

# Weekly Market insights & Strategies



26 January 2025

**Weekly Market Recap: India & Global**

The Indian equity markets experienced significant volatility last week amid fears over US President Donald Trump's tariff war policies, consistent FII outflows, a firm US dollar, and mixed earnings from domestic large-cap companies. The NIFTY (23,092.20) and SENSEX (76,190.46) fell by over 0.5% for the third consecutive week. FIIs were net sellers, offloading equities worth ₹22,504.08 crores, while DIIs countered the selling pressure by purchasing equities worth ₹17,577.36 crores, providing crucial support to market sentiment. Strong earnings in the IT sector helped offset some negativity, with IT stocks reaching 52-week highs and boosting investor confidence. Broader markets underperformed, with small-cap indices dropping 4% and mid-cap indices falling 2%. Most sectoral indices ended lower, with the BSE Realty index declining 9%, while the BSE IT index was a standout performer, gaining 4%. Weekly top NIFTY performers included Wipro (+11%), Ultratech (+6.1%), and Grasim (+6%), while laggards were Trent (-11.60%), Axis Bank(-8.60%) and DrReddy(-6%).

Globally, US markets saw gains, with the Dow Jones and Nasdaq 100 testing highs of 44,565 and 21,900, respectively, and the S&P 500 hitting a record 6,118.71, driven by President Trump's remarks on lower interest rates. However, trade war concerns tempered optimism. The Bank of Japan raised interest rates by 25 basis points to 0.5%, the highest since the 2008 financial crisis, signalling a policy shift.

On the currency front, the USD/INR appreciated 36 paise to close at 86.24, supported by improved HSBC India Manufacturing PMI data and lower crude oil prices. Commodities saw mixed performance, with gold gaining 1.27% to close at ₹80,026, while silver remained unchanged.

**Indian Equity Market Performance & Key Valuation Ratio**

Index	24-01-2025	% Change (WOW)	P/E	P/B	Dividend Yield
<b>Broader Indices</b>					
Nifty	23092.20	-0.48%	21.09	3.74	1.35
BSE Sensex	76190.46	-0.56%	21.87	3.93	1.19
BSE Midcap	42715.63	-2.45%	35.98	4.36	0.79
BSE Smallcap	50107.51	-4.40%	30.39	3.48	0.66
BSE 250 LargeMidCap	9948.87	-1.40%	23.53	3.89	1.14
<b>Sectoral Indices</b>					
BSE Fmcg	20367.28	0.16%	42.13	9.28	1.7
BSE Commodity	7005.28	-0.21%	30.78	2.8	1.25
BSE CD	9015.69	-4.88%	37.75	6.47	0.57
BSE Energy	10726.89	-3.70%	12.04	1.8	3.38
BSE Financial Services	10773.49	-1.17%	15.63	2.5	0.97
BSE Healthcare	42203.73	-1.08%	42.68	6.21	0.49
BSE IT	42713.61	2.26%	32.61	8.91	1.67
BSE Auto	49967.2	-3.06%	22.02	5.69	0.89
BSE Bankex	54723.35	-0.36%	12.79	2.32	0.93
BSE Metal	28504.94	-0.71%	15.03	2.25	3.26
BSE Oil & Gas	25182.02	-3.67%	11.46	1.54	3.63
BSE Power	6460.52	-3.68%	27.37	3.82	1.52
BSE Realty	6716.72	-10.12%	49.65	5.46	0.31

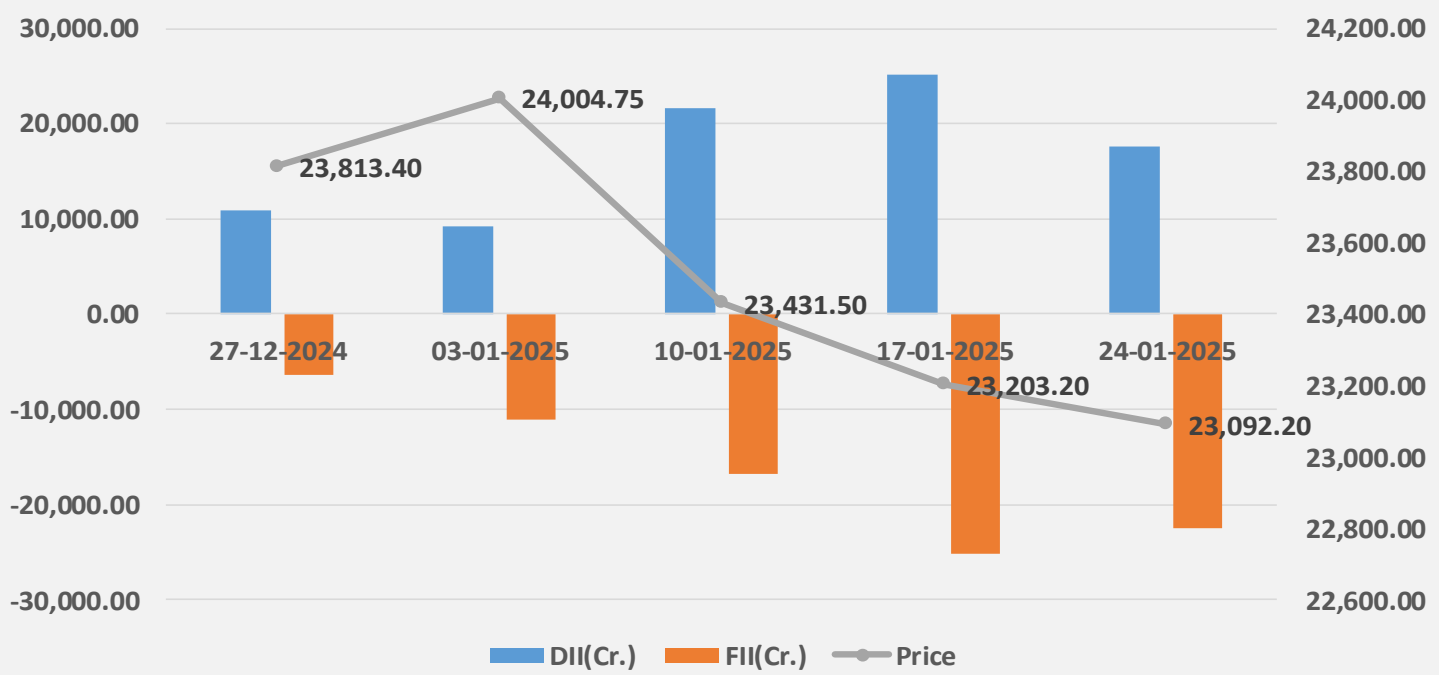
**Top Gainers**

Symbol	LTP	%Change (WoW)	%Change (MoM)
Kotak Mahindra Bank	1886.20	7.30%	7.80%
UltraTech Cement Ltd	11285.90	6.70%	-0.90%
Tech Mahindra Ltd	1723.10	3.80%	1.10%
Bajaj Finance Ltd	7438.60	3.60%	9.30%
Infosys Ltd	1875.50	3.30%	-1.80%

**Top Losers**

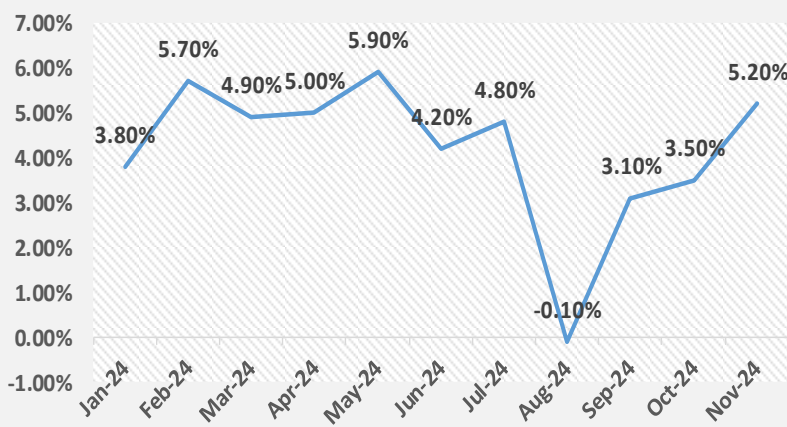
Symbol	LTP	%Change (WoW)	%Change (MoM)
Zomato Ltd	215.60	-13.30%	-21.60%
Adani Ports	1094.20	-6.00%	-7.50%
Tata Motors Ltd	734.10	-5.90%	-0.30%
Reliance Industries	1246.30	-4.30%	1.90%
Axis Bank Ltd	948.50	-4.30%	-12.10%

FII & DII Investment Flow Vs NIFTY50

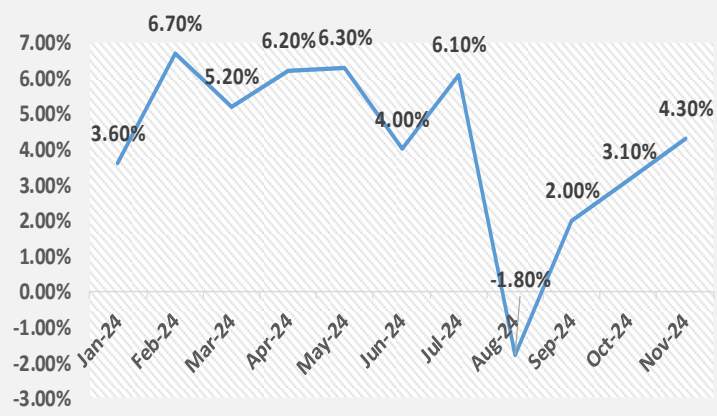


Macro-Economic Performance: India

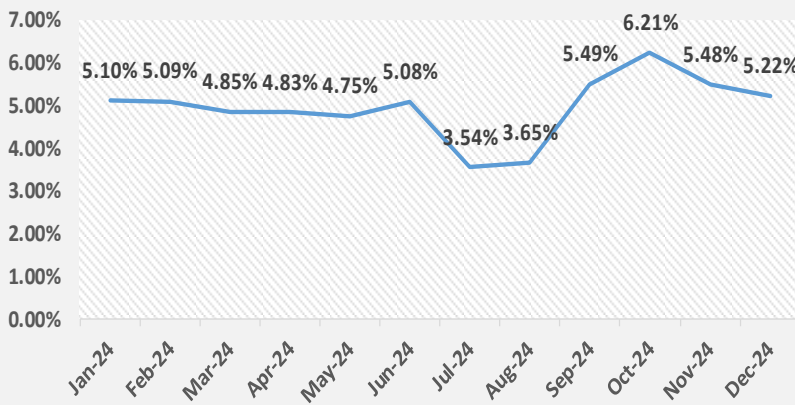
IIP (YoY)



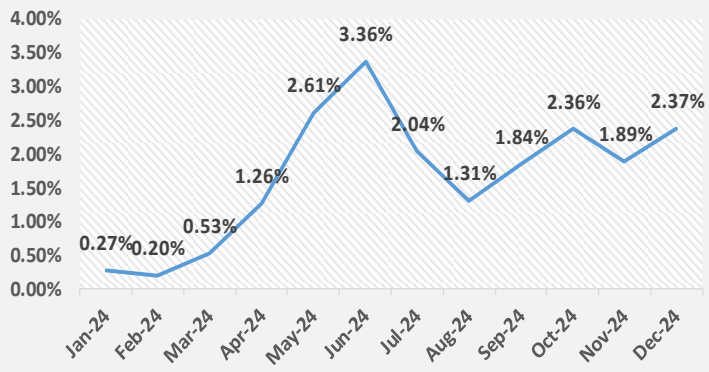
Infrastrucutre Output (YoY)



CPI (YoY)



WPI (YoY)



Market View from Research Desk:

The domestic equity indices are expected to remain highly volatile in the upcoming week ahead of on-going mixed Q3 earnings, FII's outflow, Trump Policies US GDP data and FOMC meet. Upcoming Union Budget 2025 will weigh on further bets in the domestic market. Technically the benchmark index NIFTY50 has failed to break above its key psychological level of 23400 and closed below its short term exponential moving averages with formation of bearish engulfing candlestick pattern on weekly chart indicating the index started moving into bearish territory and the bearish trend is likely to continue as long as the index trades below 23400 levels. On the downside, the support levels will be seen at 22970/22940 levels. Breakdown of 22940 would invite further selling pressure and then we could see NIFTY testing at 22790/22620 levels. We suggest short term traders/investors to hedge their positions/portfolios ahead of union budget 2025 and FOMC meet. On NSE sectoral front, Bank Nifty is likely to remain in consolidation zone with negative bias and breakout of 48750/48825 could open the door for further upside movements, while trades below 48070/47900 may indicate next round of selling pressure and further it can test at 47339 which is a 100 days EMA. The Nifty Metal & Pharma indices is likely to remain negative bias in the upcoming week, while Nifty IT & FMCG may trade with positive bias.

The USD/INR managed to end lower last week and lost 0.36 paise to end at 86.24 per dollar on January 24 against the January 17 closing of 86.61. Technically, the domestic currency pair is expected to consolidate in near term and the support lies @ 86.06/85.70/85.26 levels. On the higher side the resistance is seen at 86.64/87 levels. Keep an eye on FOMC meet & US GDP data (30th Jan 2025) which will weigh on domestic currency pair USD/INR price movements.

Gold (\$) witnessed buying pressure after US President implied lower interest rates and it can move towards new all-time high \$2820 & \$2850. The support will be at \$2730/\$2696. Any profit booking could be utilised as a buying opportunity for short term gains.

Brent Crude oil prices down by near 3% and it may go down further due to weak demand. The support may exist @ \$76.60/\$75.50 levels. It has resistance @ \$80.75/\$81.30. On domestic front, one is advised to note that drop in crude oil prices will help to narrow the CAD and lower the inflation.

Technical Pick for the Week:

Buy WIPRO (320.10)

Upside Potential: 10.86%



The stock has given a breakout from the cup and handle pattern on weekly chart which is a bullish continuation pattern and accompanied by good volumes, indicating strong buying momentum and it can move towards 340/351/359 in medium term. After given a consolidation breakout (176 and 222) on weekly chart, the stock has been trading within an upward sloping channel, which is indicating bullish trend. The MACD is positioned in positive territory, indicating upward momentum, while the Williams %R confirms the stock is in the overbought zone, aligning with the bullish view. On the downside, key support levels are identified at 305 and 293, which could serve as potential accumulation zones. We would remain positive on WIPRO and one can buy at current levels for the target of 351/359 and accumulate on dips for medium gains.



**Fundamental Pick for the Week:**

**Amber Enterprises India Ltd**

**Rating: Buy**

**Upside Potential: 16.48%**

Amber Group, established in 1990, is a leader in the HVAC industry, with three key business verticals: Consumer Durables (RAC products and components), Electronic Manufacturing Services (EMS) for industries like telecom, automotive, and electronics, and Railway Subsystems & Defense, offering integrated solutions for Indian Railways, metro, and defense sectors. Amber commands a substantial market share in the RAC industry(FY24), representing 27% (in value terms) of the manufacturing footprint in RAC sector.

**Investment Rationale**

➤ **Delivered strong performance during Q3FY25**

The company reported strong Q3FY25 results with consolidated revenue of Rs 2,133 crore, marking a 65% YoY growth. At the operating level, EBITDA improved 102.17% to ₹158.7 crore in the third quarter of this fiscal over ₹78.5 crore year-on-year. The EBITDA margin raised at 7.4% in the reporting quarter compared to 6.06% in

the corresponding period in the previous fiscal, while PAT stood at Rs 37 crore, a turnaround from a loss of Rs 1 crore in the previous year. The business diversification strategy is yielding results, with the Consumer Durable and Electronic divisions posting quarterly revenue growth of 67% and 96%, respectively. The company reported a total expense of ₹2,087 crores in Q3 of the current financial year. This marks a jump of nearly 61% from the ₹1,299.67 crore expense reported in Q3 of FY24. Its basic earnings per share (EPS) also turned positive at ₹10.61 in Q3.

➤ **Growth Momentum in Electronic Division**

The company states that The electronic division continues to be on transformative growth momentum with revenue growth of 96% year-on-year in Q3FY25. The growth levers are in place for further rapid scale up with addition of business application on PCB Assembly front, and on the Bare board front, the Ascent facility expansion coupled with JV with Korea Circuit for HDI, Flex and Semiconductor substrates PCB will pave the way for growth. The imposition of Anti-Dumping duty on PCBs (up to 6 layers) is helping the company expand into sectors such as Consumer Electronics, IT, Auto - EV, aerospace, and defense. The company has secured new orders in defense and renewable energy for PCB-A. Based on the current order book, the Electronic Division's revenue growth for FY25 is now forecasted to exceed 55%, with operating EBITDA margins expected to be around 8%.

➤ **Long term growth potential**

While the Railway Sub-systems & Defense division saw a 13% YoY revenue decline in Q3FY25 due to delayed product offtakes, the order book remains strong, and no cancellations have occurred, indicating long-term growth potential. Construction of Sidwal's greenfield facility is progressing well and is expected to begin operations by Q2FY26. The Yujin JV production facility will be ready by Q1FY26, with product trials starting in Q2/Q3FY26. The company has secured a significant HVAC order for a Metro project and is seeing strong traction in defense projects, with promising export opportunities. **Key Risks:** Supply chain & Logistics risks, Macroeconomic challenges, Falling profits and profit margin, PE of more than 100.

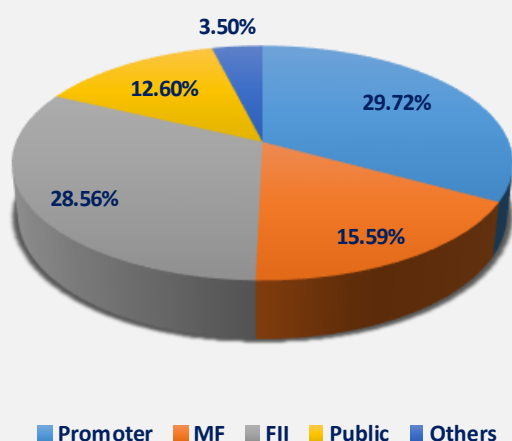
Recommendation	
Cmp (as on 24th Jan 2025)	6973.80
Buy & Accumulate	6800-7000
Target	8350
Upside Potential	16.48%
Time Frame	3 - 6 Months

Key Stock Data	
Nifty/Sensex	23092/76190
Industry	Household Appliances
Market Cap(Cr)	23587.84
52W High/Low	8177/2992.50
Shares o/s (crs)	3.30 Cr
Face Value	10
BSE Code	540902
NSE Symbol	AMBER
Bloomberg Code	AMBER:IN

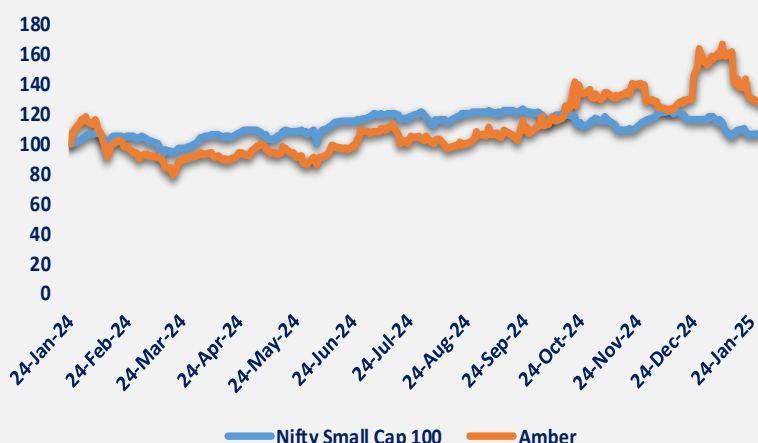
Peers:

Company Name	Price	MCap(Cr)	TTM PE	P/B	ROE(%)	% Change (YoY)	Net Profit (Rs.)	Net Sales (Rs.)	Debt to Equity
<b>Amber Enterprises</b>	<b>6,973.80</b>	<b>23,587.84</b>	<b>126.96</b>	<b>11.18</b>	<b>6.43</b>	<b>82.66</b>	<b>139</b>	<b>6,729</b>	<b>0.69</b>
Voltas	1,456.60	48,196.67	86.96	7.68	4.32	41.18	386	12,481	0.12
Blue Star	1,842.85	37,891.72	72.16	13.86	15.89	69.6	413	9,685	0.06
Johnson Control	1,705.85	4,638.36	166.91	7.87	-12.98	48.33	-75	1,918	0
Virtuoso Optoel	562.4	1,481.29	97.47	7.56	4.83	104.29	10	531	0.64

Shareholding Pattern



Stock Performance



➤ Valuation and Outlook:

The electronic devices manufacturer is expected to swing back to profitability in the ongoing quarter, reversing the net loss reported during the same period last year. With a robust festive season and summer ahead, the consumer durables market remains bullish on the Amber’s RAC business. For AMBER, the long term growth remains intact led by new client additions, the outlook for standalone and subsidiary operations, demand trends, and margin growth in the non-RAC, electronics, and railways segments. At CMP of Rs. 6973.80, Amber Enterprises India Ltd is trading at a PE of 126.86 times which looks bit expensive. However, strong growth momentum and robust demand in RAC and RAC components business, we recommend investors to BUY Amber with medium term target of 8350.

Q3FY25 Highlights:

- One out of 3 has set up its own manufacturing facility to which Amber Enterprises will supply components.
- The revenue from non RAC components grew 43% YoY in Q3FY25.
- The demand from commercial AC is also picking up and company signed one more customer in the segment.
- Revenue growth guidance in Electronics division for FY25E raised to 55% from 45% on back of strong growth witnessed in PCBA and bare PCB.
- The capex in Korea circuits JV will be finalised once the PLI scheme is announced.
- The company also bagged new orders in the defence and renewable energy for PCBA.
- Railway sub-systems and defence order book continues to be strong at more than Rs. 2000 cr.
- Sidwal Refrigeration bagged another HVAC order for metro rail during the quarter
- Defence projects also gaining robust traction with strong export avenues.

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