AXIS SECURITIES

Daily Morning Note

2 November 2023

Indices	Current Value	% 1 D	% YTD
Sensex	63,591	-0.4	4.5
Nifty	18,989	-0.5	4.9
BSE Midcap	31,137	-0.3	23.0
BSE Small cap	36,883	-0.1	27.5
Sectors – Performance (BSE)			
Realty	4,849	1.5	40.7
Telecom	2,016	1.2	16.4
Oil & Gas	18,296	0.3	-10.4
Metal	21,916	-1.4	5.1
Power	4,379	-1.2	-0.1
IT	30,827	-0.8	7.5

Nifty Gainers/Losers	CMP	% Chg
SUNPHARMA	1,116	2.5
BPCL	357	2.2
HINDALCO	463	0.7
ADANIENT	2,217	(3.4)
COALINDIA	307	(2.4)
SBILIFE	1,336	(2.3)

FII Trading activities in Cash

	Date	Net	MTD
FII	01-Nov-23	-1,817	-2,513
DII	01-Nov-23	1,622	1,962

Figs. in Rs Cr.

Global Indices	Current Value	% 1 D	% YTD
Dow Jones	33,275	0.7	0.4
NASDAQ	13,061	1.6	24.8
DAX	14,923	0.8	6.1
Nikkei 225	31,970	1.2	22.5
FTSE 100	7,342	0.3	(2.9)
Hang Seng	17,371	1.7	(13.8)
Shanghai A Sha	3,026	0.1	(2.9)

Source: Bloomberg; As on 7:30 am IST

Forex Rate			
INR/USD	83.3	-0.0	-0.7
INR/EUR	87.9	1.1	0.3
INR/GBP	101.1	0.4	-1.6
INR/YEN (100)	55.1	-0.3	14.0

Market Commentary

- **Most Asian** Markets are trading in the green, tracking positive cues from Wall Street overnight. Nikkei and Hang Seng indices are up by 1.15% and 1.17% respectively, while Shanghai Index is trading flat.
- **Indian Indices** are expected to open on a positive note. GIFT Nifty was at 19,214 vs. Yesterday's Nifty Futures close of 19,060.
- **US Markets** ended higher after the Federal Reserve kept interest rates unchanged. Weaker-than-expected US economic data led to expectations that the Fed will not raise interest rates further. A report showed that private sector employment in the US increased at a less-than-expected rate in the month of Oct'23, while a separate report showed that manufacturing activity in the US unexpectedly contracted at a faster rate in the month of Oct'23. The Dow Jones advanced 222 points or 0.7% to settle at 33,275 and the NASDAQ added 210 points or 1.6% to close at 13,061.

What's Inside

- Highlights of Axis Top Picks-November 2023
- Auto Monthly Volume Update

Q2FY24 Results

- **Result Update:** Bharti Airtel (BUY), PNC Infra (BUY), Ambuja Cements(BUY), RITES (HOLD), Tata Steel(First Cut), Britannia Industries, Hero Motocorp (First Cut), KEC International, MAS Financial Services
- **Results Preview (Coverage):** Cholaman.Inv.&Fn. , Dabur India, JK Lakshmi Cement, Minda Corp, Sheela Foam, Karnataka Bank, PSP Projects
- **Results Today (Non-Coverage):** Tata Motors, Adani Enterprises, Adani Power, Berger Paints India, Bombay Dyeing, Container Corporation of India, Godrej Properties, Gujarat Gas, Indian Energy Exchange, Indian Railway Finance Corporation, Kalpataru Projects International, Suzlon Energy

News in Focus

- **GAIL (India)** has signed an agreement with Bharat Petroleum Corporation for a 15-year supply of propane for its upcoming petrochemical plant in Usar (Maharashtra).
- **Pfizer** has entered into an agreement for transferring and assigning unexpired leasehold rights in the MIDC land in Turbhe (Thane), and the sale of structures and buildings constructed thereon to Zoetis Pharmaceutical Research for Rs 264 Cr.
- **Bondada Engineering** has received a work order worth Rs 381 Cr from Bharat Sanchar Nigam.

'Growth at a Reasonable Price' – an Overarching Theme

We are proud to share that our Axis Top Picks basket delivered impressive returns of 25% in the last one year, beating the benchmark Nifty 50 index (6% return over the same period) by a wide margin. The basket, however, declined by 2.5% in Oct'23 on account of the volatile equity market. Nonetheless, it still managed to beat the benchmark Nifty 50 as it de-grew more at 2.8% on an MoM basis. Keeping this in view, we continue to believe in our thematic approach to Top Picks selection.

Oct'23 turned out to be a volatile month for the equity market as it took a pause and the Nifty 50 corrected by 6% from the top. A few critical factors that led to this decline were a) The rise in the US 10-year bond yields, b) The ongoing geopolitical conflict in the Middle East, c) Rising and volatile crude prices, and d) Moderation in consumption growth. However, Small and Midcaps have been the winners in the last one year with growth of 29%/25% YoY respectively. On the positive side, Indian investors have demonstrated a high degree of maturity over the past year – a key reason why the Indian market has not experienced negative panic reactions like other economies. The monthly SIP flow in mutual funds has crossed Rs 16,000 Cr for the month of Sep'23, and it is a big positive indicator of investors' confidence. On the other side, FIIs have pulled out $2.8 Bn in the last one month, which was mainly triggered by a sudden surge in bond yield and the rise in the dollar index. This trend is more tactical in nature as any cool-off in bond yields and dollar index will be a positive signal for emerging market flows.

In Oct'23, all sectoral indices closed on a negative note except the Realty Index. In Mar'23, 33% of the stocks were trading above the 200-day moving average, indicating that the market was in the oversold zone. Since then, the market has witnessed a sharp recovery. However, the market witnessed some correction in the last two weeks due to escalated global geopolitical conflicts. With this move, 76% of the stocks are now trading above the 200-DMA vs. 86% during the last month. This indicates that the market is near the buying zone once again. From here onwards, we believe the market is likely to witness a style and sector rotation. With the strong catch-up by Midcaps and Smallcaps in the last couple of months, we believe the margin of safety at current levels in certain pockets has reduced as compared to Largecaps. Keeping this in view, the broader market may see some time correction in the near term and flows will likely shift to Largecaps. Factoring in the prevailing scenario of higher bond yields, rising crude prices, and the stronger dollar index, Largecaps appear to provide more margin of safety at current valuations than Midcaps and Smallcaps. Nonetheless, the long-term story of the broader Indian market continues to remain attractive.

Q2FY24 Review: Largely in line with expectations – 31 companies from the Nifty 50 index have published their quarterly results so far. 74% of the companies have beaten or been in line with the *earnings* expectations while 77% of the Nifty 50 companies are either in line or have beaten *revenue* expectations. To date, Banks, Auto, Pharma, and Industrials have posted good results. We expect Nifty FY24/FY25 earnings at 928/1048 with growth expectations of 17%/13% respectively, keeping in mind that we are still in the early days of earnings season and no material change in our expectations is called for till now. We will, nonetheless, review our estimates after the earnings season.

We believe that macroeconomic developments will continue to drive the market fundamentals in the near term. The critical near-term monitorables will be a) The outcome of the upcoming FOMC meeting, b) The direction of the US 10-year bond yields, c) The direction of the dollar index, d) The direction of crude prices in the view of escalated geopolitical tensions, and e) The upcoming state election. All these developments will keep the market volatile and range-bound in the near term and respond in either direction based on the ensuing developments.

We believe style and sector rotation will play a critical role in alpha generation. With the strong catch-up of Midcaps and Smallcaps in the last couple of months, we believe the margin of safety at current levels has reduced as compared to that available in Largecaps. Keeping this in view, the broader market may see some time correction in certain pockets in the near term and flows will likely shift to Largecaps. However, the long-term story of the broader market continues to remain attractive. In this context, the theme 'Growth at a Reasonable Price' looks attractive at the current juncture. Hence, we recommend investors to remain invested in the market and maintain good liquidity (10%) to use any dips in a phased manner and build a position in high-quality companies (where the earnings visibility is quite high) with an investment horizon of 12-18 months.

Keeping these latest developments in view, we have made one change to our Top Picks recommendations. This includes booking profit in CCL products and adding Westlife Foodworld. Our modifications reflect the changing market style and shift towards the theme – 'Growth at a Reasonable Price'.

Our Key Themes

Macro factors continue to take centre stage: We believe that macroeconomic developments will continue to drive the market direction moving forward and the critical near-term monitorables will be a) The outcome of the upcoming FOMC meeting, b) The direction of the US 10-year bond yields, c) The direction of the dollar index, d) The direction of crude prices in the view of escalated geopolitical tensions, and e) The upcoming state election. Currently, the market is building for one rate hike by the FOMC this year in the Nov'23 meeting, and that has been reflected in the US bond yields in the last couple of weeks. For the near term, FII flows are likely to remain volatile and influenced by the direction of bond yields, the dollar index, and oil prices. In the longer run, India will continue to attract FII flows as its economy continues to be in the sweet spot of growth and this will remain the biggest driver of Indian equities moving forward.

Style rotation is the key; 'Growth at a Reasonable Price' is an overarching theme: With strong catch-up by Midcaps and Smallcaps in the last couple of months, we believe their margin of safety at current levels has reduced in certain pockets as compared to that available in Largecaps. Keeping this in view, the broader market may see some '*time-correction'* in the near term and the flows will likely shift to Largecaps. However, the long-term story of the broader market continues to remain attractive. On top of it, 'Growth at a Reasonable Price' looks attractive at the current juncture on account of domestic play, cool-off in commodity prices and inflation, and expectation of rural recovery in the upcoming quarters.

Strategy for the investors: Geopolitical events often come up with a short-term reaction in the market because of the dominant news flow and the headlines which leads to market volatility. The current concerns are about the upside risk for the crude prices if more countries join hands in the current geopolitical conflicts and that will lead to the addition of risk premium to the crude prices. If crude prices sustain above the current levels for a longer time, it will add an upside risk to the inflation expectation for the remaining part of FY24 in the domestic market. As long as the economic impact is limited, the financial market will go back to what they were focusing on earlier to the events such as (i) The direction of inflation and (ii) The central banks' view on the stance "Higher for longer". Nifty is currently trading ~18.0x on 1-year forward Price to Earnings (0.8 stdev to long-term average) and trading at mean on Price to Book. Current valuations are slightly lower to a 5-year average (18.8x), providing a good entry point for long-term investors. It is interesting to note that, most of the FY24 returns are front-loaded this year and hence we believe that the style and sector rotation will play a critical role in alpha generation for the remaining part of FY24. Against this backdrop, we recommend staying invested in the market and sticking to high-quality stocks in the portfolio where the earnings visibility is high while executing a well-defined exit strategy to clean low-quality stocks from the portfolio once their targeted returns are achieved.

We Maintain Dec'23 NIFTY Target at 20,200

Base case: The Indian economy stands at a sweet spot of growth and remains the land of stability against the backdrop of a volatile global economy. We continue to believe in its long-term growth story, supported by the emerging favourable structure as increasing Capex enables banks to improve credit growth. Strong earnings trajectory continues in the NIFTY 50 universe. We foresee NIFTY EPS to post growth of 17%/13% in FY24/25. Post Q1FY24, we have made marginal upgrades of 0.9%/0.8% to our FY24/25 EPS expectations. **Thus, we maintain our Dec'23 Nifty target at 20,200 by valuing it at 20x Dec'24 earnings.** The current level of India VIX is below its long-term average, indicating that the market is currently in a neutral zone (neither panic nor exuberance). While the medium to long-term outlook for the overall market remains positive, we may see volatility in the short run with the market responding in either direction. **Keeping this in view, the current setup is a 'Buy on Dips' market.** We recommend investors maintain good liquidity (10%) to use any dips in a phased manner and build a position in high-quality companies (where the earnings visibility is quite high) with an investment horizon of 12-18 months.

Bull case: In the bull case, we value NIFTY at 22x, which translates into a Dec'23 target of 22,200. Our bull case assumption is based on the overall reduction in volatility and the success of a soft landing in the US market. Currently, we are near the peak of the rate hike cycle and may expect only one rate hike in the US market before the US Federal Reserve takes a pause. If the market sails through the next 1 or 2 quarters smoothly, we would likely see the next level of triggers along with money flowing to EMs. This, in turn, would increase the market multiple.

Bear Case: In the bear case, we value NIFTY at 18x, which translates into a Dec'23 target of 18,200. We assume the Russia-Ukraine war to prolong which would continue to pose inflationary pressure on the developed world. Currently, we are near the peak of the rate hike cycle and may expect one rate hike in the US market before the US FED takes a pause. The market has not seen such levels of interest rate hike in the recent past and hence, chances to go wrong have increased significantly. This would translate into a slowdown or heightened recession in the developed market, which will impact the export-oriented growth in the domestic market. It will consequently pose challenges to the earnings and market multiple of the domestic market.

Based on the above themes, we recommend the following stocks: **ICICI Bank, Maruti Suzuki India, State Bank of India, Lupin ltd, Federal Bank, Varun Beverages, Ashok Leyland, PNC infra, ITC, Relaxo, CIE Automotive India, Bank of Baroda. WestlifeFoodworld. CreditAccessGrameen. JTL Industries and Kirloskar Brothers ltd**

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Axis Securities Top Picks

Category	Company Name	Sector	Stock price	Target Price	Upside (%)	12 Month Fwd PE	12 Month Fwd P/BV	Dividend Yield	TR 1M%	TR 3M%	TR 6M%	TR YTD %
Large Cap	ICICI Bank Ltd	Financials	915	1,250	37%	16.6	2.5	0.9	-3.8	-7.6	0.6	3.6
Large Cap	Maruti Suzuki India Ltd	Consumer Discretionary	10,392	11,800	14%	27.4	4.5	0.9	-2.1	6.8	22.1	25.0
Large Cap	State Bank of India	Financials	566	715	26%	8.0	1.3	2.0	-5.5	-8.8	-0.3	-6.0
Large Cap	Varun Beverages Ltd	Consumer Staples	909	1,050	16%	59.0	17.4	0.1	-3.9	13.1	25.9	37.7
Large Cap	Bank of Baroda Ltd	Financials	196	255	30%	5.7	0.9	2.8	-8.3	-3.0	7.5	8.7
Large Cap	ITC Ltd	Consumer Staples	428	540	26%	25.5	7.4	3.0	-3.6	-8.0	2.8	34.0
Mid Cap	Lupin Ltd	Health Care	1,128	1,290	14%	35.0	3.7	0.4	-3.7	14.5	59.7	54.4
Mid Cap	Federal Bank Ltd	Financials	141	180	28%	9.4	1.2	0.7	-4.4	4.5	5.0	1.9
Mid Cap	Ashok Leyland Ltd	Industrials	168	210	25%	18.8	4.9	1.6	-5.3	-8.9	16.7	18.8
Mid Cap	Relaxo Footwears Ltd	Consumer Discretionary	898	1,050	17%	89.8	11.0	0.3	-0.3	-4.8	6.8	-1.1
Small Cap	Kirloskar Brothers Ltd	Industrials	905	995	10%	20.2	4.4	0.5	7.9	18.6	114.2	181.0
Small Cap	JTL Industries Ltd	Materials	216	265	23%	29.7	6.8	0.0	-6.4	14.5	31.1	39.3
Small Cap	CIE Automotive India Ltd	Consumer Discretionary	460	585	27%	19.9	3.0	0.5	-4.3	-9.7	16.0	34.4
Small Cap	Westlife Foodworld Ltd	Consumer Discretionary	794	1,000	26%	91.1	18.5	0.4	-15.1	-14.9	4.2	0.9
Small Cap	CreditAccess Grameen Ltd	Financials	1,597	1,875	17%	18.3	3.9	NA	21.4	9.7	65.6	74.5
Small Cap	PNC Infratech Ltd	Industrials	334	425	27%	12.9	1.9	0.1	-8.6	-3.4	18.0	16.0

Source: Company, Axis Securities, CMP as on 31st Oct 2023

Auto Monthly Report for Oct'23

Strong 2W and PV Dispatches Continue, Exports a Mixed bag; CV Sales Steady

Oct'23 Wholesale Volumes: The domestic PV sales (Exhibit-2) grew by 18%/8% YoY/MoM led by higher SUV dispatches but they were partly offset by weak entry-level car sales. Domestic 2W sales grew by 21%/8% YoY/MoM as OEMs continued to fill the channel inventory to cater to the festive season (Diwali). 2W exports showed a mixed bag with Hero/HMSI/TVS registering 29%/29%/10% YoY growth while Bajaj/Suzuki/RE exports remained sluggish with de-growth of 5%/11%/39% on a YoY basis. The growth in the domestic CV segment remained resilient with all OEMs registering double-digit growth YoY (barring TaMo which grew in single digits). MnM/AL/VECV grew by 4%/23%/14%/27% YoY.

Overall 2W wholesale dispatches (domestic + exports) in FY24 on a YTD basis grew by 3% YoY; PV domestic sales (Exhibit 2) grew by a healthy 8-10% YoY. CV domestic YTD sales stood up 3% YoY **but** tractor sales de-grew by 2% YoY on a high base. 3W domestic sales grew by a robust 45% YoY, led by Bajaj and MnM. On a YTD basis, Bajaj's/MnM/TVS 3W sales grew by 90%/59%/18% YoY.

A revival in exports in H2FY24 will be critical for Bajaj, TVS, and RE. On the domestic front, we will be cautiously monitoring the higher dispatches made in Sep'23 and Oct'23 by OEMs to dealers on expectations of continued momentum during the festive season (specifically from rural regions). For CVs, a longish CV cycle is expected by various OEMs based on increased spending on infrastructure by the government. **We remain selective and for OEMs under our coverage, we prefer TVS and Bajaj in the 2W segment, Maruti in the PV segment, and Ashok Leyland in the CV space.**

MAS Financial Services Q2FY24 First Cut

- NII - **BEAT**; PPOP - **BEAT**; PAT - **BEAT**
- AUM growth was robust at 27/7% YoY/QoQ ahead of our expectation of 25/6% YoY/QoQ with growth visible across segments. The wheels portfolio registered a robust growth of 59/16% YoY/QoQ on a lower base, while MSME growth was strong at 20/6% YoY/QoQ. The share of MSME loans stood at ~83% vs. 88/84% YoY/QoQ. The share of AUM sourced through the NBFC partners continued to decline and stood at 36.6% vs 41/37.2% YoY/QoQ.
- NII grew by 24/10% YoY/QoQ driven by healthy growth and margin expansion (on calc. basis). NIMs (cal. on avg on-book AUM) stood at 6.7% vs 6.3% QoQ.
- Non-interest income growth of 37/12% YoY/QoQ was led by better fee and commission income. Opex growth continued to remain elevated growing at 16/13% YoY/QoQ. C-I Ratio inched up marginally to 31.9% vs 31.1% QoQ. PPOP grew by 34/10% YoY/QoQ.
- Credit costs inched-up QoQ and stood at 108bps vs 91bps QoQ. PAT growth was healthy at 24/6% YoY/QoQ.
- Asset Quality remained stable with GNPA/NNPA at 2.17/1.47% vs 2.13/1.47% QoQ. The company continues to carry a management overlay of Rs 19 Cr (0.27% of on-book assets)
- MAS remains well capitalized with CRAR/Tier I at 25.2/21.2%.
- **Housing Finance Subsidiary** - AUM grew by ~32% YoY. The portfolio quality remained stable and strong with GNPA at 0.8/0.3%. Management had guided for 30-35% CAGR growth in this portfolio.
- *Concall at 4.30pm on 2nd Nov, 2023*

Tata Steel First Cut

Tata Steel reported a weak set of numbers with a EBITDA miss of 7%/15% against ours and consensus estimate. Consolidated Revenue at Rs 55,682 Cr (down 7%/6% YoY/QoQ) stood largely in line with consensus (5% beat against our estimate). Consolidated EBITDA at Rs 4,268 Cr (down 30%/18% YoY/QoQ) missed our estimate by 7% led by lower EBITDA/t loss at Europe at $155/t vs our estimate of $140/t and India at Rs 13,401/t vs Rs 14,374/t. Company took an impairment charge of Rs 12,560 Cr in the standalone statement towards which primarily relates to impairment of investment value in UK operations. On a consolidated basis, the company took a total impairment charge of Rs 3,255 Cr and Rs 3,612 Cr towards restructuring expenses. As a result of these exceptional charges, reported loss after tax stood at Rs 6,196 Cr. Underlying PAT excluding these items stood at Rs 703 Cr, vs Rs 283 Cr in Q1FY24 and Rs 1,534 in Q2FY23. Net Debt increased to Rs 77,032 Cr from Rs 71,397 Cr as of Q1FY24.

Conference call is scheduled today at 2 pm.

Consolidated		Q2FY23	Q1FY24	Q2FY24	Q2FY24	Q2FY24	YoY(%)	QoQ(%)	vs Axis Est	vs Consensus
		Actual	Actual	Axis Est	Consensus	Actual	%	%	%	%
Total Revenue from Operations	Rs Cr	59,878	59,490	52,986	55,953	55,682	-7%	-6%	5%	0%
EBITDA	**Rs Cr**	**6,060**	**5,174**	**4,613**	**5,006**	**4,268**	**-30%**	**-18%**	**-7%**	**-15%**
Adj EBITDA per tonne	**Rs/tonne**	**8,045**	**8,664**	**6,690**		**5,869**	**-27%**	**-32%**	**-12%**	NA
EBITDA margin (%)	%	10.1%	8.7%	8.7%	8.9%	7.7%				
Underlying Attrib PAT	Rs Cr	1,534	283	495	527	703	-54%	149%	42%	33%
Reported PAT (Attrib)	**Rs Cr**	**1,514**	**634**	**143**		**-6,196**	**NA**	**NA**	**NA**	**NA**
Underlying Diluted EPS (Rs)	Rs/sh	0.13	0.23	0.41		0.58	358%	149%	42%	NA
Reported Diluted EPS (Rs)	Rs/sh	0.12	0.52	0.12		-5.07	NA	NA	NA	NA
Net Debt	Rs Cr	71,753	71,397			77,032	7%	8%	NA	

Hero MotoCorp Q2FY24 Results First Cut

Hero MotoCorp's Revenue/EBITDA stood largely inline with our estimates, while PAT stood ahead by 7% led by higher than expected other income. Revenue grew by 4%/8% YoY/QoQ to Rs 9,445 Cr, largely inline vs. our estimate. EBITDA grew by 28%/10% YoY/QoQ (inline) to Rs 1,328 Cr, while EBITDA margins reaching the 14% mark, up 262/30 bps YoY/QoQ, led by, lower RM costs (GMs at 31% up 337 bps YoY) price hikes and better sales mix. PAT grew by 47%/28% YoY/QoQ to Rs 1,054 Cr, a 7% beat against our estimate mainly led by higher other income.

YE March (Rs. Crs)	Q2FY24	Axis Sec Estimates	Axis Sec Var (%)	Q1FY24	QoQ (%)	Q2FY23	YoY (%)	Bbg Consensus	Vs Consensus
Motorcycles	12,66,424	12,66,424	0.0%	12,32,758	2.7%	12,95,469	-2.2%		
Scooter	97,516	97,516	0.0%	84,492	15.4%	93,645	4.1%		
Domestic	13,63,940	13,63,940	0.0%	13,17,250	3.5%	13,89,114	-1.8%		
Exports	52,586	52,586	0.0%	35,324	48.9%	39,054	34.6%		
Total Volumes (Units)	14,16,526	14,16,526	0.0%	13,52,574	4.7%	14,28,168	-0.8%		
Total Revenue	9,445	9,406	0.4%	8,767	7.7%	9,075	4.1%	9,347	1.1%
ASP (Rs/Vehicle)	66,680	66,405	0.4%	64,819	2.9%	63,545	4.9%		
Less:									
Net Raw Material consumed	6,478	6,472	0.1%	6,081	6.5%	6,530	-0.8%		
Other Exp.	1,062	1,006	5.6%	900	18.0%	958	10.9%		
Personnel	577	609	-5.4%	580	-0.6%	549	5.1%		
Total Expenditure	8,117	8,088	0.4%	7,561	7.4%	8,037	1.0%		
EBITDA	1,328	1,319	0.7%	1,206	10.1%	1,038	27.9%	1,304	1.8%
Less: Depreciation	175	170	2.7%	169	3.5%	163	7.0%		
EBIT	1,153	1,149	0.4%	1,037	11.2%	875	31.8%		
Less: Interest	5	3	41.0%	5	2.1%	3	43.8%		
Other Income	248	171	45.1%	222	11.8%	92	169.7%		
Profit Before Extraordinary items and Tax	1,397	1,316	6.1%	1,255	11.3%	964	45.0%		
Extraordinary Expense/(Income)	-	-	NA	160	NA	-	NA		
Profit Before Tax	1,397	1,316	6.1%	1,095	27.6%	964	45.0%		
Less: Total Tax	343	329	4.3%	270	27.1%	248	38.6%		
Profit After Tax	1,054	987	6.7%	825	27.8%	716	47.2%	972	8.4%
Adj. Net Profit	1,054	987	6.7%	945	11.5%	716	47.2%		
Shares Outstanding (Cr)	20	20	0.0%	20	0.0%	20	0.0%		
Reported EPS (Rs.)	52.7	49.4	6.7%	41.3	27.8%	35.8	47.1%		
Adj. EPS (Rs.)	52.7	49.4	6.7%	47.3	11.5%	35.8	47.1%		

Cost & Margin Analysis	Q2FY24	Axis Sec Estimates	Change in bps	Q1FY24	Change in bps	Q2FY23	Change in bps	Bbg Consensus	Vs Consensus
Net Raw Material/Net Sales (%)	69%	69%	-22	69%	(78)	72%	(337)		
Other Exp./Net Sales (%)	11%	11%	55	10%	98	11%	69		
Personnel/Net Sales(%)	6%	6%	-37	7%	(51)	6%	6		
Gross Margin (%)	31%	31%	22	31%	78	28%	337		
EBITDA Margin (%)	14.1%	14.0%	4	13.8%	30	11.4%	262	14.0%	11
EBIT (%)	12%	12%	0	12%	38	10%	257		
PBT Margin (%)	15%	14%	79	12%	230	11%	417		
NPM (%)	11%	10%	66	9%	175	8%	327		
Adj. NPM(%)	11%	10%	66	11%	38	8%	327		
Effective Tax Rate(%)	25%	25%	-44	22%	304	26%	(113)		

Ambuja Cements Ltd – Q2FY24 Results Update; BUY; TP- Rs 2460

In-line Operating Performance; New Capacity to Drive Growth

Est. Vs. Actual for Q2FY24: Revenue – BEAT; EBITDA Margin – BEAT; PAT – BEAT

Change in Estimates post Q2FY24 (Abs.)

FY24E/FY25E – Revenue: 2%/1%; **EBITDA:** 4%/-1%; **PAT:** 7%/-1%

Recommendation Rationale

- **EBITDA margins to improve to 22%-23% in FY25E:** The synergies with the group resulted in a cost reduction of 16% on a per-tonne basis on a YoY basis. More cost optimization is expected which will aid the company in further margin enhancement. Business initiatives are expected to bring down the company's operating costs even more along with reducing the clinker factor and logistics costs, improving the sale of blended cement and, expanding the EBITDA margin of the business. We foresee the company's EBITDA margins to improve to 22%-23% in FY25E from 16% in FY23.
- **Aims to create a capacity of 140 mtpa (Ambuja & ACC combined) by FY28:** The company is expanding its capacity from the current 32 mtpa to 46 mtpa and the existing expansion is expected to be completed in phases over FY25-FY26. Furthermore, the company is pursuing growth opportunities and it aims to create a capacity of 140 mtpa (Ambuja and ACC combined) by FY28. This will help the company in continuing its growth momentum moving ahead.
- **Overall industry to grow in the healthy range of 8%-9% in FY24/FY25:** Cement demand in the country is likely to remain robust on account of higher government thrust on creating infrastructure and developing low-cost and affordable housing. Private Capex is also expected to drive the cement demand moving forward along with robust real estate demand. We expect the overall industry to grow in the range of 8%-9% in FY24/FY25.

Sector Outlook: Positive

Company Outlook & Guidance: Demand growth is expected to remain positive, facilitating higher capacity utilization. Moreover, cost reduction initiatives are to further enhance margins. The company guided for volume growth of 10%-12% in FY24. The management guided for increase in EBITDA/Tonne by Rs 400 in next 12-36 months time.

Current Valuation: 16x FY25 EV/EBITDA (**Earlier Valuation: 16x FY25 EV/EBITDA)**

Current TP: **Rs 455/share** (**Earlier TP: Rs 455/share**)

Recommendation: We change our rating from **HOLD to BUY** on the recent decline in the stock price.

Alternative BUY Ideas from our Sector Coverage

ACC (TP – 2,460/share), UltraTech Cement (TP – 9,680/share).

PNC Infratech Ltd - Q2FY24 Result Update; TP- Rs 415

Broadly In-Line Results; New Order Inflow Crucial

TP: Rs 415,Rating:BUY, Return: 29%

Est. Vs. Actual for Q2FY24: Revenue – MISS; EBITDA Margin – INLINE; PAT – MISS

Revision in Estimates post Q2FY24

FY24E/FY25E: Revenue: 0%0/%; **EBITDA:** -2%/0%; **PAT:** -2%/-2%

Recommendation Rationale

- **Robust & Diversified order book:** PNCIL has an order book of Rs 13,404 Cr (as of 30th Sep'23), indicating revenue visibility for the next 2-2.5 years. In addition, it has another four HAM projects, totalling Rs 4,421 Cr for which the appointed date is expected by the end of FY24. The order book is well diversified between Roads and Water projects. This coupled with improved execution quality, we expect PNCIL to grow its revenue by 12% CAGR over FY23-25E.
- **Expects order inflow of Rs 10,000 Cr in FY24:** In the Union Budget 2023-24, Capex has been increased by 33% for the Road sector and by 27% for the JJM, thereby providing greater opportunities for companies like PNCIL. With a strong bid pipeline of over Rs 1 Lc Cr, the management expects an order inflow of Rs 10,000 Cr in FY24.
- **High priority to asset monetization:** The company gives top priority to asset monetization and has selected 12 projects, including 11 HAM assets and 1 BOT projects. The due diligence in this regard has been completed with the interested party and monetization of the assets is expected by the end of FY24. This will free up capital for future growth.

Sector Outlook: Positive

Company Outlook & Guidance: For FY24, the company expects revenue growth of 10-15%. EBITDA margins are expected to be between 13%-13.5%. The management outlined that there has been a delay in project awarding but expects the same to gain pace in Q3/Q4FY24.

Current Valuation: 11x FY25 EPS (**Earlier Valuation: 11x FY25 EPS**) **and HAM assets 1x book value**

Current TP: **Rs 415/share** (**Earlier TP: Rs 435/share**)

Recommendation: We maintain our **BUY** recommendation on the stock.

RITES Ltd - Q2FY24 Result Update; Hold; TP: Rs420/share

Weak Result with Margins Under Pressure; Retain HOLD

Est. Vs. Actual for Q2FY24:Revenue–MISS; **EBITDA Margin – MISS**; **PAT – MISS**

Change in Estimates post Q2FY24 (Abs.)

FY24E/FY25E:Revenue:-11%/-4%;**EBITDA**: -16%/-11%; **PAT:**-18%/-12%

Recommendation Rationale

- **Healthy order book:**With an order inflow of Rs 329 Cr in Q2FY24, thecompany's overall order book stands healthy at Rs 5,529 Cr, giving revenue visibility for the next 2 years.The consultancy segment comprises 48% of the orderbook, which is a high-margin business.Moreover, we foresee sustainable growth in both the domestic and overseas consultancy business of the company and its current marginsare likely to sustain moving forward.

- **Margins under pressure:** For FY24, the management has guided that the margins will be under pressure across all businesses due to a change in revenue mixas well as due to the company bidding for projects under competitive mode rather than nomination mode. However,it aims to achieve previous EBITDA levels through tapping opportunities across all business segments. Against this backdrop, we revise our margin estimates from earlier 27-28% to 25-26%.

- **Export verticle to support revenue growth:** Recently, the company emerged as an L1 bidder forthe export of rolling stock toMozambique and Bangladesh. This will notably support the revenue growth of the company in FY25. Keeping this in view, we expect the company to grow its revenue at a CAGR of 9% over FY23-FY25E.

- **Healthy Dividend Payout:** In FY23, the company declared a dividend of Rs 20.5/share (86% payout),implying a healthy dividend yield of 4.6% on the CMP. The board has declared an interim dividend of Rs 4.5/share in Q2FY24 and the total interim dividend including Q1FY24 now stands at Rs8.25/share.We believe that consistency in dividend payout will be maintained. This will also support protecting any major downside risk in the stock.

Sector Outlook: POSITIVE

Company Outlook & Guidance: The management refrained from giving any revenue guidance and maintained that margins would remain under pressure for some time. On the brighter side, it expects good export orders in FY24.

Current Valuation: 17xFY25E(**Earlier Valuation:17x FY25E EPS**).

CurrentTP: **Rs420/share**(**Earlier TP:Rs 500/share**).

Recommendation: **We maintainourHOLD recommendation on the stock and revise our estimates downward for FY24 and FY25 respectively.**

Bharti Airtel Q2FY24 Result Update; BUY; TP: 1,155/share

Broad-based Growth; Gain in Market Share Continues

Est. Vs. Actual for Q2FY24: Revenue – MISS ; EBITDA Margin – BEAT; PAT – MISS

Changes In Estimates post Q2FY24

FY24E/FY25E: Revenue: 1%/1%; **EBITDA:** 1%/1%; **PAT:** 2%/2%

Recommendation Rationale

- The company's digital portfolio is gaining momentum along with market share gains
- The company continued a strong share of 4G/5G net ads in the market with the 4G customer base growing by 7.7 Mn QoQ and 27.2 Mn YoY. This forms 69% of the overall customer base now.
- ARPU continues to be the best in the industry and average data usage per customer stands healthy at 21.7 GB/month.
- The management is confident of gaining longer-term demand momentum on the backdrop of the strong digital services portfolio, better rural conversion to 4G, and better cash flow management.

Sector Outlook: Positive

Company Outlook & Guidance: The company has a strong focus on quality customers with increasing ARPU and revenue. The management is confident of gaining industry-leading growth backed by strong rural penetration and a better service portfolio.

Current Valuation: SOTP based

Current TP: **1,155/share** (**Earlier TP: Rs 1025/share**)

Recommendation: Given the company's strong recovery potential backed by strong conversion, rising digital portfolio, and moderated capex, **we maintain our BUY recommendation on the stock.**

Q2FY24 Earnings preview: Our Coverage

Year-end March (Rs Cr)	Q2FY24E	Q1FY24	QoQ (%)	Q2FY23	YoY (%)	Result expectations
Chola Invest.						
NII	1,998	1,842	8.5%	1,489	34.2%	➔ Focus would remain on diversification of portfolio to housing loan and nev businesses; Strong disbursement growth likely to drive robust AUM growth ➔ Growth in new businesses being higher yielding would support NIMs margins to increase by ~10 bps QoQ ➔ Opex expected to remain elevated YoY; C-I Ratio seen at 37% ➔ **Key monitorables**: (1) Management outlook on AUM growth and (2) Credi cost outlook
Other Income	299	284	5.3%	209	43.6%	
Operating Profit	1,446	1,340	7.9%	1,036	39.6%	
Provision	396	372	6.3%	278	42.3%	
Net Profit	788	726	8.6%	563	39.9%	
EPS	9.6	8.8	8.6%	6.9	39.8%	

Year end March (Rs Cr)	Q2FY24	Q1FY24	QoQ(%)	Q2FY23	YoY(%)	Result expectations
Dabur India						
Revenues	3,196	3,130	2.1%	2,986	7.0%	➔ Consol sales expected to grow at 7% led by HPC, Health Care, and Badshah Masala. Food & Refreshment likely to remain muted impacted due to unseasonal rain and moderate summer; International is expected to grow strong double digit in CC terms. ➔ EBITDA Margin expansion to moderate to 12bps owing to higher ad-spends ➔ Key Monitorables: NPD performance and new launches in niche segments; domestic demand outlook; rural expansion & growth; international business performance and distribution expansion; D2C foray update
EBITDA	647	605	6.9%	601	7.6%	
EBITDA margin (%)	20.2	19.3	91bps	20.1	12bps	
PAT	501	464	8.0%	490	2.2%	
EPS (Rs)	2.8	2.6	8.0%	2.8	2.2%	

Year-end March (Rs Mn)	Q2FY24	Q1FY24	QoQ(%)	Q2FY23	YoY(%)	Result expectations
JK Lakshmi Cement Ltd						
Volume (mntpa)	4.39	4.63	-5%	3.73	18%	➔ Volume to grow owing to better demand YoYand new capacity ramp up in Central region. ➔ Consol revenue to grow YoY owing to higher volume. ➔ Gross margins to expand YoY owing to lower cost and better realization ➔ EBITDA margin to be higher on YoY owing to lower cost ➔ PAT to expand YoY owing to higher volume and realization. ➔ EPS to be in line with PAT ➔ EBITDA/tonne to be higher on YoY. ➔ Realization to be higher YoY. ➔ Cost/Tonne to be lower on easing of cost pressure YoY.
Revenues	2646	2763	-4%	2,228	19%	
Gross Profit	1021	1023	0%	821	24.3%	
Gross margin (%)	38.6%	37.0%	160bps	36.9%	170bps	
EBITDA	431	408	6%	305	41%	
EBITDA margin (%)	16.3%	14.8%	140bps	13.7%	260bps	
PAT	154	115	34%	112	37%	
EPS (Rs)	19.9	14.9	34%	14.4	38%	
EBITDA/Tonne	983	882	11%	819	20%	
Realization/tonne	6,033	5,973	1%	5,980	1%	
Cost/Tonne	5,050	5,092	-1%	5,161	-2%	

Year-end March (Rs Cr)	Q2FY24	Q1FY24	QoQ(%)	Q2FY23	YoY(%)
Minda Corp					
Revenues	1,182	1,075	10.0%	1,147	3.0%
EBITDA	130	115	13.3%	124	4.9%
EBITDA margin (%)	11.0	10.7		10.8	
PAT	55	45	22.4%	58	-4.3%
EPS (Rs)	2.3	1.9	22.4%	2.4	-4.3%

Result expectations

- Revenue is expected to improve by 10% QoQ led by growth in 2W, PV, and CV volumes partially offset by lower tractor volumes.
- EBITDA to improve by 13% QoQ and EBITDA margins to slightly improve by ~35 bps QoQ on the back of richer product mix and premiumization trend.

Year end March (INR cr.)	Q2FY24E	Q1FY24	QoQ(%)	Q2FY23	YoY(%)
Sheela Foam					
Revenues	709	645	9.9%	722	-1.8%
Gross Profit	280	249	12.3%	322	-13.1%
Gross margin (%)	39.5	38.7	83 bps	44.6	(513 bps)
EBITDA	75	78	-3.9%	78	-4.7%
EBITDA margin (%)	10.5	12.0	(151 bps)	10.8	(32 bps)
PAT	42	43	-2.9%	54	-21.5%
EPS (Rs)	4.3	4.4	-2.9%	5.5	-21.5%

Result expectations

- We expect domestic sales expected to grow higher vs. international subsidiaries
- Gross Margins are expected to improve sequentially on stable RM prices
- EBITDA Margins decline due to higher other expenses
- PAT impacted due to higher depreciation and interest expenses

Year-end March (Rs Cr)	Q2FY24E	Q1FY24	QoQ (%)	Q2FY23	YoY (%)
Karnataka Bank					
NII	835	815	2.5%	803	4.0%
Other Income	311	324	-4.0%	260	19.6%
PPOP	588	601	-2.2%	578	1.7%
Provision	171	152	13.1%	-14	-1338.1%
Net Profit	343	371	-7.4%	412	-16.6%
EPS	11.0	11.9	-7.4%	13.2	-16.8%

Result expectations

- Advances expected to report single-digit growth
- Margin moderation to be seen QoQ
- C-I likely to inch up sequentially
- Credit costs to remain largely steady QoQ, Asset quality improvement to continue
- **Key monitorables**: (1) Quantum of Slippages and (2) Loan growth pick-up

Year-end March (Rs Cr)	Q2FY24	Q1FY24	QoQ(%)	Q2FY23	YoY(%)	Result expectations
PSP Projects Limited						
Revenues	540	514	5%	360	50%	➔ Revenue to grow owing to better execution YoY. ➔ Gross margins to be higher owing to higher sales and lower cost YoY. ➔ EBITDA to be higher YoY owing to higher sales and better margin ➔ EBITDA margin to be higher YoY on the back of rise in sales and lower cost. ➔ PAT to be higher YoY owing to higher sales and better margin ➔ EPS to be in line with PAT
Gross Profit	111	103	8%	67	65%	
Gross margin (%)	20.5%	20.0%	50bps	18.7%	180bps)	
EBITDA	69	66	4%	39	75%	
EBITDA margin (%)	12.8%	12.9%	0bps	11.0%	180bps	
PAT	38	38	1%	22	77%	
EPS (Rs)	10.6	10.5	1%	6	77%	

Note: Showcasing the Earnings preview (expectations) for the companies under our coverage whose results are expected by today or by tomorrow (If weekend or Holiday)

Result Calendar - Q2FY24

Nov-2023

NSE 500 + Axis Universe

	Wednesday	Thursday	Friday	Saturday	Monday	Tuesday
	01-Nov-23	02-Nov-23	03-Nov-23	04-Nov-23	06-Nov-23	07-Nov-23
Large Cap	**Ambuja Cements** Adani Wilmar **Britannia Inds.** Godrej Consumer **Hero Motocorp** Sun Pharma.Inds.	Adani Enterp. Adani Power Berger Paints **Cholaman.Inv.&Fn** **Dabur India** Tata Motors	Interglobe Aviat Titan Company Zomato Ltd	**Bank of Baroda** **St Bk of India**	Adani Energy Solutions Divi's Lab.	I R C T C Power Grid Corpn **Shree Cement** **Trent**
Mid Cap	Indraprastha Gas Kansai Nerolac LIC Housing Fin. REC Ltd	Container Corpn. Godrej Propert. Gujarat Gas I R F C Solar Industries	Aditya Birla Cap Bayer Crop Sci. Bharat Dynamics Crompton Gr. Con Escorts Gujarat Fluoroch MRF Thermax UCO Bank	**Aarti Industries** Bank of India **J K Cements** PB Fintech.	AIA Engineering Bharat Forge **Gland Pharma** H P C L Honeywell Auto **K P R Mill Ltd** Linde India Max Healthcare NHPC Ltd	Alkem Lab Apollo Tyres Cummins India Deepak Nitrite Devyani Intl. Info Edg.(India) Vinati Organics Zydus Lifesci.
Small Cap	Cera Sanitary. Guj. Ambuja Exp India Cements Jubilant Ingrev. **K E C Intl.** Motil.Oswal.Fin. Safari Inds. Triveni Turbine **MAS FINANC SER**	**Aptus Value Hou.** Asahi India Glas Chemplast Sanmar Clean Science Deepak Fertiliz. Indian Energy Ex Infibeam Avenues **JK Lakshmi Cem.** Kalpataru Projects Internat KSB Dr Lal Pathlabs **Minda Corp** Ratnamani Metals Sapphire Foods **Sheela Foam** Suzlon Energy **Karnataka Bank** **PSP Projects**	Aegis Logistics Chambal Fert. EIH Godfrey Phillips Godawari Power I D F C Indigo Paints JK Paper JM Financial Kirl. Ferrous Orient Electric P & G Health Ltd Prism Johnson Usha Martin	**Affle India** **CCL Products** Data Pattern Metropolis Healt Olectra Greentec Poly Medicure	BLS Internat. Borosil Renew. Emami Epigral Ltd Exide Inds. Guj.St.Petronet Jamna Auto Inds. Hitachi Energy Quess Corp Radico Khaitan Redington India Sobha SPARC **V-Mart Retail** Zydus Wellness **Camlin Fine** **Heidelberg Cem.**	Alkyl Amines Alembic Pharma Avanti Feeds Cochin Shipyard G S F C J B Chem & Pharm Jyothy Labs **Krishna Institu.** Lux Industries Prince Pipes Rain Industries Vijaya Diagnost. **Mold-Tek Pack.**

Bold Companies: **Axis Securities Coverage**

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Aarti Drugs Ltd	BUY	470	610	29.9
ACC Ltd	BUY	1,889	2,460	30.2
Affle India Ltd	BUY	1,050	1,250	19.1
APL Apollo Tubes Ltd	BUY	1,565	1,950	24.6
Aptus Value Housing Finance India Ltd	BUY	289	330	14.2
Ashok Leyland Ltd	BUY	168	210	25.3
Astral Ltd	BUY	1,850	2,150	16.2
Aurobindo Pharma Ltd	BUY	849	1,000	17.7
Bajaj Auto Ltd	BUY	5,314	5,900	11.0
Bajaj Finance Ltd	BUY	7,491	9,425	25.8
Bank of Baroda Ltd	BUY	196	255	30.0
Bharti Airtel Ltd	BUY	914	1,025	12.1
Birla Corporation Ltd	BUY	1,272	1,400	10.1
Britannia Industries Ltd	BUY	4,423	5,110	15.5
Camlin Fine Sciences Ltd	BUY	144	194	34.8
Can Fin Homes Ltd	BUY	763	925	21.2
CCL Products (India) Ltd	BUY	590	750	27.1
CIE Automotive India Ltd	BUY	460	585	27.2
Cipla Ltd	BUY	1,199	1,350	12.6
Coforge Ltd	BUY	4,983	5,615	12.7
Cyient Ltd	BUY	1,590	1,940	22.0
Dabur India Ltd	BUY	529	610	15.4
DCB Bank Ltd	BUY	115	150	30.8
Eicher Motors Ltd	BUY	3,296	3,800	15.3
Embassy Office Parks REIT	BUY	312	350	12.1
Equitas Small Finance Bank Ltd	BUY	93	114	23.1
G R Infraprojects Ltd	BUY	1,120	1,410	25.9
H. G. Infra Engineering Ltd	BUY	894	1,140	27.6
HDFC Bank Ltd	BUY	1,477	1,925	30.4
Hindalco Industries Ltd	BUY	460	515	12.1
Hindustan Unilever Ltd	BUY	2,484	2,960	19.2
ICICI Bank Ltd	BUY	915	1,250	36.6
IDFC First Bank Ltd	BUY	83	91	10
IndiaMART InterMESH Ltd	BUY	2,647	3,625	36.9
ITC Ltd	BUY	429	540	26.0
J K Cements Ltd	BUY	3,155	3,560	12.8
JTL Industries Ltd	BUY	216	265	22.7
Jyothy Labs Ltd	BUY	362	440	21.5
KNR Constructions	BUY	264	305	15.5
Kotak Mahindra Bank Ltd	BUY	1,739	2,300	32.2
KPIT Technologies Ltd	BUY	1,218	1,500	23.2
Lupin Ltd	BUY	1,128	1,290	14.3
Manappuram Finance Ltd	BUY	137	165	20.1
Maruti Suzuki India Ltd	BUY	10,391	11,800	13.6
Navin Fluorine International Ltd	BUY	3,438	5,000	45.4
Nestle India Ltd	BUY	24,239	26,900	11.0
Nippon Life India Asset Management Ltd	BUY	391	430	10
PNC Infratech Ltd	BUY	334	425	27.1

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
PSP Projects Ltd	BUY	753	885	17.6
Relaxo Footwears Ltd	BUY	899	1,050	16.8
SIS Ltd	BUY	412	475	15.3
Star Cement Ltd	BUY	157	185	18.1
State Bank of India	BUY	565	715	26.5
Steel Strips Wheels Ltd	BUY	261	325	24.7
Tata Steel Ltd	BUY	119	145	22.1
TVS Motor Company Ltd	BUY	1,591	2,100	32.0
Ujjivan Small Finance Bank Ltd	BUY	52	64	22.7
UltraTech Cement Ltd	BUY	8,429	9,680	14.8
V Mart Retail Ltd	BUY	1,641	2,650	61.5
Varun Beverages Ltd	BUY	910	1,050	15.4
Westlife Foodworld Ltd	BUY	795	1,000	25.8
PSP Projects Ltd	BUY	753	885	17.6
Relaxo Footwears Ltd	BUY	899	1,050	16.8
SIS Ltd	BUY	412	475	15.3
Star Cement Ltd	BUY	157	185	18.1
State Bank of India	BUY	565	715	26.5
Steel Strips Wheels Ltd	BUY	261	325	24.7
Tata Steel Ltd	BUY	119	145	22.1
TVS Motor Company Ltd	BUY	1,591	2,100	32.0
Ujjivan Small Finance Bank Ltd	BUY	52	64	22.7
UltraTech Cement Ltd	BUY	8,429	9,680	14.8
V Mart Retail Ltd	BUY	1,641	2,650	61.5
Varun Beverages Ltd	BUY	910	1,050	15.4
Westlife Foodworld Ltd	BUY	795	1,000	25.8

Index	CMP	% Chng	S2	S1	P	R1	R2
Nifty	18,989.15	-0.47%	18895	18945	19020	19065	19140
Sensex	63,591.33	-0.44%	63335	63465	63680	63810	64025
Bank Nifty	42,700.95	-0.34%	42475	42590	42700	42815	42925

Nifty opened sharply lower with a downward gap, and selling pressure throughout the session dragged it to close near the day's low at 18989 on November 01st, with a loss of 90 points.

On the daily chart, the index has formed a bearish candle, creating lower highs and lows, and closed below the previous session's low, indicating further weakness. The index is following a lower top and lower bottom formation on the daily chart, suggesting a negative bias. The chart pattern suggests that if Nifty crosses and sustains above the 19100 level, it might witness buying, leading the index towards 19200-19300 levels. An important support for the day is around 18900. However, if the index sustains below 18900, it may experience profit booking, potentially taking it towards 18800-18700 levels. Nifty is trading below its 20, 50, and 100-day SMA, indicating a negative bias in the short term. Nifty continues to remain in a downtrend in the short term, making exit on small pullback rallies our preferred strategy.

The daily strength indicator RSI is moving downwards and is quoting below its continues to remain in a downtrend in the short term, making exit on small pullback rallies our preferred strategy.reference line, indicating a negative bias.

The trend deciding level for the day is 19020. If NIFTY trades above this level then we may witness a further rally up to 19065-19140-19190 levels. However, if NIFTY trades below 19020 levels then we may see some profit booking initiating in the market, which may correct up to 18945-18895-18820 levels.

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Corporate Action Tracker - Dividend (BSE 500 universe)

Security Code	Security Name	Purpose	Ex-Date	Record Date	Dividend Per Share
500209	INFOSYS LTD.	Interim Dividend	25-Oct-23	25-Oct-23	18
540212	TCI Express Ltd	Interim Dividend	26-Oct-23	26-Oct-23	3
532830	Astral Ltd	Interim Dividend	27-Oct-23	27-Oct-23	1.5
540716	ICICI Lombard General Insurance Company Ltd	Interim Dividend	27-Oct-23	27-Oct-23	5
541179	ICICI Securities Ltd	Interim Dividend	27-Oct-23	27-Oct-23	12
532508	JINDAL STAINLESS LTD.	Interim Dividend	27-Oct-23	28-Oct-23	1
540005	LTIMindtree Ltd	Interim Dividend	27-Oct-23	27-Oct-23	20
540115	L&T Technology Services Ltd	Interim Dividend	27-Oct-23	27-Oct-23	17
543227	Happiest Minds Technologies Ltd	Interim Dividend	30-Oct-23	30-Oct-23	2.5
502355	BALKRISHNA INDUSTRIES LTD.-$	Interim Dividend	31-Oct-23	31-Oct-23	
532175	Cyient Limited	Interim Dividend	01-Nov-23	01-Nov-23	12
500790	NESTLE INDIA LTD.	Interim Dividend	01-Nov-23	01-Nov-23	140
532541	Coforge Ltd	Interim Dividend	02-Nov-23	02-Nov-23	19
500696	HINDUSTAN UNILEVER LTD.	Interim Dividend	02-Nov-23	02-Nov-23	18
500233	KAJARIA CERAMICS LTD.	Interim Dividend	02-Nov-23	02-Nov-23	6
532755	TECH MAHINDRA LTD.	Interim Dividend	02-Nov-23	02-Nov-23	
500820	ASIAN PAINTS LTD.	Interim Dividend	03-Nov-23	03-Nov-23	
532555	NTPC LTD.	Interim Dividend	03-Nov-23	04-Nov-23	
543228	Route Mobile Ltd	Interim Dividend	03-Nov-23	04-Nov-23	
517385	Symphony Limited	Interim Dividend	03-Nov-23	03-Nov-23	
500830	COLGATE-PALMOLIVE (INDIA) LTD.	Interim Dividend	06-Nov-23	06-Nov-23	
532947	IRB INFRASTRUCTURE DEVELOPERS LTD.	Interim Dividend	06-Nov-23	06-Nov-23	
511218	Shriram Finance Ltd	Interim Dividend	06-Nov-23	06-Nov-23	
531642	MARICO LTD.	Interim Dividend	07-Nov-23	07-Nov-23	
509930	SUPREME INDUSTRIES LTD.	Interim Dividend	07-Nov-23	07-Nov-23	
532156	Vaibhav Global Ltd	Interim Dividend	07-Nov-23	07-Nov-23	
541556	RITES Ltd	Interim Dividend	08-Nov-23	08-Nov-23	
532424	GODREJ CONSUMER PRODUCTS LTD.	Interim Dividend	09-Nov-23	09-Nov-23	
543257	Indian Railway Finance Corporation Ltd	Interim Dividend	10-Nov-23	10-Nov-23	
500126	Procter & Gamble Health Ltd	Final Dividend	13-Nov-23	-	50
543232	Computer Age Management Services Ltd	Interim Dividend	17-Nov-23	17-Nov-23	
532827	PAGE INDUSTRIES LTD.	Interim Dividend	17-Nov-23	18-Nov-23	
500459	PROCTER & GAMBLE HYGIENE & HEALTH CARE LTD.	Final Dividend	17-Nov-23	-	105
533278	COAL INDIA LTD.	Interim Dividend	21-Nov-23	21-Nov-23	
507815	GILLETTE INDIA LTD.	Final Dividend	21-Nov-23	-	50

Bulk Deals (Mcap> 1000 Cr.)

Date	Security Name	Mcap (In Cr.)	Acquirer/Seller	B/S	Quantity Traded	Trade Price	Value (In Cr.)
30-10-2023	Swan Energy Limited	8,550	GRAVITON RESEARCH CAPITAL LLP	SELL	14,10,601	388	55
30-10-2023	Swan Energy Limited	8,550	GRAVITON RESEARCH CAPITAL LLP	BUY	14,10,601	387	55
30-10-2023	Chennai Petroleum Corp	4,405	GRAVITON RESEARCH CAPITAL LLP	SELL	8,00,873	575	46
30-10-2023	Chennai Petroleum Corp	4,405	GRAVITON RESEARCH CAPITAL LLP	BUY	8,00,873	575	46
30-10-2023	Jaiprakash Associates Lim	2,167	QE SECURITIES LLP	SELL	1,41,41,847	15	21
30-10-2023	Jaiprakash Associates Lim	2,167	GRAVITON RESEARCH CAPITAL LLP	SELL	1,39,27,855	15	20
30-10-2023	Jaiprakash Associates Lim	2,167	GRAVITON RESEARCH CAPITAL LLP	BUY	1,39,27,855	15	20
30-10-2023	Kesoram Industries Ltd.	1,403	PILOT CONSULTANTS PVT LTD	BUY	25,00,000	76	19
30-10-2023	Kesoram Industries Ltd.	1,403	ICM FINANCE PRIVATE LIMITED	SELL	25,00,000	76	19

Trading Insights

Insight from trading volumes

Script	CMP	Total Volume (x1000)	Monthly Avg Volume(x1000)	% Change
IOC	92	59,298	14,046	322.2%
SUNPHARMA	1,116	4,182	1,899	120.2%
BPCL	357	7,137	3,937	81.3%
LT	2,895	3,987	2,205	80.9%
MARUTI	10,228	710	484	46.7%
UPL	532	3,847	2,724	41.2%
M&M	1,455	2,693	2,275	18.4%

Insight from delivery

Script	CMP	Total Delivery Volume(x1000)	Monthly Avg Delivery Volume(x1000)	%Change
SUNPHARMA	1,116	4,490	1,252	258.4%
IOC	92	13,370	6,527	104.8%
SBILIFE	1,336	960	576	66.5%
ADANIPORTS	769	2,122	1,325	60.2%
POWERGRID	201	15,484	9,845	57.3%
ICICIBANK	914	9,047	6,130	47.6%
TITAN	3,173	574	416	38.0%

*CMP-Closing Market Price

Daily Support/ Resistance of Nifty Companies

Company	CMP	Pivot Point	R1	R2	S1	S2
NIFTY 50	18,989	19,020	19,066	19,142	18,943	18,897
ADANIPORTS	769	776	784	799	761	752
ASIANPAINT	2,935	2,958	2,986	3,037	2,907	2,879
AXISBANK	972	973	978	985	967	961
BAJAJ-AUTO	5,344	5,360	5,434	5,523	5,270	5,196
BAJAJFINSV	1,573	1,573	1,580	1,588	1,565	1,558
BAJFINANCE	7,472	7,493	7,528	7,584	7,437	7,402
BHARTIARTL	913	908	920	927	901	889
BPCL	357	355	361	364	352	346
BRITANNIA	4,397	4,400	4,453	4,509	4,345	4,292
CIPLA	1,201	1,199	1,211	1,221	1,189	1,177
COALINDIA	307	309	313	319	303	299
DIVISLAB	3,346	3,365	3,390	3,434	3,321	3,296
DRREDDY	5,346	5,360	5,407	5,467	5,299	5,252
EICHERMOT	3,282	3,293	3,313	3,344	3,262	3,242
GAIL	118	119	120	123	116	115
GRASIM	1,869	1,886	1,912	1,955	1,843	1,818
HCLTECH	1,259	1,266	1,278	1,298	1,247	1,235
HDFCBANK	1,475	1,471	1,481	1,487	1,465	1,456
HDFCLIFE	620	620	624	627	617	613
HEROMOTOCO	3,092	3,104	3,133	3,173	3,064	3,035
HINDALCO	463	462	467	472	457	452
HINDUNILVR	2,472	2,478	2,489	2,505	2,461	2,451
ICICIBANK	914	914	918	922	910	905
INDUSINDBK	1,433	1,436	1,444	1,455	1,424	1,416
INFY	1,354	1,361	1,371	1,387	1,345	1,335
IOC	92	92	93	95	91	89
ITC	428	428	431	434	425	423
JSWSTEEL	724	728	734	743	719	714
KOTAKBANK	1,724	1,727	1,737	1,749	1,715	1,706
LT	2,895	2,917	2,962	3,029	2,850	2,804
LTIM	4,999	5,030	5,074	5,150	4,955	4,911
M&M	1,455	1,463	1,476	1,498	1,441	1,428
MARUTI	10,228	10,280	10,372	10,517	10,135	10,043
NESTLEIND	23,873	23,951	24,122	24,371	23,702	23,531
NTPC	233	234	236	239	231	229
ONGC	187	187	189	191	185	183
POWERGRID	201	201	202	203	200	199
RELIANCE	2,297	2,297	2,318	2,339	2,276	2,254
SBILIFE	1,336	1,349	1,365	1,395	1,319	1,303
SBIN	566	567	569	573	564	561
SHREECEM	25,421	25,507	25,704	25,986	25,224	25,028
SUNPHARMA	1,116	1,110	1,138	1,160	1,088	1,061
TATAMOTORS	628	629	632	637	625	622
TATASTEEL	117	117	118	120	115	114
TCS	3,331	3,338	3,365	3,399	3,304	3,277
TECHM	1,125	1,128	1,136	1,146	1,117	1,110
TITAN	3,173	3,185	3,202	3,230	3,157	3,140
ULTRACEMCO	8,381	8,410	8,451	8,520	8,341	8,301
UPL	532	534	539	545	528	523
WIPRO	381	382	384	388	379	377

Source: Axis Direct.

SLBM T-1 Activities

Key Highlights for 30 Oct (T-1):

- Total Notional Volume – 169Cr
- Total Notional Lending Fee – 1.1Cr
- Top traded counter by absolute yield-WOKPHARMA XD with an absolute yield of 4.36%
- Counter with highest OI – IDFC FIRST BANK with OI of 391 Lacs

Our Top 5 Deals for your 2nd Income (Absolute yield-Lending Fee/Share Price) -

Top Absolute Yield Counters	Abs. Yield till Expiry	Lending Fee in INR per sharefac
WOCKPHARMAXD	4.36%	10
INDIAMARTXD	1.41%	37
JUBLFOODXD	0.92%	5
SUZLONX2	0.79%	0
BHELXD	0.79%	1

Top 20 Active Counters as on 30 Oct (T-1):

SecurityName	Settlement Date	No. of Share	Traded Value	Lending fee/ share	SharePrice	Absolute Yield Till Expiry	Annualized Yield	Open Interest	Days to expiry	Value of Investment (for 100 stocks)	Expected Value at Maturity
WOCKHARDT LIMITED	07-Dec-23	216	2,138	10	227	4.36%	41.9%	216	38	22,715	23,705
INDIAMART INTERMESH	07-Dec-23	57,694	21,47,223	37	2,634	1.41%	13.6%	57,694	38	2,63,440	2,67,162
JUBILANT FOODWORKS	07-Dec-23	1,350	6,143	5	495	0.92%	8.8%	19,19,335	38	49,455	49,910
SUZLON ENERGY LIMITED	01-Feb-24	1,25,000	31,250	0	32	0.79%	3.1%	2,00,000	94	3,155	3,180
BHEL	07-Dec-23	11	10	1	121	0.79%	7.6%	11	38	12,070	12,165
AU SMALL FINANCE BANK LTD	04-Jan-24	236	1,192	5	666	0.76%	4.2%	236	66	66,595	67,100
SBI CARDS & PAY SER LTD	07-Dec-23	7,15,033	39,98,751	6	750	0.75%	7.2%	7,15,033	38	75,035	75,594
AU SMALL FINANCE BANK LTD	07-Dec-23	6,61,744	31,94,892	5	666	0.72%	7.0%	19,40,249	38	66,595	67,078
THE RAMCO CEMENTS LIMITED	07-Dec-23	80	560	7	984	0.71%	6.8%	7,680	38	98,405	99,105
ADITYA BIRLA FASHION & RT	07-Dec-23	15,600	23,597	2	216	0.70%	6.7%	5,43,599	38	21,600	21,751
INOX WIND	07-Dec-23	290	435	2	224	0.67%	6.4%	290	38	22,365	22,515
MACROTECH DEVELOPERS	07-Dec-23	309	1,545	5	760	0.66%	6.3%	309	38	76,015	76,515
LIC HOUSING FINANCE LTD	07-Dec-23	182	535	3	451	0.65%	6.3%	1,627	38	45,080	45,374
OBEROI REALTY LIMITED	07-Dec-23	40	260	7	1,118	0.58%	5.6%	989	38	1,11,750	1,12,400
HAVELLS INDIA	07-Dec-23	117	819	7	1,269	0.55%	5.3%	155	38	1,26,905	1,27,605
TATA CHEMICALS	07-Dec-23	650	3,301	5	951	0.53%	5.1%	12,69,486	38	95,050	95,558
DEVYANI INTERNATIONA	07-Dec-23	1,800	1,742	1	183	0.53%	5.1%	1,800	38	18,290	18,387
SHRIRAM FINANCE LIMITED	07-Dec-23	31	307	10	1,892	0.52%	5.0%	2,631	38	1,89,220	1,90,210
M&M FIN. SERVICES LTD	07-Dec-23	25,254	29,758	1	246	0.48%	4.6%	19,89,881	38	24,550	24,668
COROMANDEL INTERNTL. LTD	07-Dec-23	1,40,690	5,52,902	4	1,041	0.38%	3.6%	1,40,690	38	1,04,080	1,04,473

SLBM expiries

Sr No.	Series (A)	Series (B)	Month
1	01	X1	January
2	02	X2	February
03	03	X3	March
04	04	X4	April
05	05	X5	May
06	06	X6	June
07	07	X7	July
08	08	X8	August
09	09	X9	September
10	10	XO	October
11	11	N	November
12	12	D	December

Two separate series of contracts are made available as given below:-

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