Fashion and Retail, Dilip Buildcon, Dr Agarwals Eye Hospital, Easy Trip Planners, Glaxosmithkline Pharmaceuticals, GVK Power, Samvardhana Motherson International, Narayana Hrudayalaya, RateGain Travel Technologies, Swan Energy, Uflex, and Zen Technologies.

IPO Details

Ongoing IPO

Ajax Engineering's ₹1,269.35 Cr IPO, an offer for sale, was open from February 10-12, 2025, at a price band of ₹599-₹629 per share. With a minimum lot size of 23 shares (₹14,467), the IPO subscribed 6.44 times overall. The QIB portion led with 14.41 times subscription, followed by NII (6.46x), retail (1.92x), and employees (2.62x). As a leader in SLCM machinery with over 75% market share, Ajax has demonstrated consistent growth. Despite election-related challenges, the IPO is reasonably priced, making it a potential medium- to long-term investment. Tentative listing date: February 17, 2025.

Hexaware Technologies' ₹8,750 crore mainline IPO opens for subscription from February 12 to February 14, 2025, comprising a full offer for sale. The IPO is priced at ₹674-₹708 per share with a face value of ₹1. Investors can apply for a minimum lot of 21 shares, requiring an investment of ₹14,868. The IPO was subscribed 15% as of second day. The retail segment saw a 6% subscription, while non-institutional investors subscribed to 3% of their quota. Qualified institutional buyers booked 39%, and the employee portion was subscribed at 17%. The stock is expected to list on February 19, 2025. With a strong presence in innovative solutions globally, the company has expanded its offerings over the past decade. Based on recent financials, the issue appears fully priced, but well-informed investors may consider it for medium to long-term gains in this dividend-paying firm.

Quality Power IPO, a ₹858.7 Cr mainline issue, opens for subscription from February 14-18, 2025. It includes a ₹225 Cr fresh issue and a ₹633.7 Cr offer for sale, with a price band of ₹401-₹425 per share. The minimum lot size is 26 shares (₹11,050). QPEEL, a growing player in energy transition equipment and power technologies, derives over 75% of its revenue globally. With strong financials and a niche market position, the IPO offers a promising medium- to long-term investment opportunity.

Bulk Deals

Company	Acquirer	Qty	Price	Seller	Qty	Price
VEL	DOLLY VISHAL SHAH	55400	11.3	AGRAWAL NIKUNJ	50000	11.3
GUJHYSPIN	VINIL KABRA	100000	20.5	BHAVIKA DHIRAJLAL CHAVDA	100000	20.57
ATALREAL	AUS ENTERPRISES	820000	13.51	ABDUL AHAD SHAKEEL MISTRY	807299	13.5
VITAL	CRAFT EMERGING MARKET FUND PCC-ELITE CAPITAL FUND	129600	76.5	V JOSHI IMPEX PRIVATE LIMITED	129600	76.5

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

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