AXIS SECURITIES

# Daily Morning Note

30 September 2024

| Indices | Current Value | % 1 D | % YTD |
|---|---|---|---|
| Sensex | 85,572 | -0.3 | 18.5 |
| Nifty | 26,179 | -0.1 | 20.5 |
| BSE Midcap | 49,490 | 0.3 | 34.3 |
| BSE Small cap | 57,091 | 0.1 | 33.8 |
| **Sectors – Performance (BSE)** | | | |
| Oil & Gas | 31,897 | 2.6 | 38.6 |
| Metal | 34,246 | 1.0 | 26.9 |
| Healthcare | 44,437 | 0.7 | 40.9 |
| Realty | 8,750 | -1.0 | 41.4 |
| Bankex | 61,152 | -0.9 | 12.5 |
| Telecom | 3,183 | -0.7 | 40.5 |

| Nifty Gainers/Losers | CMP | % Chg |
|---|---|---|
| BPCL | 367 | 6.4 |
| CIPLA | 1,673 | 3.1 |
| SUNPHARMA | 1,949 | 2.6 |
| POWERGRID | 354 | (3.1) |
| BHARTIARTL | 1,735 | (2.1) |
| HDFCBANK | 1,753 | (1.7) |

**FII Trading activities in Cash**

| | Date | Net | MTD |
|---|---|---|---|
| FII | 27-Sep-24 | -1,209 | -579 |
| DII | 27-Sep-24 | 6,887 | 9,292 |

*Figs. in Rs Cr.*

| Global Indices | Current Value | % 1 D | % YTD |
|---|---|---|---|
| Dow Jones | 42,313 | 0.3 | 12.2 |
| Nasdaq | 18,120 | (0.4) | 22.7 |
| DAX | 19,474 | 1.2 | 16.1 |
| Nikkei 225 | 38,135 | (4.2) | 14.6 |
| FTSE 100 | 8,321 | 0.4 | 7.8 |
| Hang Seng | 20,854 | 1.1 | 24.2 |
| Shanghai | 3,157 | 2.2 | 6.6 |

Source: Bloomberg; As on 7:30 am IST

| Forex Rate | | | |
|---|---|---|---|
| INR/USD | 83.7 | -0.1 | -0.6 |
| INR/EUR | 93.4 | -0.2 | -1.6 |
| INR/GBP | 112.0 | -0.3 | -5.6 |
| INR/YEN (100) | 58.7 | -1.6 | 0.2 |

## Market Commentary

- **Asian Markets** are trading mixed as the Japanese market tumbled more than 4% and the yen weakened against the dollar as traders reacted to the results of the ruling Liberal Democratic Party election last Friday. China released its official manufacturing PMI numbers for September, which came in above expectation at 49.8. Nikkei is trading lower by 4.48% while Hang Seng and Shanghai are trading higher by 1.70% and 3.83% respectively.
- **Indian Indices** are expected to open lower. GIFT Nifty was trading at 26,289 vs. yesterday's Nifty Futures' closing at 26,345.
- **US Markets** closed on a mixed note following the release of closely watched readings on U.S. consumer price inflation in the month of August. Dow Jones ended higher by 137 points or 0.33% to close at 42,313 while the NASDAQ ended lower by 70 points or 0.39% to close at 18,119.

## What's Inside

- **Pick of the Week: Bank of Baroda Ltd (BUY)**
- **Thematic Research: The EV Revolution**
- **Sector Update (BFSI): Credit Card Business Monitor- August 2024**
- **Sector Update: Accenture (IT)**

## News in Focus

- **BSE**: The company revised the Sensex option trade fee to Rs 3,250/crore of premium turnover value and Bankex option trade fee to Rs 3,250/crore of premium turnover. The changes will be effective from 1st Oct'24.
- **PNB:** The company raised Rs 5,000 Cr through QIP, having initially aimed for Rs 7,000 Cr. The bank allotted 48.2 Cr shares at a price of Rs 103.75 each, with key investors including Citi Group, Bank of America Securities, SBI Contra Fund, Morgan Stanley, and Goldman Sachs.
- **Apollo Hospitals Enterprise:** The company's stake in its unit Apollo Health Co had been diluted as an affiliate of private equity major Advent International has picked up a stake in the company. The company's shareholding in AHL has diluted from 94.9% to ~78.8%.
- **IDFC First Bank:** The company's merger with IDFC Financial, IDFC to be effective from Oct. 1. The record date for determining eligible shareholders is set as Oct. 10.
- **Welspun Enterprises:** The company has been declared L1 bidder by Brihanmumbai Municipal Corp. for the Mumbai water Tunnel project worth Rs 1,990 Cr.

AXIS SECURITIES

Pick of the Week

28th September, 2024

# Bank of Baroda Ltd.

Banks

BUY

Target Price

275

Duration: 6-9 Months

| CMP (Rs) | Target (Rs) | Potential Upside (%) |
|---|---|---|
| 249 | 275 | 10% |

**MARKET DATA**

| | |
|---|---|
| No. of Shares | 517.1 Cr |
| Market Cap (Rs Cr) | 1,28,302 Cr |
| 52-week High / Low | 298/188 |
| BSE Code | 532134 |
| NSE Code | BANKBARODA |

**Why Bank of Baroda?**

- ✓ Ability to maintain RoA at 1.1% over medium term
- ✓ Steady growth delivery with stable C-D Ratio
- ✓ Improving Asset Quality

## About the Company

**Bank of Baroda (BoB) is the second-largest PSU bank in India and is focused on unlocking its value by improving its retail distribution network and leveraging digitization across the value chain. BoB has a strong domestic presence of 8,200 branches and 11,401 ATMs and cash recyclers supported by self-service channels. It also has a significant international presence with a network of 93 overseas branches in 17 countries.**

## Investment Rationale

A. **Business momentum to improve:** In Q1FY25, Advances growth stood modest at 9% YoY and de-grew by 2% QoQ. However, Retail advances growth was healthy at 21/4% YoY/QoQ (25% Mix vs 23% YoY). The management indicated that the credit growth momentum, particularly in the corporate segment, was muted with BoB's endeavour to protect margins. Pricing pressures have been visible in corporate lending and BoB was selective in pursuing growth in this segment where risk-adjusted returns were favourable. Thus, BoB remains confident of delivering credit growth of 10-12% in FY25 and a steady CAGR growth of 13.5% CAGR over the next 5 years.

B. **Maintaining a steady C-D Ratio:** In Q1FY25, Deposit growth was disappointing at 9% YoY and reported de-growth of 2% QoQ. CASA Ratio stood at 40.6% vs. 40.3/41.3% YoY/QoQ. The C-D Ratio stood steady at 82% vs. 82.2% QoQ. The bank expects to maintain its C-D Ratio at 80-82% on a steady state basis. BoB has been reducing its focus on bulk deposits (to maintain margins as pricing is higher) and has shifted its focus to retail and CASA deposit mobilization. However, the bank will not shy away from growing its bulk deposits to support corporate book growth. Thus, the deposit franchise is expected to grow in line with credit growth at ~11% CAGR over the medium term.

C. **Stable Asset Quality:** In Q1FY25, Asset quality was stable with GNPA/NNPA at 2.88/0.69% vs. 2.92/0.68% QoQ. The slippage ratio stood at 1% vs. 1.1% QoQ. Borrower cashflows have improved post-COVID and the bank expects trends to normalise. Taking the cue from the industry trends around stress build-up in the unsecured portfolio, BoB revised and tightened its filters in the personal loan segment to control slippages. The management remains confident of capping its slippages at 1-1.25% in FY25. With the visibility on incremental stress formation being low, GNPA is likely to trend downwards over FY25. Thus credit costs should be contained at ~75bps in FY25.

D. **Outlook:** While FY25 started on a subdued note, the bank will look to accelerate growth over the coming quarters. Given the bank's comfortable positioning w.r.t C-D ratio, improving the share of retail advances and focus on retail/CASA deposits alongside reducing the share of higher-cost bulk deposits should enable BoB to maintain its margins. Driven by accelerating business momentum, stable NIMs, focus on improving fee income, lower Opex growth with the bank having upfronted wage-related expenses in FY24 and stable asset quality prompting credit costs to remain under control, we expect BoB to deliver a steady state RoA/RoE of 1.1%/15-17% over FY25-27E. **We recommend a BUY on the stock with a target price of Rs 275/share, implying an upside of 10% from the CMP.**

## Financial Summary (Standalone)

| Y/E March | NII (Rs Bn) | PPOP (Rs Bn) | PAT (Rs Bn) | EPS (Rs) | ABV (Rs) | P/ABV (x) | RoA (%) | NNPA (%) |
|---|---|---|---|---|---|---|---|---|
| FY24 | 447.2 | 319.7 | 177.9 | 34.4 | 202.8 | 1.2 | 1.2 | 0.7 |
| FY25E | 484.1 | 308.2 | 192.8 | 37.2 | 232.6 | 1.1 | 1.1 | 0.6 |
| FY26E | 544.8 | 360.5 | 215.2 | 41.6 | 264.7 | 0.9 | 1.1 | 0.6 |
| FY27E | 611.0 | 410.9 | 235.4 | 45.5 | 299.4 | 0.8 | 1.1 | 0.6 |

Source: Axis Securities; CMP as on 27th September, 2024

# Thematic Research: The EV Revolution

## Understanding The Electric Vehicle Ecosystem

**We hope this message finds you well. With the electric vehicle (EV) market witnessing a transformative phase globally, we wanted to share a glimpse into India's evolving EV ecosystem. Our latest research presentation delves into key growth drivers, government initiatives, and strategic developments by Original Equipment Manufacturers (OEMs) and component manufacturers in the Indian EV space. We believe this presents compelling learning opportunities for investors like you to participate in this transformative journey.**

### What This Report Offers You

This comprehensive report offers insights into the critical elements shaping the Indian EV landscape. The report covers:

**Global EV Landscape:** Analysis of the global EV market, post-COVID growth, and trends in key markets like China, Europe, and the US.

**India's EV Evolution:** Detailed insights into government policies, volume growth, and segment-wise EV penetration.

**Key Components of Electric Vehicles:** A breakdown of the components driving the EV ecosystem, such as battery packs, electric motors, charging infrastructure, thermal management systems, and regenerative braking etc.

**Long-Term Roadmap of Indian OEMs:** Strategic initiatives of Indian automakers, including new product launches, global partnerships, and capital allocation strategies aligned with government policies.

**Sustainable Growth Factors for India's EV Market:** Analysis of the PBIT approach (Pricing, Battery Range, Infrastructure, Terminal Value), which highlights EV adoption and long-term sustainability factors in India.

The Future of India's EV Market: Estimated Projections up to FY30, outlining the potential growth opportunity for the segment.

For a more detailed analysis of the EV ecosystem, we strongly encourage you to read our full report by clicking the Read Report link below.

AXIS SECURITIES

**Sector Update**
27th September, 2024

**Credit Cards and Digital Payments Business Monitor**
BFSI

## Card Issuers Caution Reflects in Tepid Industry Growth

- **Growth continues to remain tepid**: The industry's net card additions stood at 924K (best customer addition in YTDFY25) vs 755K in Jul'24. **However, the pace has decelerated sharply YoY (+924K vs +1405K YoY, down 34% YoY on a YTD basis). We believe it reflects the issuers' caution and cherry-picking customers amidst asset quality concerns in the segment.** In 5MFY25, the industry added ~3.7 Mn cards vs ~6 Mn in 5MFY24. Thus, CIF growth was muted MoM at 0.9% MoM and grew by ~16% YoY. Spends growth decelerated MoM (-3% MoM) and grew by 13% YoY. The share of online/e-commerce spends stood at ~62.4% (vs 64.4/63.9% YoY/MoM). On a YTD basis, CIF/Spends grew by 16/17% YoY.
- **UPI leads the race as the preferred payment method; Credit cards follow**: UPI transactions have grown at a stellar pace of ~75% CAGR, while UPI spends has grown at 68% CAGR over Aug'19-24. Replicating a similarly strong performance, credit card transaction volumes/CIF/Spends have registered an impressive growth of 17/15/23% CAGR over the same period. However, UPIs immense popularity is seen from the transaction volume ratio which stands at ~38.4x of Credit card transaction volumes. However, given the lower ticket size of UPI transactions, the UPI-to-Credit Card spends stood at 0.3x in Aug'24, which is largely stable at current levels. UPI remains a preferred medium for lower-value transactions as ~96% of the transaction volume is < Rs 2,000, although the contribution to total UPI spends was merely 33% (as of Aug'24).

  With changing consumer preferences shifting towards the use of credit cards and UPI, Debit Cards as a payment medium have not been able to maintain pace. In contrast to credit card growth, debit card transaction volumes and spends have de-grown sharply by ~20% and 6% CAGR over Aug'19-24 even as CIF grew at a modest 4% CAGR over the same period. The fading popularity of debit cards and the shift towards credit cards has resulted in a significant improvement in Credit Cards to Debit Card (CC to DC) usage ratios. CC to DC spends has improved to 3.9x in Aug'24 vs 2.8x in Aug'23, while the % of CC CIF to DC CIF in Aug'24 stood at 10.7% vs 9.3% in Aug'23.
- **Private banks continue to gain market share**: Private (Pvt.) banks have been outperforming their public and foreign peers across metrics. In Aug'24, Pvt. banks added ~583K customers of the total industry additions of 924K customers (~63% market share in customer sourcing). In 5MFY25, pvt. banks added ~2.8 Mn cards from the total industry card additions of ~3.7 Mn (~76% mix in new card additions). HDFCBANK has been the top gainer in terms of CIF market share, reporting an increase of 53bps YoY in 5MFY25. Conversely, ICICB/AXISB/KOTAKB have lost 12/23/78bps market share in terms of CIF in 5MFY25. KOTAKB's market share loss in terms of CIF is owing to the embargo imposed by the regulator. In terms of market share of Spends, ICICIB and KOTAKB have been gainers, registering a healthy improvement of 194/50bps YoY in 5MFY25. HDFCB and AXISB have lost 202/47bps YoY in 5MFY25.

  Both in Aug'24/5MFY25, PSU Banks (incl. SBI Cards) have lost market share in terms of CIF/Spends/Transactions by 52/174/61bps YoY despite a dismal performance by foreign banks. SBI Cards (SBIC) has lost CIF/Spends/Transaction market share by 104/270/60 bps in Aug'24 and 104/281/75bps over 5MFY25. SBIC has been consistently maintaining its CIF market share in a narrow range of 18-19%. Despite the company being selective in onboarding new customers, the company has lost market share sharply in terms of spends (in the 15-16% range since Feb'24) vs. an average market share of ~18-19% over the last 5 years, mainly owing to lower corporate spends. However, amongst PSU card issuers, Bank of Baroda (BoB) has been able to maintain its growth momentum (albeit on a low base), growing its CIF/Spends/Transaction Volumes at 34/32/58% YoY in Aug'24. BoB added ~77K new cards (net) during Aug'24. Resultantly, the bank has managed to gain market share by 36/25/35bps YoY in terms of CIF/Spends/Transaction Volumes.
- **SBI Cards' holds up performance MoM**: In Aug'24, the company added (net) 110K customers (+13% MoM). CIF growth was muted at 10%/1% YoY/MoM. Spends growth decelerated and de-grew by 3%/1% YoY/MoM. SBIC's new card additions during 5MFY25 have been significantly lower YoY, largely owing to the tighter credit filters by the company to improve the new customer credit quality. Though Q1FY25 was disappointing on multiple counts, Q2FY25 card additions (net) started on a slower note. We could expect some recovery in sep'24 on the back of the festive season. The company aims at clawing back market share as it aspires to gravitate to the historical customer sourcing run-rate of 0.9-1 Mn customers per quarter, alongside delivering a CIF growth of 15-17% in FY25.
- *Outlook*: **We expect some resumption of growth momentum with the upcoming festive season. However, customer over-leveraging with multiple trade lines could continue to keep issuers' approach selective as they continue to cherry-pick new customers. Resultantly, CIF growth could be slower. Asset quality continues to remain a pain for the industry and should keep credit costs elevated, eating up into card issuers' profitability. With multiple challenges in sight, we remain cautious about the credit card segment.**

**Winners: HDFC Bank**

***(**based on Monthly/YTD performance)***

**Cards In Force Market Share (YoY %)**

| | |
|---|---|
| SBI Cards | **18.4%** (-104 bps) |
| HDFC Bank | **20.8%** (+53bps) |
| ICICI Bank | **16.6%** (-12 bps) |
| Axis Bank | **14.0%** (-23 bps) |
| Kotak Bank | **6.1%** (-78 bps) |

**Spends Market Share (YoY %)**

| | |
|---|---|
| SBI Cards | **16.7%** (-270 bps) |
| HDFC Bank | **26.8%** (-67 bps) |
| ICICI Bank | **19.3%** (+144 bps) |
| Axis Bank | **11.6%** (-30bps) |
| Kotak Bank | **3.9%** (+1 bps) |

**Transaction Volume Market Share (YoY %)**

| | |
|---|---|
| SBI Cards | **18.4%** (-60 bps) |
| HDFC Bank | **25.9%** (+70 bps) |
| ICICI Bank | **18.6%** (-14 bps) |
| Axis Bank | **15.3%** (-150 bps) |
| Kotak Bank | **4.3%** (+49 bps) |

**Net Customer Additions (In '000s) (YoY %)**

| | |
|---|---|
| SBI Cards | **+110 (+228)** |
| HDFC Bank | **+242 (-9)** |
| ICICI Bank | **+146 (+309)** |
| Axis Bank | **+127 (+219)** |
| Kotak Bank | **-81 (+104)** |

**Dnyanada Vaidya**
Research Analyst
Email: dnyanada.vaidya@axissecurities.in

**Pranav Nawale**
Research Associate
Email: pranav.nawale@axissecurities.in

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AXIS SECURITIES

Sector Update
27th September 2024

**Accenture**
IT Services

## Gradual Pick-up in Demand; Long-term Prospects Remain Strong

Accenture's reported Q4FY24 results stood in line with street expectations on all financial and operational terms. Revenue for the quarter stood at $16.4 Bn, registering a growth of 3% (in US$ terms) and 5% (in local currency) on a YoY basis. The company registered GAAP EPS of $2.66 for the quarter while adjusted EPS stood at $2.79, reporting 3% YoY growth. The company's new bookings stood at $20 Bn, Managed Services book/bill was at $11.6 Bn, and Consulting Business bookings stood at $8.3 Bn. Overall Q4FY24 bookings have been resilient, indicating robust demand despite prevailing uncertainties. The company has robust client relationships, which is reflected in the top 30 clients with quarterly bookings of ~ $100 Mn. The company continues to witness strong demand for Gen AI – the great accelerator of reinvention – with over $1 Bn in new bookings.

**Management Guidance:** The management guided for Q1FY25 revenue of $16.85-$17.45 Bn, implying a growth of 2% to 6% YoY in CC terms. The management upgraded its FY25 revenue growth guidance to 3% to 6%, indicating improved growth in FY25 (1.5% to 2.5% previously), aided by development in macroeconomic conditions and increased engagement. Accenture expects the GAAP operating margin to be in the range of 15.6% to 15.8% in FY25, which stands higher than its previous estimates of 14.8%, indicating a stronger recovery. This is despite easing supply-side constraints. The company's adjusted operating margin, which excludes an estimated $450 Mn for business optimization costs in FY24 and $1.1 Bn in FY23, stood at 15.5%, up 10bps over FY23 numbers.

**Verticals Performance: Communications, Media & Technology:** Revenue for the vertical stood at $2.76 Bn, reporting a decrease of 5% YoY. **Financial Services:** Revenue for the vertical stood at $2.89 Bn, a decrease of 4% YoY. **Health & Public Service:** Revenue for the vertical stood at $3.52 Bn, up 10% YoY. **Products:** Revenue for the Products vertical stood at $4.98 Bn, posting an increase of 2% YoY. **Resources:** Revenue for the vertical stood at $2.31 Bn, delivering an increase of 2% on a YoY basis.

**Outlook:** IT services showed a better recovery and increased engagements across all segments. Moreover, the FED indicated an infusion of liquidity, which will lead to a quicker recovery. **Hence, the medium to long-term outlook continues to remain intact and will be driven by massive technological shifts and rising systems dependencies.** The company continues to see **growing demand for Cloud Migration, ERP moderation, and Generative AI. Enterprise's need for implementing digital transformation and under-penetration in those areas are the company's levers for long-term growth.**

**Impact on Indian IT Services Companies**

We believe strong investments in new-edge technologies such as Digital Technologies, Cloud Transformation, IoT, Generative AI, and Machine Learning across verticals will support and accelerate the company's revenue growth moving forward. However, near-term macroeconomic headwinds may impact the automation spend across verticals. On a vertical front, the BFSI vertical witnessed a stronger impact due to a fall in the rural banking sector from North America. On the other hand, **Industries including Manufacturing, Automobile, Retail, Pharmaceutical, and Healthcare are witnessing strong traction across geographies.** IT services companies in India are receiving strong deal bookings despite near-term challenges. **While we remain optimistic about the long-term prospects of IT services companies in India, near-term challenges may impact their earnings growth momentum.**

Our picks from Largecaps: **HCL Tech; Infosys**

Our picks from Midcaps: **Persistent Systems; and KPIT Technologies**

**Our picks from Large Caps: HCL Tech, Infosys**

**Our picks from Mid Caps: Persistent Systems and KPIT Technologies**

***Omkar Tanksale***
*Research Analyst*
Call: (022) 4267 1759, 9819327371
email: Omkar.tanksale@axissecurities.in

## Axis Intellect: Intraweek Stocks for the week 30 Sep 2024 to 07 Oct 2024`

| Name of Stock | Sector | Mcap |
|---|---|---|
| GLOBAL HEALTH LIMITED | Healthcare | Small Cap |
| MAHINDRA & MAHINDRA LTD. | Auto & Anc | Large Cap |
| TATA CONSUMER PRODUCTS LIMITED | Staples | Large Cap |
| CYIENT LIMITED | IT | Small Cap |
| AUROBINDO PHARMA LTD. | Healthcare | Mid Cap |
| ADANI ENERGY SOLUTIONS LIMITED | Utilities | Large Cap |
| BHARAT PETROLEUM CORPN. LTD | Oil & gas | Large Cap |
| FIVE-STAR BUSINESS FINANCE LTD. | NBFC | Small Cap |
| SIEMENS LTD | Industrials | Large Cap |
| GLAXOSMITHKLINE PHARMACEUTICALS | Healthcare | Mid Cap |

AXIS SECURITIES

## Investment Picks

| Company | Recommendation | CMP | Target Price | % Upside |
|---|---|---|---|---|
| Aarti Industries Ltd | BUY | 583 | 815 | 39.7 |
| Ahluwalia Contracts (India) Ltd | BUY | 1,137 | 1,340 | 17.9 |
| Ambuja Cements Ltd | BUY | 634 | 750 | 18.3 |
| Archean Chemical Industries Ltd | BUY | 697 | 829 | 19.0 |
| Arvind Smartspaces Ltd | BUY | 835 | 1,085 | 30.0 |
| Aurobindo Pharma Ltd | BUY | 1,511 | 1,730 | 14.5 |
| Automotive Axles Ltd | BUY | 1,913 | 2,210 | 15.5 |
| Bank of Baroda Ltd | BUY | 250 | 320 | 28.2 |
| Birla Corporation Ltd | BUY | 1,236 | 1,500 | 21.3 |
| CIE Automotive India Ltd | BUY | 544 | 650 | 19.4 |
| Coal India Ltd | BUY | 516 | 575 | 11.4 |
| CreditAccess Grameen Ltd | BUY | 1,204 | 1,555 | 29.1 |
| Dabur India Ltd | BUY | 633 | 710 | 12.2 |
| Dalmia Bharat Ltd | BUY | 1,895 | 2,120 | 11.9 |
| DCB Bank Ltd | BUY | 123 | 150 | 21.9 |
| Federal Bank Ltd | BUY | 194 | 230 | 18.7 |
| Global Health Ltd | BUY | 1,032 | 1,245 | 20.6 |
| Gravita India Ltd | BUY | 2,584 | 3,000 | 16.1 |
| H. G. Infra Engineering Ltd | BUY | 1,545 | 1,800 | 16.5 |
| Happiest Minds Technologies Ltd | BUY | 799 | 930 | 16.4 |
| HDFC Bank Ltd | BUY | 1,753 | 1,950 | 11.3 |
| IDFC First Bank Ltd | BUY | 74 | 90 | 21.3 |
| IndiaMART InterMESH Ltd | BUY | 2,918 | 3,620 | 24.0 |
| Inox Wind Ltd | BUY | 238 | 270 | 13.4 |
| J.Kumar Infraprojects Ltd | BUY | 778 | 950 | 22.2 |
| JK Lakshmi Cement Ltd | BUY | 770 | 950 | 23.4 |
| JTL Industries Ltd | BUY | 229 | 260 | 13.4 |
| Juniper Hotels Ltd. | BUY | 368 | 475 | 29.1 |
| Jyothy Labs Ltd | BUY | 543 | 600 | 10.4 |
| Karnataka Bank Ltd | BUY | 235 | 275 | 16.9 |
| KPIT Technologies Ltd | BUY | 1,671 | 2,150 | 28.7 |
| Krishna Institute of Medical Sciences Ltd | BUY | 367 | 500 | 36.2 |
| Lupin Ltd | BUY | 2,219 | 2,500 | 12.7 |
| Man Infraconstruction Ltd. | BUY | 199 | 240 | 20.8 |
| Manappuram Finance Ltd | BUY | 203 | 250 | 23.4 |
| MAS Financial Services Ltd | BUY | 288 | 360 | 25.1 |
| Mold-Tek Packaging Ltd | BUY | 757 | 882 | 16.6 |
| Nippon Life India Asset Management Ltd | BUY | 658 | 740 | 12.5 |
| NLC India Ltd | BUY | 289 | 340 | 17.5 |
| Pitti Engineering Ltd | BUY | 1,322 | 1,572 | 18.9 |
| Prestige Estates Projects Ltd | BUY | 1,869 | 2,195 | 17.5 |
| PSP Projects Ltd | BUY | 652 | 810 | 24.3 |
| Sansera Engineering Ltd | BUY | 1,678 | 1,875 | 11.7 |
| SIS Ltd | BUY | 421 | 540 | 28.2 |
| Skipper Ltd | BUY | 468 | 600 | 28.3 |
| Star Cement Ltd | BUY | 204 | 250 | 22.6 |
| State Bank of India | BUY | 803 | 1,030 | 28.3 |
| Steel Strips Wheels Ltd | BUY | 212 | 300 | 41.8 |
| Ujjivan Small Finance Bank Ltd | BUY | 41 | 52 | 27.0 |
| VA Tech Wabag Ltd. | BUY | 1,507 | 1,700 | 12.8 |
| Varun Beverages Ltd | BUY | 609 | 717 | 17.8 |
| Welspun Living Ltd | BUY | 166 | 224 | 35.3 |

| Index | CMP | % Chng | S2 | S1 | P | R1 | R2 |
|---|---|---|---|---|---|---|---|
| Nifty | 26,178.95 | -0.14% | 26075 | 26130 | 26205 | 26255 | 26330 |
| Sensex | 85,571.85 | -0.31% | 85170 | 85370 | 85675 | 85875 | 86180 |
| Bank Nifty | 53,834.30 | -1.00% | 53405 | 53620 | 53980 | 54195 | 54555 |


Nifty started the week with an upward gap, and buying momentum for most of the week led it to close on a strong note. Nifty closed at 26179 on 27th September with a gain of 388 points on a weekly basis.

On the weekly chart, the index has formed a long bullish candle, creating a higher high-low compared to the previous week, and has closed above the previous week's high, indicating a positive bias. The index continues to move in a higher top and higher bottom formation on the weekly chart, indicating a positive bias in the medium term. The chart pattern suggests that if Nifty crosses and sustains above the 26400 level, it would witness buying, leading the index towards 26500-26700 levels. However, if the index breaks below the 26000 level, it would witness selling, taking the index towards 25800-25600. On the daily chart, Nifty sustaining above its 20, 50, 100, and 200-day SMAs indicates a positive bias in the short term. Nifty continues to remain in an uptrend in the medium term. Hence, 'buying on dips' continues to be our preferred strategy. For the week, we expect Nifty to trade in the range of 26700-25600 with a positive bias.

The weekly strength indicator RSI is above its respective reference lines, indicating a positive bias.

The trend-deciding level for the day is 26205. If Nifty trades above this level, we may witness a further rally up to 26255-26330-26380 levels. However, if Nifty trades below 26205, we may see some profit booking initiating in the market, which may correct Nifty down to 26130-26075-26000 levels.


Bank Nifty started the week on a positive note and remained extremely volatile on either side throughout the week. Bank Nifty closed at 53834 on 27th September with a gain of 41 points on a weekly basis.

On the weekly chart, the index has formed a 'Shooting Star' candlestick pattern, characterized by a small bearish body and a long upper shadow, indicating selling pressure at the higher level. The index is moving in a higher top and higher bottom formation on the weekly chart, indicating a positive bias. The chart pattern suggests that if Bank Nifty crosses and sustains above the 54000 level, it would witness buying, leading the index towards 54300-54500 levels. However, if the index breaks below the 53500 level, it would witness selling, taking the index towards 53350-53000. Bank Nifty is trading above the 20, 50, 100, and 200-day SMAs, which are important short-term moving averages, indicating a positive bias in the short to medium term. Bank Nifty continues to remain in an uptrend in the short term. Hence, 'buying on dips' continues to be our preferred strategy. For the week, we expect Bank Nifty to trade in the range of 54500-53000 with a mixed bias.

The weekly strength indicator, RSI, is above its respective reference lines, indicating a positive bias.

The trend-deciding level for the day is 53980. If Bank Nifty trades above this level, we may witness a further rally up to 54195-54555-54770 levels. However, if Bank Nifty trades below 53980, we may see some profit booking initiating in the market, and it may correct down to 53620-53405-53045 levels.

# Trading Insights

## Insight from trading volumes

| Script | CMP | Total Volume (x1000) | Monthly Avg Volume(x1000) | % Change |
|---|---|---|---|---|
| DIVISLAB | 5,458 | 6,895 | 854 | 707.2% |
| BPCL | 367 | 42,811 | 13,787 | 210.5% |
| IOC | 180 | 56,550 | 21,537 | 162.6% |
| NTPC | 437 | 54,839 | 21,011 | 161.0% |
| CIPLA | 1,673 | 3,953 | 1,651 | 139.4% |
| INFY | 1,907 | 15,172 | 7,187 | 111.1% |
| GAIL | 237 | 32,938 | 16,007 | 105.8% |

## Insight from delivery

| Script | CMP | Total Delivery Volume(x1000) | Monthly Avg Delivery Volume(x1000) | %Change |
|---|---|---|---|---|
| DIVISLAB | 5,458 | 5,645 | 508 | 1011.4% |
| NTPC | 437 | 37,251 | 10,988 | 239.0% |
| IOC | 180 | 27,322 | 9,511 | 187.3% |
| BPCL | 367 | 15,271 | 5,880 | 159.7% |
| CIPLA | 1,673 | 2,264 | 898 | 152.1% |
| M&M | 3,184 | 4,833 | 2,024 | 138.8% |
| GAIL | 237 | 19,290 | 8,923 | 116.2% |

*CMP-Closing Market Price

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Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

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