

Indices	Current Value	% 1 D	% YTD
Sensex	68,865	2.1	13.2
Nifty	20,687	2.1	14.3
BSE Midcap	35,000	1.2	38.3
BSE Small cap	41,051	1.2	41.9

Sectors – Performance (BSE)

Oil & Gas	21,423	3.8	5.0
Bankex	52,540	3.6	7.4
Power	5,148	3.0	17.5
Consumer Dur	47,422	0.2	19.4
Healthcare	30,601	0.4	32.9
Tech	14,963	0.5	11.6

Nifty Gainers/Losers	CMP	% Chg
EICHERMOT	4,180	7.4
ADANIENIT	2,531	7.1
ADANIPTS	879	6.1
HDFCLIFE	675	(1.1)
BRITANNIA	4,938	(0.7)
WIPRO	407	(0.0)

FII Trading activities in Cash

	Date	Net	MTD
FII	04-Dec-23	2,073	3,663
DII	04-Dec-23	4,797	6,245

Figs. in Rs Cr.

Global Indices	Current Value	% 1 D	% YTD
Dow Jones	36,204	(0.1)	9.2
NASDAQ	14,185	(0.8)	35.5
DAX	16,405	0.0	16.6
Nikkei 225	32,794	(1.3)	25.7
FTSE 100	7,513	(0.2)	(0.6)
Hang Seng	16,491	(1.0)	(18.1)
Shanghai A Sha	3,006	(0.6)	(3.6)

Source: Bloomberg; As on 7:30 am IST

Forex Rate			
INR/USD	83.4	-0.1	-0.8
INR/EUR	90.7	0.1	-2.8
INR/GBP	105.7	-0.1	-5.8
INR/YEN (100)	56.9	-1.2	10.3

Market Commentary

- **Asian Markets** are trading lower as investors assess key economic data from across the region. Shanghai, Nikkei, and Hang Seng are trading lower at 0.63%, 1.41% and 1.28% respectively.
- **Indian Indices** are expected to open lower on account of weak global cues. GIFT Nifty was trading at 20,804 vs. yesterday's Nifty Futures close of 20,799.
- **US Markets** closed on a low note which partly reflects profit-taking with some traders looking to cash in on the recent strength in the markets. A rebound in treasury yields may also be contributing to the pullback in the US market. The Dow Jones ended lower by 41 points or 0.11% to close at 36,204 and NASDAQ ended lower by 119 points or 0.84% to close at 14,185.

What is Inside

- **Highlight of Axis Top Picks December 2023**
- **Highlights of Monthly Auto Monitor**
- **Company Update:** Ultratech Cement

News in Focus

- **S&P Global** will release India Services PMI and Composite PMI data for November.
- **HCL Technologies:** HCL Investments UK, the step-down wholly-owned subsidiary of HCL Technologies, has entered into a Memorandum of Understanding with its joint venture (JV) partner – State Street International Holdings, for selling the entire 49% equity stake in the JV to State Street for \$170 Mn + net book value.
- **Mahindra & Mahindra Financial Services** estimated that its overall disbursement stood at ~Rs 5,300 Cr in November, delivering a 16% growth YoY.
- **JSW Infrastructure:** The company said its subsidiary – JSW Dharamtar has entered into a share purchase agreement to purchase 50% plus 1 share of PNP Maritime Services held by SP Port Maintenance, a Shapoorji Pallonji group company, for Rs 270 Cr.
- **Bank of India** is likely to launch a qualified institutional placement (QIP) issue in the range of Rs 3,500-4,000 Cr.
- **Coal India:** The coal ministry projects total income for the company at Rs 1.41 Lc Cr for FY24.
- **KPI Green Energy:** The company acquired a 99.90% stake in KPark Sunbeat Pvt. for a cash payment of Rs 2.26 Lc. It allotted 15.18 Lc equity shares with a face value of Rs 10 each at an issue price of Rs 830.15/equity share.

Market Eyeing on a New High in Light of Favorable Macros

We are proud to share that our Axis Top Picks basket delivered impressive returns of 31% in the last one year till 1st Dec'23, beating the benchmark Nifty 50 index (8% return over the same period) by a wide margin. In Nov'23, the basket inched up further by 6% (till 1st Dec'23). We are extremely happy to inform you that our Top Picks Basket has delivered an astounding return of 231% since its inception (May'20). This stands well above the 119% return delivered by NIFTY 50 over the same period. Given these results, we maintain our confidence in our thematic approach to Top Picks selection.

Nov'23 turned out to be a recovery month for the Indian equity market on account of the change in the macroeconomic narrative in favour of the overall equity market. Thanks to this favourable narrative, Nifty touched an all-time high of 20,268 on 1st Dec'23, led by improvement in various macroeconomic parameters such as a) Cool-off in the US 10-year bond yields, 2) Moderation in Oil prices, 3) Sequential improvement in high-frequency indicators, 4) Robust Q2FY24 earnings performance, and 5) Expectations of better performance by ruling party in state elections. With this, the Indian market cap has touched \$3.9 Tn for the first time on 1st Dec'23. This macroeconomic narrative has further strengthened after the big-bang performance of the BJP in 3 out of 4 key states in assembly elections. This narrative of the political continuity in the 2024 general elections has boosted the market confidence further. It has also bolstered visibility on the policy continuity, which will help the domestic economy to continue its growth momentum moving ahead. Keeping all these perspectives, we believe the Indian equity market will continue to trade at a higher premium to EM in the next one year which will be further supported by 1) Strong earnings outlook, 2) Banking sector in better shape, 3) and Encouraging Private Capex cycle expectations.

Our benchmark indices have reached all-time highs and the FTSE India is currently trading at a PE premium of 82% to the EM index (PE), vs. an average premium of 41%. It is noteworthy that at a similar time during the last year, India was trading at 110% PE premium. While the Indian market is again at an all-time high, the PE premium this time around is only 82%, indicating that the market, on a relative basis, is not as expensive as it was last year. We believe these favourable valuations will continue to attract inflows going forward.

In Nov'23, the broader market outperformed the Largecaps by a notable margin. Nifty 50 went up 5.5% in Nov'23 while the Midcap and Smallcap indices inched up by 10% respectively over the same period. Furthermore, all sectoral indices closed on a positive note and the biggest recovery was seen in Realty, Pharma, and Auto index. In Sep'23, 88% of the stocks were trading

above the 200-day moving average while the market saw some correction in Oct'23. With this, 76% of the stocks were trading above the 200-day moving average in Oct'23. However, the macroeconomic situation has reversed in Nov'23 and now 84% of the stocks are trading above the 200-day moving average, indicating the market is now out of the concern zone.

Q2FY24 Review: Largely In line with expectations: Out of 49 companies from the Nifty 50 index, 73% of the companies have beaten or been in line with the earnings expectations as well as revenue expectations. Margin improvement was seen across the sectors during the quarter. Banks, Auto, Pharma, Industrials, and Oil Marketing companies have posted good numbers while IT, selected FMCG, and Discretionary have posted weaker results.

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 and the RBI's MPC meeting, b) The direction of the US 10-year bond yields, c) The direction of the dollar index, d) The direction of crude prices. All these developments will keep the market volatile in the near term and respond in either direction based on the ensuing developments. We could see a new high in the market if the bond yields and the crude prices remain at the same levels for the entire month.

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 in terms of valuations. 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 two changes to our Top Picks recommendations. This includes booking profit in Kirloskar Brothers and Ashok Leyland and adding Bharti Airtel and TVS motors. 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 and RBI's MPS meeting, b) The direction of the US10-year bond yields, c) The direction of the dollar index, and d) The direction of crude prices. Currently, we are near the peak of the current rate hike cycle and the prospects of a soft landing have further strengthened during the last one month. Keeping this in view, the market is currently building an expectation of one rate cut by the US FED around May-Jun'24. Hence, any developments will be keenly watched by the street. We believe India will continue to attract FII flows in the upcoming quarters 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.

We roll over Nifty target to Dec'24 at 23000

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. These factors will ensure that Indian equities will easily manage to deliver double-digit returns in the next 2-3 years with the support of double-digit earnings growth. We foresee 14% CAGR growth in Nifty earnings over FY23-26. Our estimates of FY24/25 stand conservative at 5% below street expectations. Financials remain the biggest contributors for FY24/25 earnings. In Our base case, we assume the continuation of the political stability and consequent visibility on the policy continuity after the 2024 general elections.

In our base case, we roll over the Nifty target to Dec'24 to 23,000 by valuing it at 20x on Dec'25 earnings, implying an upside of 13% from the 1st Dec'23 levels. 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'24 target of 25,000 implying an upside of 23% from the 1st Dec'23 levels. 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 current rate hike cycle and the prospects of a soft landing have further strengthened in the last one month. The market is currently building an expectation of one rate cut by US FED around May-Jun'24 and developments regarding the same will be keenly watched by the street. 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. In the Bull case, we foresee the Nifty earnings to grow at a CAGR of 16% from FY23-26. This, in turn, would increase the market multiple.

Bear Case: In the bear case, we value NIFTY at 16x, which translates into a Dec'24 target of 18,500, translating a downside of 9% from 1st Dec'23 levels. We assumed the market to trade at an average valuation led by political instability in case of no clear mandate in the 2024 general election. Adding to that, we assumed inflation continues to pose challenges in the developed world. Currently, we are near the peak of the rate hike cycle and the market has not seen such levels of interest rate hike in the recent past. Hence the 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, TVS Motors, Bharti Airtel, PNC infra, ITC, Relaxo, CIE Automotive India, Bank of Baroda, Westlife Foodworld, CreditAccess Grameen, JTL Industries

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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	947	1,250	32%	17.2	2.6	0.8	3.6	-2.3	2.0	7.1
Large Cap	Maruti Suzuki India Ltd	Consumer Discretionary	10,586	11,800	11%	27.8	4.6	0.9	3.5	2.5	14.5	27.3
Large Cap	State Bank of India	Financials	572	715	25%	8.3	1.3	2.0	0.9	0.4	-1.9	-5.0
Large Cap	Varun Beverages Ltd	Consumer Staples	1,089	1,200	10%	69.7	20.7	0.1	18.6	19.6	29.1	65.0
Large Cap	Bank of Baroda Ltd	Financials	202	255	26%	5.9	1.0	2.7	3.2	5.9	12.4	11.8
Large Cap	ITC Ltd	Consumer Staples	450	540	20%	26.8	7.8	2.8	5.1	2.0	2.3	40.7
Large Cap	Bharti Airtel Ltd	Communication Services	1,015	1,155	14%	48.1	6.0	0.4	11.1	17.2	23.1	26.5
Large Cap	TVS Motor Company Ltd	Consumer Discretionary	1,910	2,100	10%	45.5	11.7	0.3	22.4	31.3	50.1	76.8
Mid Cap	Lupin Ltd	Health Care	1,297	1,470	13%	36.3	4.2	0.3	14.5	18.5	60.3	77.5
Mid Cap	Federal Bank Ltd	Financials	149	180	21%	10.0	1.3	0.7	5.9	3.4	19.4	7.8
Mid Cap	Relaxo Footwears Ltd	Consumer Discretionary	915	1,020	11%	93.4	11.2	0.3	-2.3	-1.0	1.9	0.8
Small Cap	JTL Industries Ltd	Materials	217	265	22%	29.9	6.8	0.0	1.7	3.8	31.4	40.1
Small Cap	CIE Automotive India Ltd	Consumer Discretionary	485	585	21%	21.0	3.1	0.5	6.7	-6.6	5.7	41.7
Small Cap	Westlife Foodworld Ltd	Consumer Discretionary	894	1,000	12%	103.1	20.8	0.4	11.0	-7.4	8.3	13.7
Small Cap	CreditAccess Grameen Ltd	Financials	1,698	1,935	14%	19.5	4.2	NA	4.8	20.5	35.8	85.5
Small Cap	PNC Infratech Ltd	Industrials	334	415	24%	13.4	1.9	0.1	3.2	1.1	7.6	16.0

Source: Company, Axis Securities, CMP as on 1st December 2023

2W Dispatches Witness Double-Digit Growth; MHCV Sales Decline

Nov'23 Wholesale Volumes: The domestic PV sales (Exhibit-2) grew by 6% YoY (down 14% MoM) as the dispatches normalised post the festive season. Domestic 2W sales grew by 32% YoY (down 14% MoM) led by strong festive demand (specifically from rural regions, tier II and tier III cities). 2W exports showed a mixed bag with Hero/HMSI/RE registering 33%/38%/2% YoY growth while Bajaj/TVS/Suzuki exports degrew by 6%/9%/14% on a YoY basis. The domestic CV industry grew 2% YoY (down 19% MoM).

Overall 2W wholesale dispatches (domestic + exports) in FY24 on a YTD basis grew by 5% 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 1% YoY on a high base. 3W domestic sales grew by a robust 42% YoY, led by Bajaj and MnM. On a YTD basis, Bajaj's/MnM 3W sales grew by 81%/54% while TVS degrew by 17% YoY.

PV dispatches grow with robust SUV sales: There is a clear shift of preference towards SUV sales as witnessed over the past few months, being partly offset by weak wholesale volumes of entry-level cars. In Nov'23, the MSIL entry level car segment de-grew by 19% YoY but the SUV segment grew by 50% YoY, leading to total PV sales growth of 3.4% YoY. The total SUV sales stood strong for M&M, up 32% YoY while Tata Motors's sales remained largely flat on the back of production constraints. In the unlisted space, Toyota/Honda reported strong domestic sales growth of 44%/24% YoY respectively. Overall, our PV domestic sales proxy grew by 6% YoY.

CV domestic sales remain resilient: Our proxy for CV domestic dispatches grew by 2% YoY but was down by 19% MoM. MHCV sales declined while LCV sales remained resilient. MnM/VECV grew 13%/5% YoY while TaMo/AL/MSIL declined by 3%/5%/6% YoY for Nov'23.

2W sales grew YoY led by festive demand: 2W domestic dispatches grew by ~32% YoY; led mainly by growth in Bajaj/Hero/TVS/Suzuki/RE/HMSI by ~77%/25%/50%/16%/14%/19% YoY. It is to be noted that the domestic wholesale dispatches of OEMs were down 14% on a MoM basis as OEM's normalize the inventory levels as the festive season ends in Nov'23. Wholesale dispatches need to be monitored with growth expectations by OEMs from rural demand push and marriage season. Exports remained a mixed bag with a ~2%/5% decline on a YoY/MoM basis. Hero/HMSI witnessed ~33%/38% YoY export growth on a low base; TVS and Bajaj indicated sluggishness at a 9%/6% YoY decline. TVS iQube sales at ~16.8K units against ~10K units in Nov'22 (~20.1K units in Oct'23).

Cautious Outlook on the Tractor Industry for H2FY24: On a YoY basis, M&M/Escorts sales grew by ~6%/7%. However, on a MoM basis, they witnessed a de-growth of ~37%/38% in both the OEMs. The festive season saw high demand pull in the domestic market, supported by Kharif harvest realizations; the Terms of trade continue to be favorable for farmers; while rural spending by the Government and progress in Rabi sowing need to be monitored. Nonetheless, the high base of the last year and uneven monsoons in some parts of the country may lead to a low single-digit decline in industry volumes in FY24.

A revival in exports in H2FY24 will be critical for Bajaj, TVS, and RE. On the domestic front, we will be cautiously monitoring the OEMs' expectations of continued momentum post-festive season on the back of rural demand push, marriage season, and government spending before elections. 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.**

2W/3W Segment

- **Hero MotoCorp** total sales stood at ~4.91 Lc units in Nov'23. The company registered a volume growth of ~26% on a YoY basis but declined ~15% on a MoM basis.
- **TVS Motors'** total 2W sales were ~3.52 Lc units, up ~33% YoY but down ~16% MoM. 3W sales were down 10%/14% YoY/MoM at ~12.1k units. TVS iQube sales at ~16.8K units against ~10K units in Nov'22 (~20.1K units in Oct'23).
- **Eicher Motors (RE)** sold a total of ~80.2K units of RE, up ~13% YoY but down ~5% MoM. Exports were up ~2%/47% YoY/MoM to 5,114 units in Nov'23.

PV & CV Segment

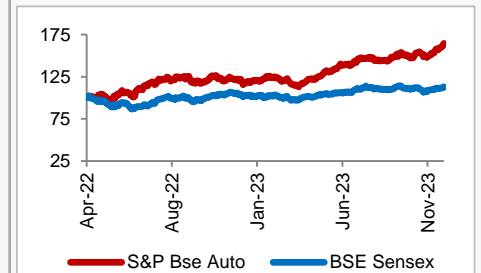
- **Maruti Suzuki** posted total sales of ~1.64 Lc units, up ~3.4% YoY (down ~17.5% MoM). The domestic sales were up ~1.6% YoY (down ~20.2% MoM).
- **Mahindra's** Auto division grew by 21.2% YoY but down 12.5% MoM to ~70.5k units. Its PV segment witnessed a growth of ~31.6% YoY (down ~8.5% MoM) to 40K units and the 3W segment saw ~26.4% YoY (down ~30.1% MoM) growth to ~6.6K units.
- **Tata Motors** reported total sales of ~74K units, down ~2%/11% YoY/MoM. The domestic CV sales were down ~3%/18% YoY/MoM basis to ~26.6K units; domestic PV sales were flat YoY but down ~5% on a MoM basis to ~46K units.
- **Ashok Leyland** reported total sales of ~14K units, down ~3%/17% YoY/MoM. The domestic MHCV segment degrew ~11%/18% YoY/MoM and the domestic LCV segment witnessed growth of ~6.5% YoY (down ~17% MoM).
- **Eicher Motors (VECV)** reported total CV sales of 5.2K, up ~6% YoY (down ~31% MoM).

TractorSegment

- **M&M** reported total tractor sales, up ~5% YoY but down ~36% MoM to ~32K units.
- **Escorts Kubota Limited** sold ~8.3K tractors, up ~4% YoY, but down 37% MoM. The ECE segment saw the sale of 486 units (up ~21% YoY but down 20% MoM).

Total Sales Summary (Nov'23)

Company	Nov-23	Nov-22	YoY (%)
Ashok Leyland	14,053	14,561	-3%
Bajaj Auto (2W+3W)	4,03,003	3,06,719	31%
Eicher Motors (RE)	80,251	70,766	13%
Escorts (Tractors)	8,258	7,960	4%
Hero MotoCorp	4,91,050	3,90,932	26%
M&M	1,02,650	88,831	16%
Maruti Suzuki	1,64,439	1,59,044	3%
Tata Motors	74,172	75,478	-2%
TVS Motors	3,64,231	2,77,123	31%

Relative performance


Source: Ace Equity, ASL.

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Kesoram Deal To Strengthen Southern Footprint & Enhance Market Share.

- Deal Details:** UltraTech will acquire the demerged Cement business of Kesoram Industries Ltd in all stock deal consists of 2 integrated cement units at Sedam (Karnataka) and Basantnagar (Telangana) with a total installed capacity of 10.75 mtpa, Clinker capacity of 6.3 mtpa and 0.66 mtpa packing plant at Solapur, Maharashtra. The turnover of the Cement business of the demerged company as on 31st March, 2023, was Rs. 3,517 Cr and forms 99.54% of the total turnover of the Demerged Company.
- UltraTech will issue 5.97 mn equity share (1 fully paid-up equity share of Rs. 10 each of the company for every 52 fully paid-up equity shares of Rs. 10 each of the demerged company held by equity shareholder, on a proportionate basis). UTCL will also issue 6.35 mn preference share of Rs 100 each. Entire debt of the demerged company about Rs 2,000 Cr will also be transferred to UTCL under the deal. This will increase UltraTech's equity capital to Rs. 294.66 Cr consisting of 29.47 Cr equity shares of Rs. 10/- each implying equity dilution of 2.1%.
- UTCL's acquisition of KIL's Cement business implies acquisition at an enterprise value of Rs 7,500 Cr and EV/tonne of USD 83/tonne which is at discount to replacement cost of USD100/tonne.
- Deal benefit to UTCL:** Deal will provide UltraTech with the opportunity to extend its footprint in the highly fragmented, competitive, and fast growing Western and Southern markets in the country. It will help enhance UltraTech's geographic reach in Southern markets such as Telangana where UltraTech currently does not have any cement manufacturing plant. The operations will be bolstered by economies of scale resulting from synergies in procurement, logistics and fixed costs.
- Increase in market share for UTCL:** At present UTCL has total Cement manufacturing capacity of 20.5 mtpa with 11% industry capacity share in the South region. With the acquisition of KIL's Cement assets of 10.75 mtpa and after completion of 2nd and 3rd phase of expansion (addition of 6.3 mtpa and 8.7 mtpa) the total capacity will increase to 46.2 mtpa by FY27 and will take its capacity market share to over 20% in the South region. This will enhance the UTCL overall market share moving ahead.

Outlook & Valuation:

With better demand, improved realization, increasing market share and cost optimization initiatives, we expect the company to deliver Revenue/EBITDA/APAT growth of 12%/21%/30% CAGR over FY23-FY26E on the back of robust volume growth CAGR of 11% over the same period. Currently, the stock is trading at 15x and 13x FY25E and FY26E EPS. **We roll over our estimates to FY26 and value the company at 16x FY26E EV/EBITDA to arrive at the TP of Rs 10850/share, implying an upside potential of 20% from the current levels.**

Key Financials (Consolidated)

(Rs Cr)	FY23	FY24E	FY25E	FY26E
Net Sales	63,240	73,216	81,074	88,607
EBITDA	10,620	14,285	17,092	18,971
Net Profit	5,083	8,236	10,004	11,173
EPS (Rs)	175	285	346	387
PER (x)	51	32	26	23
P/BV (x)	4.8	4.2	3.7	3.2
EV/EBITDA (X)	25	18	15	13
RoE (%)	9%	13%	14%	14%

Source: Company, Axis Research

(CMP as of 1st Dec 2023)

CMP (Rs)	9,034
Upside / Downside (%)	20
High/Low (Rs)	9,163/6,604
Market cap (Cr)	2,60,795
Avg. daily vol. (6m) Shrs.	3,11,425
No. of shares (Cr)	28.9

Shareholding (%)

	Mar-23	June-23	Sept-23
Promoter	60.0	60.0	60.0
FII/FPIs	14.76	15.8	16.7
MFs / UTI	16.9	15.9	13.6
Banks / FIs	0.05	0.05	0.1
Public	8.30	8.23	9.7

Financial & Valuations

Y/E Mar (Rs)	FY23	FY24E	FY25E
Net Sales	63,240	73,216	81,074
EBITDA	10,620	14,285	17,092
Net Profit	5,083	8,236	10,004
EPS (Rs)	175	285	346
PER (x)	51	32	26
P/BV (x)	4.8	4.2	3.7
EV/EBITDA (X)	25	18	15
RoE (%)	9%	13%	14%

Change in Estimates (%)

Y/E Mar	FY24E	FY25E
Revenue	2	3
EBITDA	0	1
Net Profit	0	1

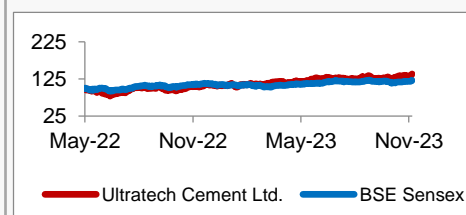
ESG disclosure Score**

Environmental Disclosure	60
Social Disclosure Score	43
Governance Disclosure	94
Total ESG Disclosure	65
Sector Average	47

Source: Bloomberg, Scale: 0.1-100

**Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2022 disclosures

Relative performance



Source: Ace Equity, Axis Securities

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Weekend AI Stocks for the week 04 Dec 2023 to 11 Dec 2023`

Name of Stock	Sector	Mcap
Cipla Ltd.,	Healthcare	Large Cap
Varun Beverages Limited	Staples	Large Cap
SUN TV NETWORK LIMITED	Tele & Media	Mid Cap
TVS Motor Company Ltd.	Auto & Anc	Mid Cap
ITI Limited (Indian Teleph.Ind.Ltd)	Tele & Media	Small Cap
Syngene International Limited	Healthcare	Mid Cap
InterGlobe Aviation Limited	Transport	Large Cap
K.P.R. Mill Ltd.	Discretionary	Mid Cap
Alkem Laboratories Limited	Healthcare	Mid Cap
The Ramco Cements Limited	Build Mate	Mid Cap

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Aarti Drugs Ltd	BUY	493	610	23.9
ACC Ltd	BUY	2,019	2,460	21.8
Affle India Ltd	BUY	1,132	1,250	10.4
APL Apollo Tubes Ltd	BUY	1,619	1,950	20.5
Aptus Value Housing Finance India Ltd	BUY	300	350	16.6
Ashok Leyland Ltd	BUY	175	205	17.5
Bajaj Finance Ltd	BUY	7,405	9,425	27.3
Bank of Baroda Ltd	BUY	209	255	21.9
Bharti Airtel Ltd	BUY	1,032	1,155	11.9
Camlin Fine Sciences Ltd	BUY	134	150	11.7
Can Fin Homes Ltd	BUY	825	925	12.2
CIE Automotive India Ltd	BUY	494	585	18.4
Cipla Ltd	BUY	1,217	1,350	11.0
CreditAccess Grameen Ltd	BUY	1,709	1,935	13.2
Dabur India Ltd	BUY	547	635	16.1
DCB Bank Ltd	BUY	113	140	23.9
Embassy Office Parks REIT	BUY	317	350	10.4
Equitas Small Finance Bank Ltd	BUY	94	114	21.1
Federal Bank Ltd	BUY	154	180	16.8
H. G. Infra Engineering Ltd	BUY	844	1,090	29.2
HDFC Bank Ltd	BUY	1,609	1,925	19.6
HealthCare Global Enterprises Ltd	BUY	369	410	11.2
Hindustan Unilever Ltd	BUY	2,602	2,900	11.5
ICICI Bank Ltd	BUY	991	1,250	26.2
IndiaMART InterMESH Ltd	BUY	2,604	3,625	39.2
ITC Ltd	BUY	454	540	19.0
JTL Industries Ltd	BUY	215	265	23.1
Karnataka Bank Ltd	BUY	221	250	13.0
KNR Constructions	BUY	270	305	13.1
Kotak Mahindra Bank Ltd	BUY	1,817	2,300	26.6
KPIT Technologies Ltd	BUY	1,496	1,700	13.6
Lupin Ltd	BUY	1,260	1,470	16.7
Maruti Suzuki India Ltd	BUY	10,604	11,800	11.3
MAS Financial Services Ltd	BUY	848	1,075	26.8
Nestle India Ltd	BUY	24,399	26,900	10.2
Persistent Systems Ltd	BUY	6,461	7,200	11.4
Pitti Engineering Ltd	BUY	699	915	30.9
PNC Infratech Ltd	BUY	344	415	20.5
Relaxo Footwears Ltd	BUY	917	1,020	11.2
State Bank of India	BUY	595	715	20.2
Steel Strips Wheels Ltd	BUY	283	325	15.0
TVS Motor Company Ltd	BUY	1,904	2,100	10.3
Ujjivan Small Finance Bank Ltd	BUY	57	64	12.5
Varun Beverages Ltd	BUY	1,072	1,200	12.0
Westlife Foodworld Ltd	BUY	869	1,000	15.0

Index	CMP	% Chng	S2	S1	P	R1	R2
Nifty	20,686.80	2.07%	20440	20560	20630	20755	20825
Sensex	68,865.12	2.05%	68040	68455	68685	69095	69330
Bank Nifty	46,431.40	3.61%	45135	45780	46135	46785	47135



The Nifty opened with an upward gap and remained in positive terrain throughout the day. It closed at 20687 on December 4th, gaining 419 points.

On the daily chart, the index has formed a bullish candle, creating a higher high-low compared to the previous session, indicating a positive bias. The index is moving in a higher top and higher bottom formation on the daily chart, suggesting a sustained uptrend. The chart pattern suggests that if Nifty crosses and sustains above the 20750 level, it would witness buying, leading the index towards 20800-20900 levels. The important support for the day is around 20600. However, if the index sustains below 20600, it may witness profit booking, taking the index towards 20500-20400 levels. Nifty is trading above 20, 50, 100, and 200-day SMAs, indicating a positive bias in the short to medium term. Nifty continues to remain in an uptrend for the short term, so buying on dips continues to be our preferred strategy.

The daily strength indicator RSI is moving upwards and is above its reference line, indicating a positive bias.

The trend-deciding level for the day is 20630. If NIFTY trades above this level, we may witness a further rally up to 20755-20825-20950 levels. However, if NIFTY trades below 20630 levels, we may see some profit booking initiating in the market, which may correct up to 20560-20440-20365 levels

Trading Insights

Insight from trading volumes

Script	CMP	Total Volume (x1000)	Monthly Avg Volume(x1000)	% Change
GAIL	142	72,771	18,627	290.7%
EICHERMOT	4,180	2,887	757	281.4%
BPCL	462	21,633	8,278	161.3%
ONGC	202	30,790	11,960	157.4%
ADANIPTS	879	11,664	4,736	146.3%
ICICIBANK	991	34,698	14,636	137.1%
RELIANCE	2,420	14,274	6,165	131.5%

Insight from delivery

Script	CMP	Total Delivery Volume(x1000)	Monthly Avg Delivery Volume(x1000)	%Change
GAIL	142	22,417	8,989	149.4%
ITC	454	11,482	5,653	103.1%
AXISBANK	1,126	10,081	5,088	98.1%
BRITANNIA	4,938	323	176	83.1%
NTPC	275	11,854	6,884	72.2%
RELIANCE	2,420	6,885	3,999	72.2%
BPCL	462	5,229	3,278	59.5%

*CMP-Closing Market Price

Daily Support/ Resistance of Nifty Companies

Company	CMP	Pivot Point	R1	R2	S1	S2
NIFTY 50	20,687	20,632	20,757	20,827	20,562	20,438
ADANI PORTS	879	873	889	899	863	848
ASIANPAINT	3,195	3,189	3,211	3,227	3,173	3,150
AXISBANK	1,126	1,118	1,137	1,148	1,107	1,088
BAJAJ-AUTO	6,202	6,168	6,252	6,302	6,119	6,035
BAJAJFINSV	1,696	1,699	1,712	1,728	1,683	1,670
BAJFINANCE	7,408	7,381	7,447	7,486	7,342	7,276
BHARTIARTL	1,033	1,034	1,043	1,053	1,024	1,015
BPCL	462	457	470	478	449	436
BRITANNIA	4,938	4,951	4,987	5,036	4,902	4,865
CIPLA	1,217	1,215	1,223	1,230	1,208	1,200
COALINDIA	355	355	360	365	350	346
DIVISLAB	3,798	3,807	3,826	3,855	3,779	3,759
DRREDDY	5,756	5,771	5,813	5,870	5,714	5,671
EICHERMOT	4,180	4,099	4,283	4,385	3,997	3,814
GAIL	142	142	145	149	138	135
GRASIM	2,053	2,052	2,076	2,100	2,029	2,005
HCLTECH	1,338	1,340	1,348	1,359	1,329	1,321
HDFCBANK	1,609	1,598	1,623	1,637	1,584	1,559
HDFCLIFE	675	679	686	697	668	661
HEROMOTOCO	3,797	3,823	3,863	3,928	3,758	3,718
HINDALCO	519	521	525	531	515	511
HINDUNILVR	2,602	2,595	2,616	2,630	2,581	2,561
ICICIBANK	991	982	1,004	1,017	969	947
INDUSINDBK	1,515	1,502	1,531	1,547	1,486	1,458
INFY	1,464	1,462	1,474	1,484	1,452	1,439
IOC	116	116	118	121	113	111
ITC	454	454	457	459	451	448
JSWSTEEL	820	818	825	830	813	807
KOTAKBANK	1,819	1,799	1,845	1,872	1,772	1,726
LT	3,314	3,304	3,357	3,401	3,260	3,206
LTIM	5,577	5,586	5,623	5,668	5,541	5,504
M&M	1,657	1,657	1,675	1,693	1,639	1,622
MARUTI	10,599	10,573	10,722	10,844	10,450	10,301
NESTLEIND	24,403	24,359	24,579	24,755	24,183	23,962
NTPC	275	276	278	282	272	270
ONGC	202	201	207	211	197	191
POWERGRID	213	213	214	215	212	211
RELIANCE	2,420	2,422	2,448	2,477	2,393	2,367
SBILIFE	1,454	1,443	1,471	1,487	1,426	1,398
SBIN	595	591	599	604	587	579
SHREECEM	27,717	27,511	28,121	28,526	27,106	26,496
SUNPHARMA	1,231	1,231	1,241	1,250	1,221	1,211
TATAMOTORS	706	709	714	721	701	697
TATASTEEL	131	131	132	133	130	129
TCS	3,512	3,519	3,541	3,569	3,491	3,470
TECHM	1,224	1,230	1,243	1,262	1,212	1,199
TITAN	3,488	3,505	3,533	3,577	3,461	3,434
ULTRACEMCO	9,318	9,248	9,410	9,503	9,156	8,994
UPL	579	580	584	588	576	572
WIPRO	407	409	411	415	405	403

Source: Axis Direct.

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