Market snapshot

Equities - India	Close	Chg .%	CY24.%
Sensex	79,223	-0.9	8.2
Nifty-50	24,005	-0.8	8.8
Nifty-M 100	57,931	-0.3	23.9
Equities-Global	**Close**	**Chg .%**	**CY24.%**
S&P 500	5,942	1.3	23.3
Nasdaq	19,622	1.8	28.6
FTSE 100	8,224	-0.4	5.7
DAX	19,906	-0.6	18.8
Hang Seng	7,159	1.0	26.4
Nikkei 225	39,895	0.0	19.2
Commodities	**Close**	**Chg .%**	**CY24.%**
Brent (US$/Bbl)	77	0.4	-4.5
Gold ($/OZ)	2,640	-0.7	27.2
Cu (US$/MT)	8,768	0.9	2.2
Almn (US$/MT)	2,465	-1.6	7.7
Currency	**Close**	**Chg .%**	**CY24.%**
USD/INR	85.8	0.0	2.9
USD/EUR	1.0	0.4	-6.2
USD/JPY	157.3	-0.2	11.5
YIELD (%)	**Close**	**1MChg**	**CY24 chg**
10 Yrs G-Sec	6.8	-0.01	-0.4
10 Yrs AAA Corp	7.3	-0.01	-0.5
Flows (USD b)	**3-Jan**	**MTD**	**CYTD**
FIIs	-0.5	0.83	-0.8
DIIs	0.10	4.11	62.9
Volumes (INRb)	**3-Jan**	**MTD***	**YTD***
Cash	1,125	962	962
F&O	90,710	2,19,160	2,19,160

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Capital Goods - 3QFY25 Preview: Eyes on execution growth and margins

- The capital goods sector stocks have declined over the last six months on account of concerns around order inflow improvement, the sustainability of execution growth, as well as high margins. With FY25 being an election year, order inflow was expected to be weak, but it is anticipated to ramp up from 4QFY25 onwards.
- However, ordering has remained strong across thermal power, renewables, T&D, data centers, buildings, and factories, while it has been weak in water and railways. Defense sector ordering is also expected to ramp up based on recent approvals. For genset players, as highlighted in our recent note, demand was initially impacted in October and November for low-to-mid kVA nodes but has started to recover.
- Overall, we believe that despite selective order inflow improvement, the strong existing order books provide healthy revenue visibility for companies in the sector. We expect a 19% YoY growth in execution for 3QFY25. We expect margins to remain largely stable QoQ, given the benign commodity prices. As a result, we expect a ~20bp YoY expansion in EBITDA margin for our coverage universe. For 3QFY25, we estimate our coverage companies to report revenue growth of 19% YoY, EBITDA growth of 21% YoY, and PAT growth of 26% YoY.

Research covered

Cos/Sector	Key Highlights
Capital Goods	3QFY25 Preview: Eyes on execution growth and margins
3QFY25 Preview	Financials - NBFCs (Demand and asset quality trends remain rather weak)
	Financials – Non Lending (Regulations and weak markets to impact performance)
	Automobiles (Festive season fails to revive demand)
	Consumer (Mixed trends; jewelry and liquor to outperform)
Other Updates	Strategy (The Eagle Eye) | HDFC Bank | Bajaj Finance | Rural Electrification Corp. | Bank of Baroda | Union Bank of India | Dabur | Marico | IndusInd Bank | IDFC First Bank | AU Small Finance Bank | L&T Finance | Mahindra Finance

Chart of the Day: Capital Goods - 3QFY25 Preview (Eyes on execution growth and margins)

Comparative valuations

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Capital Goods						**49.2**	**39.1**	**32.6**	**8.6**	**7.4**	**6.3**	**17.5**	**18.9**	**19.2**
ABB India	6,929	Buy	88.7	102.5	119.3	78.1	67.6	58.1	19.1	15.2	12.3	27.6	25.1	23.4
Bharat Electronics	294	Buy	6.7	8.2	9.9	44.2	36.0	29.8	10.6	8.5	6.8	24.0	23.5	22.9
Cummins India	3,230	Buy	71.1	86.2	101.5	45.4	37.4	31.8	12.9	11.4	10.0	30.1	32.3	33.4
Hitachi Energy	15,479	Neutral	75.2	155.5	232.3	205.9	99.5	66.6	39.1	28.1	19.8	19.0	28.2	29.6
Kalpataru Proj.	1,312	Buy	46.2	64.8	84.7	28.4	20.2	15.5	3.0	2.7	2.3	12.0	14.0	15.9
KEC International	1,201	Neutral	23.7	39.6	48.8	50.7	30.3	24.6	5.9	5.2	4.5	13.3	18.3	19.7
Kirloskar Oil	1,009	Buy	32.7	42.9	55.9	30.9	23.5	18.0	4.9	4.3	3.6	16.9	19.4	21.8
Larsen & Toubro	3,667	Buy	111.1	137.2	160.3	33.0	26.7	22.9	5.1	4.5	3.9	16.5	17.9	18.2
Siemens	6,633	Buy	76.3	84.6	107.0	86.9	78.5	62.0	15.4	13.4	11.6	19.1	18.3	20.1
Thermax	3,929	Neutral	63.1	81.4	97.9	62.3	48.3	40.1	8.9	7.7	6.6	15.1	17.1	17.8
Triveni Turbine	754	Buy	11.5	14.3	19.4	65.4	52.7	38.8	19.6	15.4	12.0	33.6	32.8	34.8
Zen Technologies	2,476	Buy	31.7	49.0	68.1	78.1	50.5	36.3	12.9	10.2	8.0	26.1	22.6	24.7

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In the news today

Kindly click on textbox for the detailed news link

1

Agrochem company Crystal Crop buys Bayer's herbicide input business

Crystal Crop Protection, an agrochemical firm, has acquired the herbicide active ingredient Ethoxysulfuron from Germany's Bayer AG.

2

Maharashtra Natural Gas likely to list on bourses next fiscal

BPCL, GAIL, and IGL will list their joint venture Maharashtra Natural Gas in the upcoming financial year with an IPO of over ₹1,000 crore. The proceeds will be used to expand operations.

3

NTPC Renewable Energy bags 1,000-MW solar power project

NTPC REL secured a capacity of 1,000 MW at a tariff of ₹2.56/kWh, a regulatory filing said on Saturday

4

Nayara Energy to expand retail network with 400 new petrol pumps

With 6,500+ retail outlets across India, Nayara Energy has been adding new retail outlets to its network and has been growing steadily across various states such as Gujarat, Maharashtra, Tamil Nadu and Rajasthan

5

Tata Sons ends debt support for new businesses, focus on independent financing

Tata Sons has instructed its group companies to manage their own debts without relying on cross-default clauses or letters of comfort. Future funding for new ventures will come from equity investments and internal accruals.

6

India leads growth in Swiss watch imports worldwide

Switch watch export to India are rapidly growing, with imports reaching Rs. 2,400 Cr in 2024’s first 11 months

7

Indian IT services companies shed reliance on H-1B Visas

Indian software services providers among the top beneficiary of these permits, less vulnerable than in past

Capital Goods

Result Preview

Company
ABB India
Bharat Electronics
Cummins India
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
Siemens
Thermax
Triveni Turbine
Zen Technologies

Eyes on execution growth and margins

The capital goods sector stocks have declined over the last six months on account of concerns around order inflow improvement, the sustainability of execution growth, as well as high margins. With FY25 being an election year, order inflow was expected to be weak, but it is anticipated to ramp up from 4QFY25 onwards. However, ordering has remained strong across thermal power, renewables, T&D, data centers, buildings, and factories, while it has been weak in water and railways. Defense sector ordering is also expected to ramp up based on recent approvals. For genset players, as highlighted in our recent note, demand was initially impacted in October and November for low-to-mid kVA nodes but has started to recover. Overall, we believe that despite selective order inflow improvement, the strong existing order books provide healthy revenue visibility for companies in the sector. We expect a 19% YoY growth in execution for 3QFY25. We expect margins to remain largely stable QoQ, given the benign commodity prices. As a result, we expect a ~20bp YoY expansion in EBITDA margin for our coverage universe. For 3QFY25, we estimate our coverage companies to report revenue growth of 19% YoY, EBITDA growth of 21% YoY, and PAT growth of 26% YoY.

Expectations line up for inflow revival in 4QFY25

Due to the impact of elections (center and state) during 9MFY25, ordering activity was selective. We have witnessed continued traction across sectors such as power T&D, renewables, thermal, semiconductors, data centers, and electronics, while ordering from traditional sectors remained weak, although there is a build-up in the inquiry pipeline now. However, despite weaker ordering, strong inflows during FY24 have supported order books. We expect ordering to pick up from 4QFY25, primarily from government capex, which has been weak so far. The upcoming union budget is expected to provide more clarity regarding the government's policy direction. Defense sector ordering is also expected to materialize in 4QFY25 as the focus on indigenization continues. During the quarter, LT bagged an ultra-mega order from NTPC for thermal power plants in MP and Bihar, addressing some concerns on domestic ordering ramp-up. LT announced orders worth ~INR225b, BHE won ~INR23.6b, KECI secured ~INR60.1b, and KPIL acquired ~INR54.3b worth of orders. With strong existing order books, we estimate 19% YoY growth in execution in 3QFY25 for our coverage universe.

Stable margins to be supported by benign RM inflation

EPC companies are expected to continue reporting sequential margin recovery, in line with their guidance, as execution takes place at favorable terms and commodity prices remain at comfortable levels. We expect EBITDA and gross margin for select large product companies to be either flat or witness slight moderation QoQ due to pricing corrections amid select demand weakness. Product companies are continuously focusing on high-margin areas, tech-led offerings, and deeper penetration in tier 3 and 4 markets; hence, we expect margins to remain high YoY. Prices of key inputs continue to be at manageable levels. Since May'24, copper/aluminum/HRC prices have corrected by 12%/1%/13%, respectively, while zinc prices have risen 3%. We expect ~20bp YoY margin expansion in 3QFY25 for our coverage universe.

Exports bottom out; expect to improve QoQ

International ordering has remained healthy during the quarter, primarily backed by the global push for renewable energy and infrastructure investments, as reflected in inflows for KECI and KPIL. The ongoing situation in the Middle East merits a closer observation as the trajectory of crude prices has a direct bearing on the fiscal health, and consequently on the capex outlay of key markets such as Saudi Arabia, Qatar, and the UAE. For companies such as KKC, the exports trajectory has shown a sequential uptick and appears to have bottomed out, with improved traction from Europe and LatAm, while other markets are still experiencing weakness. On the other hand, TRIV is clocking healthy export growth, driven by its focus on expanding its international presence.

Long-term capex cycle remains intact

While there have been some near-term hiccups, we believe these are transient in nature. Our long-term thesis on the capex cycle remains intact, supported by policy continuity and a relatively stable macro environment. Sectors such as renewables, transmission, PLI, and defense continue to witness robust traction, wherein the government has already initiated policy measures that provide long-term visibility. These factors, along with healthy bank and corporate balance sheets, create an enabling environment for private sector capex, which has so far been selective. Companies are sitting on healthy order books, which should provide visibility for a healthy revenue CAGR going forward.

Our top picks

Our top picks in the sector are ABB, LT, and BHE. We expect ABB to be a key beneficiary of an improved addressable market for short-cycle orders from the private sector, as well as transmission, railways, data center, and PLI-led spending. We expect LT to continue benefiting from international spending and a potential revival in domestic spending, while maintaining strong control over its working capital. We favor BHE for its strong presence in defense electronics, ability to grow revenue and PAT in mid-teens CAGR, and improving return ratios.

Financials - NBFCs

Result Preview

Company
Aavas Financiers
Bajaj Finance
Can Fin Homes
Chola Inv. & Fin.
CreditAccess Grameen
Five Star Business Finance
Fusion Microfinance
HomeFirst
IIFL Finance
L&T Finance Holdings
LIC Housing Finance
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
PNB Housing Finance
Poonawalla Fincorp
Power finance Corporation
Repco Home Finance
Rural Electrification Corporation
Shriram Finance
Spandana Sphoorty

Demand and asset quality trends remain rather weak

Improvement expected in asset quality for 3Q has not materialized

- **Demand trends remained relatively weak except for a minor improvement in Vehicle Finance:** We expect ~9% YoY growth in AUM for our coverage HFC universe, including both affordable and other HFCs. Vehicle financers are projected to report ~22% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~24% YoY growth. NBFC-MFIs are estimated to post ~3% YoY growth, while diversified lenders are expected to post ~21% YoY growth in AUM. For our coverage universe, we estimate a loan growth of ~16% YoY/~4% QoQ in 3QFY25. Loan growth (relative to our earlier expectations) continued to remain weak due to calibrated growth in unsecured retail, muted disbursements in microfinance, and some weakness seen in mortgages (particularly for select affordable HFCs).
- **NIMs exhibit slight contraction; expected repo rate cuts to give a breather:** CoB for most NBFCs has remained stable or experienced a slight increase, driven by higher costs of debt-market borrowings (from a rise in T-bill rates). NIM and spreads for NBFCs showed signs of slight contraction, primarily due to a rise in CoB and to a lesser extent from higher liquidity on the balance sheet. Fixed-rate lenders, such as vehicle financiers, who had implemented lending rate hikes in previous quarters, will witness healthier NIM expansion, driven by expected repo rate cuts in 1HCY25. At the sectoral level, we expect NIM to either contract or remain broadly stable for all NBFCs/HFCs in our coverage except Aavas, CIFC, and CREDAG, where we expect NIM to expand.
- **Improvement expected in asset quality for 3Q has not materialized:** Improvement in asset quality expected in the seasonally stronger second half of the fiscal year has not materialized in 3QFY25. While there was no alarming deterioration, for most NBFCs/HFCs in our coverage, the asset quality either remained stable (relative to expectations of an improvement) or exhibited minor deterioration. Credit costs are expected to remain elevated in MFI, with expectations of a sequential increase (in absolute terms) for CREDAG and Spandana but a decline for Fusion. Except for affordable housing and power financiers, credit costs are expected to remain elevated for vehicle financiers (except MMFS) and diversified lenders.
- **PAT growth of ~8% YoY for the coverage universe, driven by weaker NIM, sticky credit costs, and yet another stressed quarter for NBFC-MFIs:** We estimate ~15%/15%/8% YoY growth in NII/PPoP/PAT in 3QFY25 for our NBFC coverage universe. Excluding NBFC-MFI, we estimate ~12% YoY growth in PAT for our coverage. Among NBFC sub-sectors, our preference is Power Finance, Housing Finance/Mortgages, and Vehicle Finance (primarily to play the NIM expansion from repo rate cuts). We maintain underweight in microfinance as the recovery is likely to be further prolonged, following MFIN's decision to postpone the implementation of its three-lender cap to Apr'25. Our top picks in the sector: SHFL, PFC/REC, and PNBHF.

Mortgage demand trends exhibit relative weakness for affordable HFCs

- Disbursement momentum in large HFCs is expected to outperform that of select affordable HFCs. Part of the weakness observed in the mortgage space can be attributed to Karnataka, where the slow pace of e-Khata registrations has impacted property transactions and led to weak disbursements for lenders with higher concentration in this state.
- NIMs are expected to moderate sequentially for both large and affordable HFCs (except Aavas) due to an ongoing rise in CoF, higher liquidity on the balance sheet, and sustained high competitive intensity. Asset quality **has shown no signs of weakness**, with an improvement bias, and credit costs are expected to remain benign.
- We anticipate credit costs for LICHF to be at ~20bp (vs ~10bp in 2QFY25). Margin is expected to contract ~5bp QoQ, driven by a slight increase in CoF. Yields are expected to remain stable QoQ.
- We estimate HomeFirst to report a ~19% YoY growth in disbursements, leading to a healthy AUM growth of ~33% YoY. We expect NIM to expand ~15bp QoQ for Aavas (aided by the PLR increase in Oct'24), while we expect NIMs to contract ~30bp QoQ for Homefirst due to the ongoing rise in CoB and higher liquidity. Asset quality is also expected to remain range-bound for HomeFirst and Aavas.
- We estimate PNBHF to deliver a ~17% YoY growth in loan book as of Dec'24. For PNBHF, we expect NIM to remain largely stable. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could potentially result in provision write-backs (like in the previous quarter).
- For Five Star, we expect disbursements to decline ~21% YoY as the management earlier revised its FY25 AUM growth guidance from ~30% to ~25%. We estimate this to translate into a ~25% YoY growth in AUM. NIMs are likely to remain stable sequentially. We expect a minor deterioration of ~10-15bp in GS3, resulting in an increase in credit costs to ~80-85bp (v/s ~70bp in 2QFY25).

Vehicle finance – Disbursements better than expectations; asset quality improvement still elusive

- MMFS reported disbursements of ~INR164b in 3QFY25 (up ~7% YoY). We estimate an ~18% YoY growth in business assets for MMFS in FY25. We expect credit costs for MMFS to be at ~1.1% in 3QFY25 (vs. credit costs of 1.4% in 3QFY24), aided by the provision release during the quarter (despite largely range-bound asset quality).
- For CIFC and SHTF, we expect a sequential growth in disbursements, which is likely to translate into ~31%/18% YoY growth in AUM for CIFC/SHTF as of Dec'24.
- We estimate NIM expansion for vehicle financiers in FY26, driven by a decline in CoB. Asset quality in vehicle finance has largely remained range-bound in 3Q with improvement, which is typically seen in 2H of the fiscal year, still elusive. The expectation of asset quality improvement for vehicle financiers is now anchored on improvements in the economic activity and agri output in 4Q.

Gold finance – Steady growth in gold loans with some contraction in NIMs

- We expect gold loan financiers to deliver healthy gold loan growth and decent tonnage growth in 3QFY25. Additionally, we anticipate MGFL's standalone entity to show decent gold loan growth, though the drag from the ban on Asirvad will keep consol. gold loan growth muted during the quarter.

- We expect ~3%/1% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold loan NIMs could experience minor QoQ contraction due to a sequential decline in yields. Asirvad MFI, a subsidiary of MGFL, may face further asset quality deterioration and elevated credit costs (like in the last quarter).

Microfinance – Asset quality pain continues; early green-shoots in Dec'24

- MFIs continued to experience asset quality stress due to customer overleveraging in unsecured retail lending. Disbursements were muted for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect AUM to remain flat for CREDAG and anticipate a decline of ~7%/9% QoQ in AUM for Fusion/Spandana in 3QFY25.
- Higher NPA formation will also result in interest income reversals, which could lead to pressure on the NIM in 3Q or 4Q, depending on when a particular MFI takes write-offs.
- We expect an increase in PAR90 (or higher write-offs to keep GS3 within certain thresholds) for all three MFIs in our coverage and significantly elevated credit costs. We expect credit cost stress to peak in 3QFY25; however, the sectoral drag is likely to persist until 1QFY26. We estimate *annualized* credit costs of ~8%/ ~21%/35% for CREDAG/Fusion/Spandana in this quarter.

Diversified financiers: Unsecured retail remains weak with high credit costs

- LTFH reported a ~23% YoY/4% QoQ growth in Retail Loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), the consolidated loan book grew ~2% QoQ in 3QFY25. In our view, LTFH could likely utilize its macro-prudential provisions (management overlay) for stress in its MFI business. After factoring in the utilization of this management overlay, we expect annualized credit costs at ~3.4% in 3QFY25.
- BAF is likely to report ~28% YoY/7% QoQ growth in AUM. We estimate a ~5bp QoQ contraction in NIM for BAF with credit costs at ~2.2% (vs ~2.1% QoQ).
- We expect Poonawalla to report ~38% YoY growth in AUM. The company took a one-time credit cost of ~INR6.7b for its STPL loan book in 2Q. While we do not expect this to recur, credit costs will remain higher than the normalized run rate prior to the management change.
- For IIFL Finance, we estimate gold loan AUM to decline to ~INR109b as of Sep'24. Along with a decline in the MFI business, this could result in a ~7% QoQ fall in consolidated AUM. We estimate a PAT of INR2.7b in 2Q (vs. INR2.9b in 1Q).

Power Financiers: Disbursements remain healthy, with renewables continuing to show improvement; credit costs to remain benign

- Power financiers have a strong sanction pipeline, positioning them for healthy loan growth in 2HFY25. However, sanction trends may be slightly weaker in 3QFY25 due to broad-based slower economic activity. Asset quality is expected to further improve, supported by continued stressed asset resolutions
- For PFC, we expect disbursements growth of ~110% YoY and ~6% QoQ, leading to loan book growth of ~13% YoY/5% QoQ.
- REC has reported disbursements growth of ~18% YoY/ 16% QoQ, which could potentially result in loan book growth of ~15% YoY/5% QoQ.

Financials – Non Lending

Result Preview

Company
HDFC AMC
ABSL AMC
Nippon AMC
UTI AMC
Angel One
BSE
MCX
360 One
Nuvama Wealth
Anand Rathi Wealth
Prudent Corp
CAMS
Kfintech
CDSL
Star Health
ICICI Lombard
HDFC Life
ICICI Prudential
SBI Life
Max Financial

Regulations and weak markets to impact performance

Profitability trend to be muted sequentially

- **Across segments, the regulatory environment is likely to influence the performance of non-lending financials in 3QFY25. While F&O regulations are anticipated to have an impact on BSE/ANGELONE, new surrender charges will affect LI players. GI players will be impacted by the changes in the reporting of gross premiums for long-term policies.**
- **Nifty for the quarter was down 8.4%, which will impact AUM growth for AMCs/CAMS/ KFin. However, SIP flows have held up strong in Oct'24/Nov'24 at more than INR250b. Yields are likely to be stable given the limited impact of telescopic structure in 3QFY25. Most notably, other income will see a sharp fall due to market correction.**
- **BSE's premium turnover has been stable despite a sharp decline in notional turnover due to F&O regulations. Additionally, the decline in notional turnover will aid margin expansion as regulatory fees have a direct linkage. On the other hand, ANGELONE's order flow is expected to be weak during the quarter. Lower cash volumes will have an adverse impact on CDSL's transaction charges.**
- **Wealth managers will incur an MTM hit from the market corrections, which would be partially offset by the inflows. Transaction revenue would also be down sequentially.**
- **LI players are seeing through the implementation of surrender charges wherein product IRRs and commissions have been altered. VNB margins will be influenced by: 1) product mix – the share of ULIPs remained strong, 2) some benefits of non-par repricing, and 3) the impact of surrender charges. For our coverage universe, we expect a change of -40bp to +70bp sequentially.**
- **GI players will face an impact from the implementation of the new practice of reporting GWP on a 1/n basis for the long-term business. This will lead to a higher opex ratio, driving up the combined ratio. The health segment's loss ratios will also remain elevated.**
- **We maintain our high conviction on the capital market plays as highlighted in our recently released thematic report (click here). The current weak trends are transitory and will reset the base for longer-term growth. Our top picks in this space are BSE, ANGELONE, HDFCAMC, and Nuvama.**
- **Insurance stocks have seen a sharp correction due to media articles on the regulator constraining the role of the bancassurance channel (https://tinyurl.com/4y6zp26k). In such a scenario, we expect LIC and IPRU to outperform, given their lower dependence on the bancassurance channel.**

Demat monthly run-rate declines; volumes dip after the new F&O regulations

- Cash ADTO continued its MoM downward trajectory during the first two months of 3QFY25 with declines of 12%/6% MoM in Oct'24/Nov'24. A slight recovery was witnessed in Dec'24 with a 3% MoM growth in cash ADTO.
- In the F&O segment, options volumes witnessed a significant decline after partial implementation of the new F&O regulations in Nov'24, resulting in F&O ADTO dipping 3.5%/14.8%/33.1% in Oct'24/Nov'24/Dec'24.
- BSE's market share in the options segment continues to scale up in terms of notional/ premium turnover, reaching 29%/15% in Dec'24 vs. 27%/13% in Sep'24.
- Incremental demat account additions declined from 4.4m/month in 2QFY25 to 3.5m in Oct'24 and 3.2m in Nov'24. Similarly, incremental NSE active client count has fallen to 1m/0.7m in Oct/Nov '24 from an average of 1.2m in 2QFY25

- MCX has maintained its momentum with volumes remaining above INR50t in Nov’24/ Dec’24. Futures ADTO increased to INR280b in 3QFY25 from INR270b in 2QFY25. On the other hand, Options ADTO rose to INR2.04t in 3QFY25 from INR1.94t in 2QFY25.
- For BSE, despite an 18% drop in notional ADTO, the premium ADTO for 3QFY25 increased to INR88b from INR82b in 2QFY25. This would drive revenue growth while sequential EBITDA margin expansion of 330bp will be fueled by lower regulatory and clearing & settlement costs.
- We expect ANGELONE to report a revenue decline of 19% QoQ due to a 14% QoQ dip in the number of orders and the impact of true-to-label charges. Lower customer acquisitions, and consequently lower opex, will offset the impact partially.

Mutual Funds: SIP inflows remain strong; equity inflows down from the peak

- Mutual fund AUM grew 43%/40% YoY during Oct’24/Nov’24, driven by 57%/50% growth in equity AUM. While Oct’24 witnessed strong equity inflows of INR587b, a slight slowdown was observed in Nov’24 (INR401b). SIP flows scaled new heights and stood at INR253b for both Oct’24 and Nov’24.
- The AUM of HDFC AMC/Nippon AMC/ABSL AMC/UTI AMC grew 44%/51%/24%/31% YoY at the end of Nov’24, reflecting market shares of 11.5%/8.3%/5.6%/5.2%.
- Equity AUM’s share dipped ~70bp in Oct’24 and ~60bp in Nov’24, reaching 57.3%.
- We expect AMCs to register strong revenue growth of 25-38% YoY, propelled by healthy AUM growth. However, their profitability is likely to be hurt by a sharp fall in other income owing to MTM hit on equity exposure in the investment book.
- CAMS and KFin are expected to register healthy revenue growth led by AUM growth and continued momentum in non-MF businesses. Profitability should remain healthy given scale benefits.
- For wealth managers, we expect some hit because of MTM that will be offset by inflows. For 360 One, scaling up in the loan book will also provide support to earnings.

Life Insurance: Mixed performance likely; VNB margin to be stable QoQ

- Private life insurance companies experienced 18%/44% growth in APE in Oct’24/Nov’24. For Dec’24, we expect industry growth momentum to remain stable.
- The industry’s VNB margin would be influenced by: 1) product mix – share of ULIPs remained strong, 2) some benefits of non-par repricing, and 3) the impact of surrender charges. For our coverage universe, we expect a change of -40bp to +70bp sequentially.

General Insurance: Accounting changes to affect expense ratios

- Excluding crop, the general insurance sector witnessed GWP growth of 20%/3% in Oct’24/ Nov’24. The health segment grew 47%/dipped 1% YoY in Oct’24/Nov’24 (+3% in 2QFY25). Retail health growth was impacted by the change in accounting for long-term policies. The motor segment was hit by low automobile sales and grew 13%/4% YoY in Oct’24/Nov’24 (+6% in 2QFY25).
- For ICICIGI, premium growth in Oct’24/Nov’24 was below the industry average of 3%/-3% YoY. While the retail health segment grew in the high teens, weak motor growth and a decline in the group health segment resulted in a tepid performance.

- For Oct'24/Nov'24, STARHEAL experienced a soft premium growth of 5%/8% YoY, with retail growth of 6%/8% and group health decline of 12%/growth of 2%.
- While there is no change in operational efficiency of insurers, the change in accounting for long-term health policies will result in elevated opex ratios. Loss ratios are anticipated to remain elevated, especially in the health segment.

Quarterly performance

Sector	CMP (INR)	Rating	Dec'24	Variance YoY (%)	Variance QoQ (%)	Dec'24	Variance YoY (%)	Variance QoQ (%)	Dec'24	Variance YoY (%)	Variance QoQ (%)
AMC			**Operating Revenue (INR m)**			**EBITDA (INR m)**			**Net Profit (INR m)**		
HDFC AMC	4,162	Buy	9,113	35.7	2.7	7,217	41.1	2.6	6,067	23.9	5.2
ABSL AMC	837	Buy	4,255	24.6	0.3	2,487	28.0	-0.7	2,155	2.9	-11.1
Nippon AMC	754	Buy	5,855	38.3	2.5	3,860	48.9	3.1	3,255	14.6	-9.6
UTI AMC	1,366	Buy	3,776	30.2	1.2	1,825	60.4	-0.2	1,612	-20.7	-38.7
Wealth Management			**Operating Revenue (INR m)**			**PBT (INR m)**			**Net Profit (INR m)**		
360 One	1,276	Buy	5,678	29.2	-3.5	2,705	30.1	-6.5	2,342	20.7	-5.3
Nuvama	6,974	Buy	7,413	32.8	0.2	3,267	41.8	-6.2	2,430	37.9	-5.8
Anand Rathi	3,935	Neutral	2,522	38.2	4.0	1,094	37.0	5.1	797	37.3	4.5
Prudent	2,726	Neutral	2,922	39.2	2.2	700	40.0	1.9	524	46.7	1.7
Exchanges and Broking			**Operating Revenue (INR m)**			**EBITDA (INR m)**			**Net Profit (INR m)**		
Angel One	3,017	Buy	8,437	22.7	-13.7	4,287	22.2	-25.1	3,173	21.9	-25.1
BSE	5,426	Buy	7,589	104.2	1.7	4,204	356.5	8.1	3,690	251.8	6.7
MCX	6,285	Neutral	3,180	66.1	11.4	2,036	NA	13.5	1,728	NA	12.5
Intermediaries			**Operating Revenue (INR m)**			**EBITDA (INR m)**			**Net Profit (INR m)**		
CAMS	5,108	Buy	3,725	28.6	2.0	1,744	34.8	2.4	1,255	41.8	3.9
Kfintech	1,545	Neutral	2,945	34.7	5.0	1,352	38.1	6.8	958	43.3	7.2
CDSL	1,809	Neutral	3,086	43.9	-4.2	1,886	43.5	-5.6	1,614	50.1	-0.3
Life Insurance			**APE (INR m)**			**VNB (INR m)**			**Net Profit (INR m)**		
HDFC Life	617	Buy	38,685	21.2	0.3	9,671	13.0	3.1	4,336	18.8	0.2
IPru Life	661	Buy	25,975	36.2	3.7	5,974	37.0	2.0	2,549	12.0	1.3
SBI Life	1,401	Buy	66,252	8.1	22.9	17,888	6.5	23.4	5,022	56.1	-5.1
Max Financial	1,101	Neutral	20,685	15.2	-4.7	4,861	-0.6	-5.1	1,572	4.1	12.8
General Insurance			**Gross Premium (INR m)**			**Underwriting Profit (INR m)**			**Net Profit (INR m)**		
Star Health	482	Buy	40,385	12.0	-7.6	-564	NA	NA	2,178	-24.8	95.7
ICICI Lombard	1,808	Buy	66,297	3.0	-4.6	-1,609	NA	NA	6,344	47.0	-8.6
Non-Lending			**3,28,777**	**16.8**	**1.7**	**74,886**	**30.9**	**5.6**	**53,599**	**32.0**	**-3.0**

Changes to our EPS estimates (*For life insurance companies – absolute VNB in INR b)

Company	New Estimates (INR)			Old Estimates (INR)			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
HDFC AMC	114.1	136.0	154.7	118.9	136.4	155.2	-4.0	-0.3	-0.3
ABSL AMC	32.0	37.3	42.8	34.5	38.2	44.1	-7.0	-2.2	-2.8
Nippon AMC	21.6	26.6	31.2	22.7	26.6	31.2	-4.8	0.0	0.0
UTI AMC	69.1	76.8	87.2	79.8	77.6	88.1	-13.4	-1.0	-1.1
360 One	25.3	34.1	40.3	25.2	33.3	38.4	0.2	2.4	5.0
Nuvama	272.7	314.9	363.2	272.3	314.9	363.2	0.2	0.0	0.0
Anand Rathi	75.3	102.1	122.5	75.3	102.1	122.5	0.0	0.0	0.0
Prudent Corp	49.4	67.1	87.5	49.4	67.1	87.5	0.0	0.0	0.0
Angel One	159.3	169.7	246.8	169.0	189.7	264.1	-5.7	-10.6	-6.5
BSE	98.9	129.0	158.2	99.2	129.0	158.1	-0.3	0.0	0.1
MCX	119.0	166.6	198.8	123.5	166.6	198.8	-3.7	0.0	0.0
CAMS	99.2	119.5	144.0	99.2	119.5	144.0	0.0	0.0	0.0
Kfintech	20.9	26.8	33.8	20.9	26.8	33.8	0.0	0.0	0.0
CDSL	30.1	37.2	46.3	30.7	37.9	47.1	-1.8	-1.8	-1.7
HDFC Life*	40.3	48.5	58.1	39.9	48.0	57.5	0.9	1.0	1.0
ICICI Pru*	25.3	33.9	40.2	26.4	32.1	38.3	-4.0	5.5	4.9
SBI Life*	58.5	71.1	83.3	59.8	72.7	85.2	-2.1	-2.1	-2.1
Max Fin*	20.7	25.7	30.5	21.0	25.7	30.0	-1.5	0.1	1.5
Star Health	13.9	18.4	25.0	17.0	21.3	27.4	-18.0	-13.6	-9.0
ICICI Lombard	50.0	56.6	74.5	50.8	60.6	77.6	-1.6	-6.7	-4.0

Automobiles

Result Preview

Company
Amara Raja Energy Mobility
Ashok Leyland
Apollo Tyres
Bajaj Auto
Balkrishna Industries
Bharat Forge
BOSCH
Ceat
CIE Automotive
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts
Exide Industries
Happy Forgings
Hero MotoCorp
Mahindra & Mahindra
Maruti Suzuki
Samvardhana Motherson
Motherson Wiring
MRF
Sona BLW Precision Ltd
Tata Motors
TVS Motor Company
Tube Investments

Festive season fails to revive demand

Reversal in demand trends for PVs & 2Ws; OE margins likely to remain stable QoQ

- **Auto OEMs are expected to deliver just ~6% YoY volume growth in 3QFY25E despite the festive season. While 2W demand turned weak in 3Q, PV OEMs saw a better demand uptick, especially in the festive season. Tractor demand saw a marked revival in 3Q, a clear indicator of improving rural sentiment. However, CVs continued to see weak demand.**
- **Given stable input costs QoQ, we expect OEMs within our coverage universe to post stable margins. Revenue/EBITDA/PAT for our coverage companies (excl. JLR) are expected to grow ~9%/9%/6% YoY in 3QFY25. MM (+30%), Eicher (+12%) and MSIL (+11%) are likely to outperform peers. On the other hand, Hyundai Motors is likely to see the steepest earnings decline of 29%.**
- **For auto ancillaries under our coverage, we expect ~11%/3%/10% YoY growth in revenue/EBITDA/PAT in 3QFY25. We expect SAMIL (+47%), Endurance (+38%), BKT (+24%), Happy Forge (+18%), Exide (+17%) and Bosch (+15%) to be the top earnings growth drivers. On the other hand, tyre companies are likely to continue to post earnings declines due to persistent input cost pressure.**
- **In 3QFY25, we have further cut estimates for 7 out of 26 companies, with no material upgrades, as we remain cautious on the prospects of a meaningful demand recovery across segments.**

Subdued dispatches even in festive season; demand outlook remains weak

Auto OEMs are expected to deliver just ~6% YoY volume growth in 3QFY25 despite the festive season. The incremental worrying factor is that the 2W segment, which had been the key growth driver for the Auto sector in 1HFY25, saw a marked slowdown in 3Q. The four listed 2W OEMs have posted flat growth YoY in domestic 2W sales in 3Q (vs. 15% growth in 1H). The only silver lining for 2W OEMs has been that exports are now seeing a gradual recovery in key markets, including Africa. CV demand remained weak even in 3Q. The top three listed OEMs posted flat growth YoY in CVs in 3Q. On the other hand, PV OEMs, which saw weak demand in 1H, saw a much improved demand trajectory in 3Q. The top four listed PV OEMs posted 10% YoY growth in PVs in 3Q (vs. flat growth for PV industry in 1H). Further, the other positive factor for the sector has been that tractor demand saw a marked recovery in 3Q. The two listed tractor OEMs posted strong 17% YoY growth in 3Q (vs. flat growth YoY in 1H for industry).

Commodity basket remains stable in 3Q, barring the surge in rubber prices

Revenue/EBITDA/PAT for our OEM coverage universe (excl. JLR) are expected to grow ~9%/9%/6% YoY in 3QFY25. The raw material basket for auto OEMs is likely to remain stable QoQ. As a result, we expect margins for our OEM coverage universe to largely remain stable on YoY and QoQ basis. For auto ancillaries under our coverage, we expect our coverage universe to post ~11%/3%/10% YoY growth in revenue/EBITDA/PAT in 3QFY25. Tyre companies are likely to continue to witness margin pressure given rising input costs even in 3Q.

Estimated hits and misses in 3QFY25

As highlighted above, we expect the auto OEM under our coverage to post 6% YoY earnings growth in 3Q. MM (+30%), Eicher (+12%) and MSIL (+11%) are likely to outperform peers. On the other hand, Hyundai Motors is likely to see the steepest earnings decline of 29%, due to a contraction in margins and lower other income. For our ancillary coverage universe, we expect SAMIL (+47%), Endurance (+38%), BKT (+24%), Exide (+17%), Happy Forge (+18%) and Bosch (+15%) to be the top earnings growth drivers. On the other hand, tyre companies are likely to continue to post earnings declines due to persistent input cost pressure.

Yet another quarter of earnings estimate cuts

2QFY25 had witnessed significant earnings downgrades for most of our coverage companies, driven by weak demand and adverse macroeconomic factors. In 3QFY25, we have further cut our estimates for 7 out of 26 companies, with no material upgrades, as we remain cautious about the prospects of a meaningful demand recovery across segments. Notable downgrades include BJAUT (13%), TTMT (6%), AL (7%), MOTHERSO (5%), SONACOMS (16%), MSUMI (7%) and HAPPYFORG (6%). A muted demand outlook across segments in the domestic auto industry and uncertainty in export demand make us maintain our cautious stance on the sector.

MSIL/HYUNDAI our top OEM picks; prefer MOTHERSO/ENDU/HAPPY in Ancs

Except for the tractor segment, which is seeing a healthy demand uptick, we are not seeing any signs of healthy growth in any other key auto segments, at least in the near term. MSIL is our top pick among auto OEMs as its upcoming new launches are expected to continue to help improve the mix and drive healthy earnings growth. We also like Hyundai as it appears well-aligned to benefit from the industry trends toward UVs. Among ancillaries, we prefer MOTHERSO, ENDU and HAPPYFORG.

Summary of 3QFY25 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Amara Raja Energy	1210	Neutral	31,699	10.0	1.1	4,535	4.3	2.9	2,557	1.2	6.2
Apollo Tyres	527	Buy	67,712	2.7	5.2	9,900	-18.1	12.8	4,055	-20.0	34.6
Ashok Leyland	223	Buy	90,525	-2.4	3.2	10,553	-5.3	3.7	6,310	8.7	-9.0
Bajaj Auto	8741	Neutral	1,30,278	7.5	-0.8	25,839	6.3	-2.6	21,660	6.1	-2.3
Balkrishna Inds	2870	Neutral	25,202	8.8	2.2	6,275	6.9	1.5	3,834	24.3	9.7
Bharat Forge	1300	Neutral	24,113	6.5	7.3	6,703	3.9	7.2	3,930	7.8	11.9
Bosch	33987	Neutral	45,416	8.0	3.4	6,061	4.8	8.1	5,445	15.3	9.7
CEAT	3199	Buy	33,483	13.0	1.3	3,516	-15.8	-3.0	1,206	-33.5	-1.0
CIE Automotive	486	Buy	20,958	-6.5	-1.8	3,176	-3.0	-3.9	1,893	6.9	-2.8
Craftsman Auto	5323	Neutral	16,992	50.4	40.0	1,954	-11.3	1.4	594	-18.8	-3.7
Eicher Motors	4886	Sell	50,373	20.5	18.2	13,088	20.0	20.3	11,189	12.3	1.7
Endurance Tech.	2267	Buy	29,333	14.5	0.7	3,891	30.1	2	2,099	37.8	3.4
Escorts Kubota	3299	Neutral	31,133	34.2	25.7	3,736	19.5	39.6	3,136	13.1	-4.0
Exide Inds.	421	Neutral	43,014	12.0	0.8	4,947	12.4	2.3	2,818	17.3	-5.4
Happy Forgings	1001	Buy	3,591	5.0	-0.6	1,049	10.2	-0.5	683	17.9	2.5
Hero Motocorp	4183	Buy	1,01,288	4.2	-3.2	14,225	-3.1	-6.2	11,147	-5.5	-7.4
Hyundai Motor	1797	Buy	1,65,954	-3.5	-3.9	20,401	-18.4	-7.5	12,359	-29.4	-10.1
Mahindra & Mahindra	3081	Buy	3,12,328	23.5	13.4	44,473	37.4	12.6	31,977	30.3	-16.7
Maruti Suzuki	11221	Buy	3,85,081	15.6	3.5	43,808	12.1	-0.8	34,796	11.2	-5.2
Samvardhana Motherson	155	Buy	2,89,042	12.7	3.9	26,467	14.3	8.1	7,963	46.9	6.6
Motherson Wiring	59	Buy	24,187	14.4	4.0	2,702	3.1	8.3	1,674	-0.3	10.1
MRF	129286	Sell	68,340	13.0	1.1	9,531	-8.3	-2.1	4,121	-18.9	-9.5
Sona BLW Precis.	591	Neutral	8,625	11.1	-6.8	2,337	2.8	-8.3	1,399	4.8	-9.5
Tata Motors	749	Neutral	11,49,697	4.0	13.3	1,47,472	-3.8	25.7	65,531	-7.7	96.0
Tube Investments	3576	Buy	20,591	8.5	-0.3	2,430	1.5	-1.2	1,709	8.5	1.9
TVS Motor	2407	Neutral	91,060	10.4	-1.3	10,530	13.9	-2.5	6,495	9.5	-2.0
Automobiles			**32,60,015**	**8.6**	**7.0**	**4,29,599**	**3.1**	**9.9**	**2,50,578**	**2.7**	**9.9**

Consumer

Result Preview

Valuation summary

Consumer	CMP	TP	Rating
Britannia Inds.	4,793	5,200	Neutral
Colgate-Palm.	2,702	3,000	Neutral
Dabur India	511	675	Buy
Emami	605	800	Buy
Godrej Consumer	1,079	1,400	Buy
Hind. Unilever	2,323	3,100	Buy
ITC	484	575	Buy
Jyothy Labs	401	450	Neutral
L T Foods	432	520	Buy
Marico	643	750	Buy
Nestle India	2,170	2,400	Neutral
P & G Hygiene	14651	15500	Neutral
Tata Consumer	920	1,150	Buy
Varun beverages	651	750	Buy
Paints			
Asian Paints	2,305	2,550	Neutral
Indigo Paints	1,383	1,650	Buy
Pidilite Inds.	2,862	3,200	Neutral
Liquor			
United Breweries	2,091	2,200	Neutral
United Spirits	1,657	1,650	Neutral
Innerwear			
Page Industries	47,771	57,000	Buy
QSR			
Barbeque Nation	444	500	Neutral
Devyani intl.	183	215	Buy
Jubilant Food.	739	800	Neutral
Restaurant Brands	85	135	Buy
Sapphire Foods	345	415	Buy
Westlife Foodworld	788	850	Neutral
Jewelry			
Kalyan Jewellers	774	875	Buy
P N Gadgil Jewellers	666	950	Buy
Senco Gold	1127	1,450	Buy
Titan	3,254	3,850	BUY

Mixed trends; jewelry and liquor to outperform

In our consumer coverage universe, all segments, except paint, are expected to deliver revenue/EBITDA growth YoY in 3QFY25 – staples +5%/+4%, liquor +12%/+19%, innerwear +10%/+16%, QSR +18%/+14%, and jewelry +31%/+21%. The paint segment is expected to post a decline of 1%/12% in revenue/EBITDA.

- **Consumption trends were mixed in 3Q. Staple companies are likely to witness a muted quarter amid sluggish urban demand, weak uptake for the winter portfolio, and high palm oil prices impacting the personal-wash portfolio (grammage reduction). Paint companies are impacted by a delayed monsoon and an early festive season. Demand has remained soft after the festive season and 3Q is expected to remain weak across companies. Value growth will continue to lag volume growth (price cut impact will be in the base after 4Q). Liquor companies are expected to clock strong growth, led by a new liquor policy in Andhra Pradesh, positive demand for P&A, and a higher number of weddings in 2HFY25. Innerwear companies saw positive demand trends in the festive season. Traditional channels remained sluggish, while emerging channels continued to drive growth and improve the sales mix. As high trade inventory pressure has eased, primary growth is expected to rise in 2HFY25. QSR companies saw minor improvement in demand in 3Q, particularly at the quarter end, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and beyond. The revenue gap between dine-in and delivery is expected to narrow down, with improvement in dine-in footfall. Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver flat SSSG QoQ. Store expansion will further boost revenue growth.**
- **With high commodity prices (particularly in agri basket) and insufficient price hikes, gross margin is expected to see pressure for most categories/companies. Staple companies are expected to limit A&P spends to maintain EBITDA margin. While QSR and paint companies may see EBITDA margin contraction, liquor and innerwear companies are expected to see EBITDA margin expansion (softening RM and improving mix). Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studded mix will be critical for underlying margin.**
- **Among our coverage companies, MRCO, UNSP, JUBI, Kalyan Jewelers, and PN Gadgil are expected to be outliers in 3QFY25, whereas Asian Paints, Indigo Paint, GCPL, HUL and Dabur will likely be the underperformers.**
- **We continue to like HUL, GCPL, Dabur (despite near-term soft earnings) as we do not see much downside risk and expect a better operating print in the coming quarters. We like PAGE and PN Gadgil on earnings improvement expectation. For JUBI and UNSP, we are constructive on business improvement, but we remain Neutral on rich valuations.**

Segment-wise performance

- **Staples:** Demand trends in 3Q were quite similar to 2Q, but we may see growth diversion in 3Q at the category/company level. Winter demand was muted, which would affect the performance of healthcare, skincare, OTC, HI, etc. High palm oil prices will affect multiple products, especially the personal wash portfolio, where pricing action is insufficient to offset inflation. Grammage reduction will also impact volume performance. Some companies have witnessed a higher share of LUPs, which will impact the product mix too. For most companies, YoY volume growth is expected to decline in 3Q vs. 2Q. Price cut pressure on value growth will see a reversal in 3Q, and we expect positive pricing for most companies. Gross margin for most companies may see weakness in 3Q (high RM inflation, mix and weak winter portfolio). Cost control and rationalization on marketing spends should help to sustain EBITDA margins. We expect sales/EBITDA/PAT growth of 5%/4%/2% for staples companies under our coverage in 3QFY25.

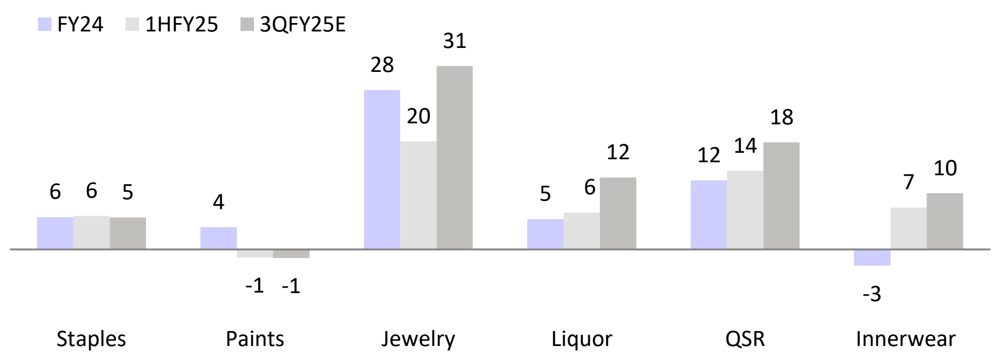
- **Paint:** Demand trends remained weak for paint companies as extended monsoons and early Diwali dampened festive demand. Nov'24 saw a slight improvement, but overall trends were subdued. The impact of rising competition was less, and the large impact was due to weak industry demand. The product mix can be slightly better as the economy segment has seen more pressure. 3QFY25 is expected to witness similar growth pressure that was seen in 2QFY25. In 3QFY24, paint companies cut prices by ~2% and by 4-5% in 4QFY24. Thereby, after 4QFY25, price cuts will be in the base. Moreover, prices were increased by ~2% in 2QFY25. Hence, value growth can be marginally higher than volume growth from 4QFY25 onward. EBITDA margin is expected to be subdued due to higher marketing spend and insufficient pricing. We expect sales/EBITDA/PAT to decline by 1%/12%/11% for paint companies under our coverage in 3QFY25.
- **Liquor:** The P&A portfolio continues to benefit from a demand uptrend, a new liquor policy in Andhra Pradesh, and a higher number of weddings, leading to healthy volume growth in 3Q for liquor companies. Gross margin is expected to see some improvement, aided by cost efficiencies, price hikes in earlier quarters and stable RM prices. ENA inflation is in low single digits, while glass prices are declining, leading to a softness in raw material prices. With improvement in volume, we expect EBITDA margin expansion YoY. We expect sales/EBITDA/PAT growth of 12%/19%/16% for our coverage companies in 3QFY25.
- **Innerwear**: Demand trends in 3Q were similar to 2Q. The festive season was healthy, although some benefits have preponed to 2Q due to early Diwali. Traditional channels remained sluggish, while emerging channels continued to drive growth and improve sales mix. Trade inventory is normalizing, which is expected to drive a better performance at the primary level (which was in opposite trend in the last a few quarters). We expect sales/EBITDA/PAT growth of 10%/16%/20% for our coverage innerwear companies in 3QFY25.
- **QSR**: QSR companies saw marginal improvement in demand trends in 3Q, particularly at the end of the quarter, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and thereafter. The revenue gap between dine-in and delivery is expected to narrow down with improvement in dine-in footfall. Weak underlying growth will continue to impact operating margin performance, leading to pressure on restaurant margins and EBITDA margins for most brands. Improvising menu and activation drives for dine-in are driving improvement in footfall/orders. Delivery channels remain strong, while dine-in is showing marginal improvement in the second half of the quarter. We expect sales/EBITDA/PAT growth of 18%/14%/34% for our coverage QSR companies in 3QFY25.
- **Jewelry:** Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver similar SSSG as seen in 2Q. Store

expansion will further boost revenue growth. Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studded mix will be critical for underlying margin. The reduction in customs duty is expected to result in an inventory loss of INR2-2.5b for Titan, ~INR0.5-0.6b for Kalyan, and INR0.2b for Senco in 3Q. We do not factor in this one-time impact of inventory loss on operating performance to compare margin on a like-to-like basis. We expect sales/EBITDA/PAT growth of 31%/21%/18% for our coverage jewelry companies in 3QFY25.

Agri commodity prices remain high; non-agri prices stable

- Agricultural commodities have witnessed YoY inflation for the third consecutive quarter, impacting FMCG companies like Dabur, HUL, Nestlé, Britannia, Marico, and Tata Consumer. Conversely, non-agricultural commodities, including crude oil and its derivatives, along with VAM prices, have stabilized. Oil commodity basket has faced inflationary pressures due to higher import duties, affecting margins for companies in the soaps and detergents category.
- **Agricultural commodities**: Wheat prices rose by 12% YoY and 7% QoQ, while barley prices surged 13% YoY and 8% QoQ, likely impacting companies like UBBL and Nestlé. Sugar prices declined by 3% YoY but remained flat QoQ. Coffee prices increased 11% YoY and were stable QoQ, posing challenges for companies like Nestlé and HUL. Copra prices have soared 42% YoY and 21% QoQ, while palm oil prices jumped 32% YoY and 21% QoQ, driven by higher import duties.
- **Non-agricultural commodities:** Crude oil prices declined by 11% YoY and 7% QoQ, currently trading at ~USD74/barrel. Other commodities like TiO2 and TiO2 (China) are showing a downward trend. VAM (China) prices fell by 11% YoY and remained stable QoQ, benefiting companies like Pidilite. On the other hand, gold prices jumped by 26% YoY and 7% QoQ, putting pressure on the margins of jewelry companies.

Coverage universe revenue growth in FY24, 1HFY25 and 3QFY25E (%)



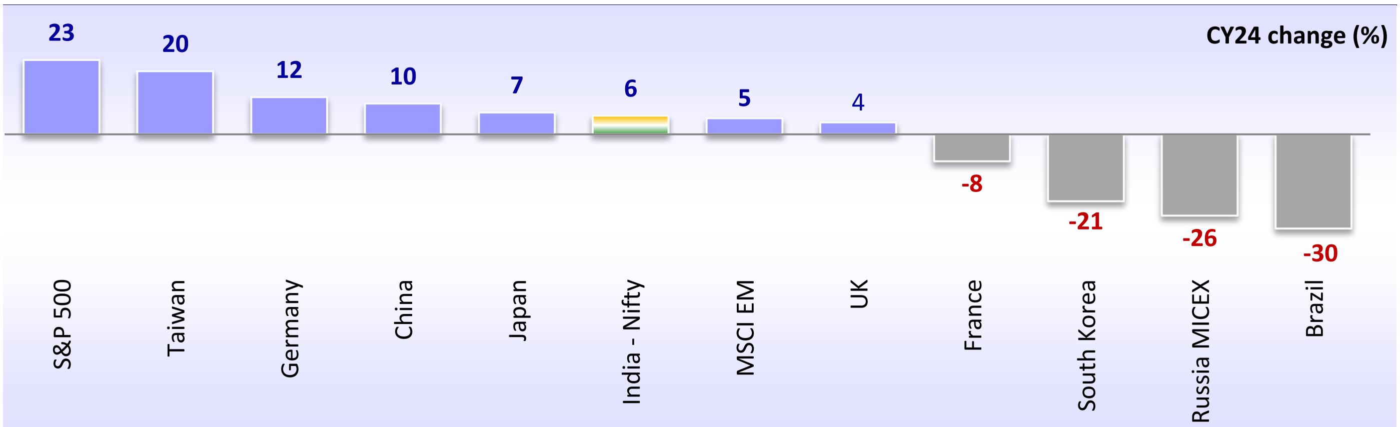
Source: Company, MOFSL

INDIA STRATEGY – Jan'25 (The Eagle Eye): Nurturing resilience during uncertain times!

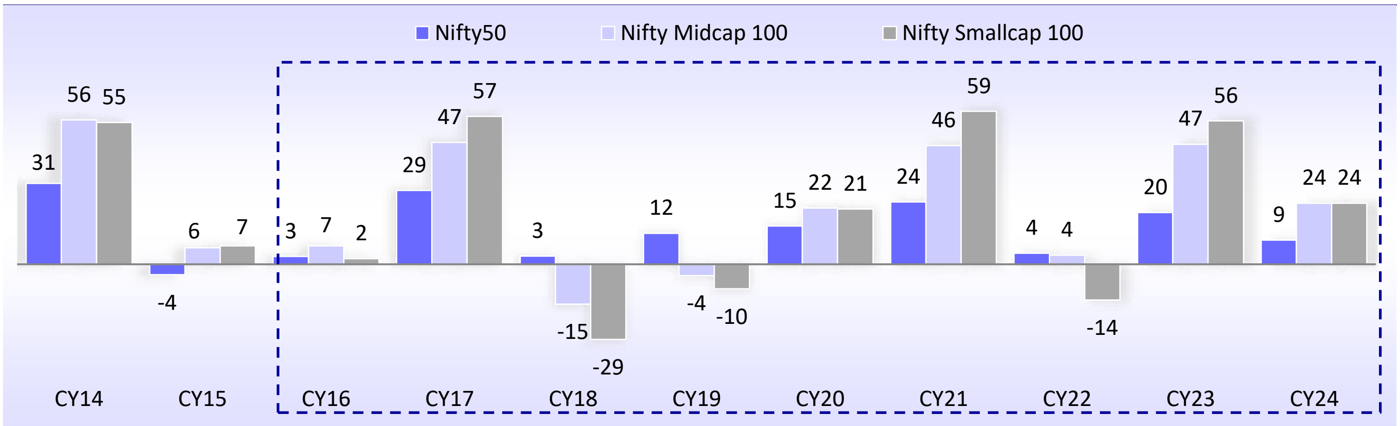
The key highlights of the 'The Eagle Eye' are as follows:

- a) US outperforms key equity indices in CY24; India outpaces most EM; b) MSCI India outperforms MSCI EM by 6pp in CY24; c) Nifty-50 clocks nine consecutive years of positive returns; d) Mid-and small-caps outperform large-caps over a 1-yr/3-yr/5-yr/10-yr/15-yr/20-yr period; e) INR remains less volatile vs. other key currencies in CY24; f) Healthcare & Real Estate sectors among the top gainers in CY24; g) DII inflows break all records, while FIIs post marginal outflows in CY24; h) Monthly average cash volumes inch up; F&O volumes dip sharply; i) CY24 – A blockbuster year: Multiple sectors jump on the IPO bandwagon; j) Mid-and small-cap contributions to market cap at all-time highs.
- Notable Published reports in Dec'24: a) Indian Capital Market |Thematic: A golden era!; b) P N Gadgil Jewellers – Initiating Coverage: Strengthening retail presence with trust; c) Anant Raj – Initiating Coverage: Riding India's data center localization wave.

CY24 performance of global equity indices in USD terms (%)



Over the last nine years, mid-caps have delivered seven and small-caps have reported six years of positive returns



HDFC Bank

BSE SENSEX	S&P CNX
79,223	24,005

Financials Snapshot (INR b)

Y/E	FY24	FY25E	FY26E
NII	1,085	1,213	1,348
OP	944	990	1,124
NP	608	668	751
NIM (%)	3.4	3.4	3.5
EPS (INR)	80.0	87.9	98.8
EPS Gr. (%)	1.0	9.8	12.4
BV/Sh. (INR)	580	647	725
ABV/Sh. (INR)	555	618	693
Ratios			
RoA (%)	1.8	1.8	1.8
RoE (%)	14.6	14.3	14.4
Valuations			
P/E(X)	21.8	19.9	17.7
P/E(X)*	18.2	16.5	14.7
P/BV (X)	3.0	2.7	2.4
P/ABV (X)	2.6	2.4	2.1

*adj for subs

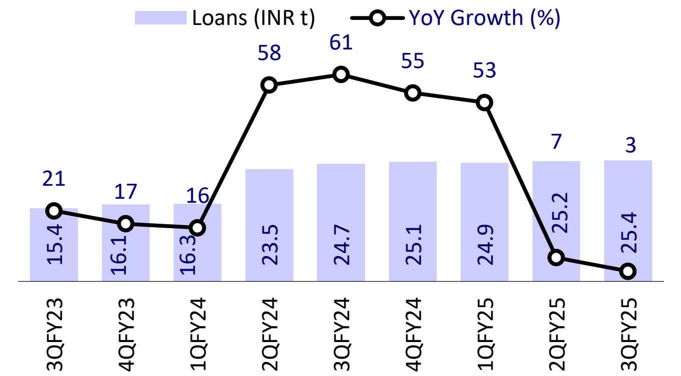
CMP: INR1,748 Buy

Deposit growth on track; sell-down of advances results in lower advances growth

HDFCB released its 3QFY25 business update. Following are the key takeaways:

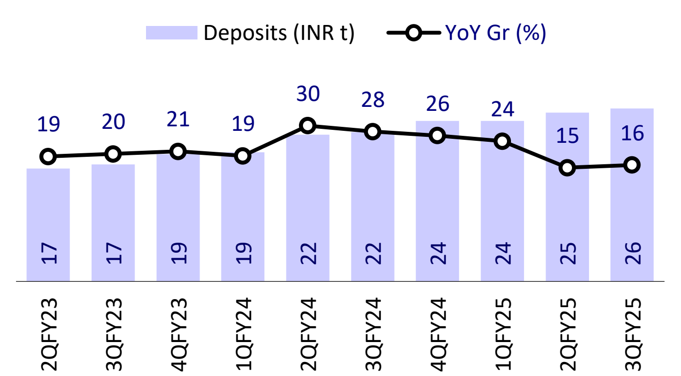
- **Gross advances grew 3% YoY/0.9% QoQ to INR25.4t. Gross of transfers through IBPCs and bills rediscounted, the loan book grew 6.1% YoY/1.9% QoQ.**
- **As per the bank's internal classification, domestic retail loans grew 10% YoY, commercial & rural banking grew 11.5% YoY, and wholesale loans decreased by 10.3% YoY.**
- **Deposits increased by 15.8% YoY/2.5% QoQ to INR25.6t. CASA deposits declined 1.2% QoQ (up 4.4% YoY), whereas term deposits grew 22.7% YoY/4.6% QoQ to INR16.9t.**
- **Growth in advances was lower as the bank sold down its advances book. On the deposit front, the bank added ~INR0.6t in 3Q, which was slightly below estimates. However, deposit growth remained healthy at 15.8%, outperforming the system-wide deposit growth of 11.5%.**

Loans grew 3% YoY/0.9% QoQ



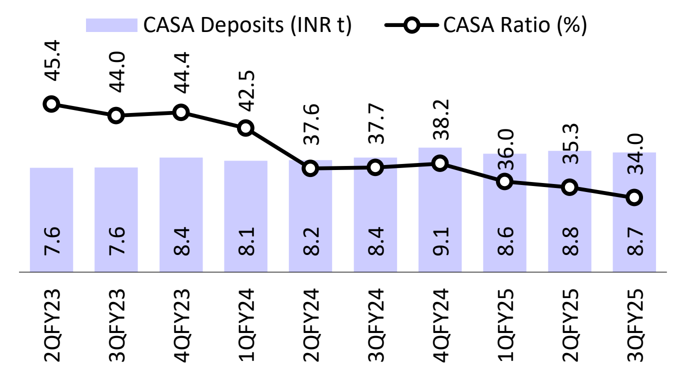
*merged nos Source: MOFSL, Company

Deposits grew 15.8% YoY/2.5% QoQ



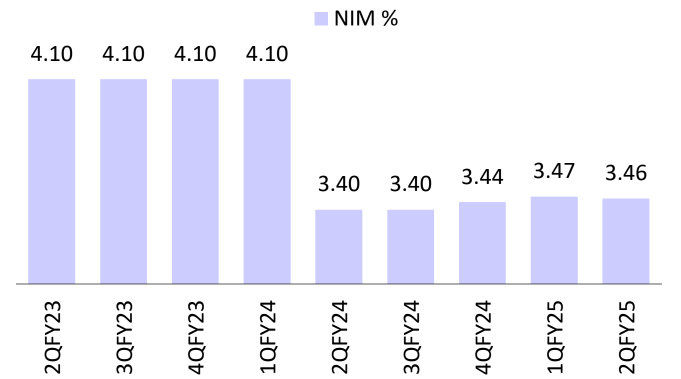
*merged nos Source: MOFSL, Company

CASA deposits fell 1.2% QoQ (up 4.4% YoY)



Source: MOFSL, Company

Margins stood at 3.46% in 2QFY25



Source: MOFSL, Company

Bajaj Finance

BSE SENSEX	S&P CNX
79,944	24,189

Financials Snapshot (INR b)

Y/E March	FY25E	FY26E	FY27E
Net Income	450	564	703
PPP	300	378	475
PAT	164	212	273
EPS (INR)	264	343	440
EPS Gr. (%)	13	30	28
BV/Sh. (INR)	1,580	1,878	2,263
Ratios			
NIM (%)	9.8	9.9	9.9
C/I ratio (%)	33.4	32.9	32.4
RoA (%)	3.9	4.0	4.1
RoE (%)	18.8	19.8	21.2
Payout (%)	15.0	13.1	12.4
Valuations			
P/E (x)	28.0	21.6	16.8
P/BV (x)	4.7	3.9	3.3
Div. Yield (%)	0.5	0.6	0.7

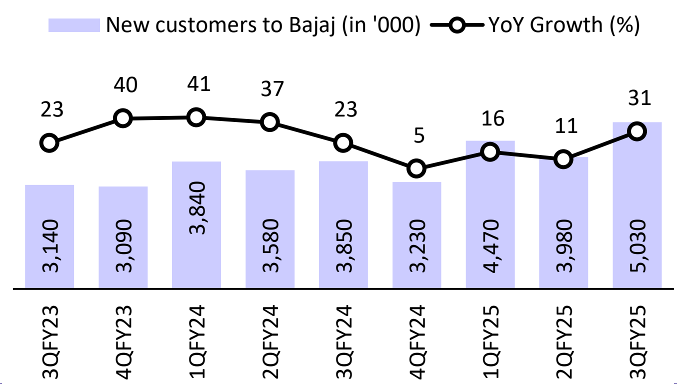
CMP:INR7,389 Neutral

Strong customer additions; AUM growth in line at ~28% YoY

New loan bookings clock a healthy ~22% YoY growth

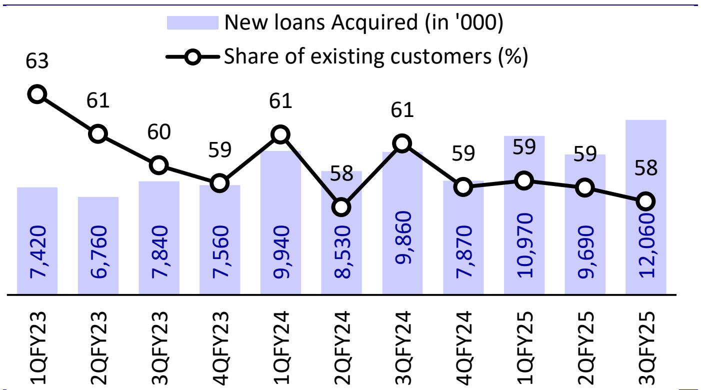
- Total customer franchise stood at ~97.1m, up ~21% YoY/5.5% QoQ.
- BAF added ~5m new customers (vs. 3.85m YoY), well ahead of its previous high of ~4.5m.
- New loan bookings were the highest ever and rose ~22% YoY to 12.1m (vs. 9.9m in 3QFY24).
- AUM growth was in line with the reported AUM at INR3.98t, up ~28% YoY/~6% QoQ.
- The deposit book stood at INR688b and grew 19% YoY/4% QoQ.

Strong new customer acquisitions



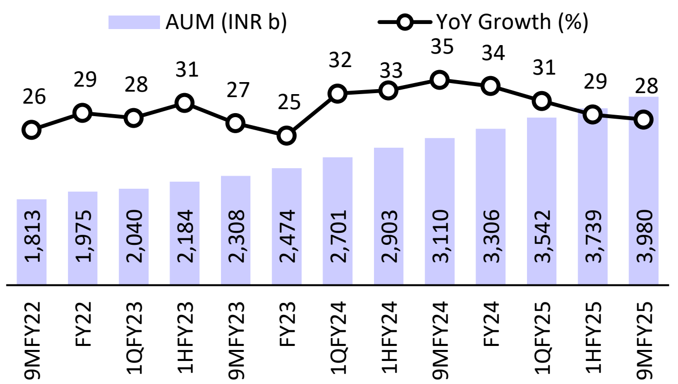
Source: MOFSL, Company

Healthy growth in new loan bookings



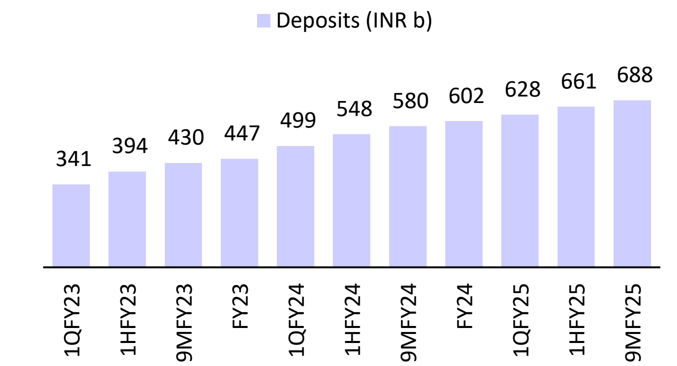
Source: MOFSL, Company

AUM rose 6% QoQ and 28% YoY



Source: MOFSL, Company

Deposits stood at INR688b, up 19% YoY



Source: MOFSL, Company

Rural Electrification Corp.

BSE SENSEX	S&P CNX
79,223	24,005

Stock Info	
Bloomberg	RECL IN
Equity Shares (m)	2633
M.Cap.(INRb)/(USDb)	1416.8 / 16.5
52-Week Range (INR)	654 / 408
1, 6, 12 Rel. Per (%)	2/-3/15
12M Avg Val (INR M)	7461
Free float (%)	47.4

Financials Snapshot (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	199	227	265
PPP	199	228	267
PAT	161	183	212
EPS (INR)	61.1	69.3	80.6
EPS Gr. (%)	15	13	16
BV/Shr (INR)	306	358	418
ABV/Shr (INR)	303	354	414
RoAA (%)	2.7	2.6	2.6
RoE (%)	21.5	20.9	20.8
Div. Payout (%)	29.4	29.6	29.2
Valuation			
P/E (x)	8.8	7.8	6.7
P/BV (x)	1.8	1.5	1.3
Div. Yield (%)	3.3	3.8	4.4

CMP:INR538 Buy

Disbursement momentum strong; renewable energy continues to do well

- Disbursements grew ~18% YoY, amounting to INR547b in 3QFY25. For 9MFY25, disbursements grew 19% YoY to INR1.45t
- Disbursements in the renewable sector rose 58% YoY, amounting to INR63b in 3QFY25. For 9MFY25, disbursements jumped 79% YoY to INR176b.
- Renewable energy disbursements contributed ~11.5% of the total disbursements in 3QFY25 (PQ: 12.6% and PY: 8.6%).
- **View:** REC trades at 1.3x FY27E P/BV, and we believe that the risk-reward is attractive considering strong visibility on loan growth, earnings growth, and healthy return ratios.

Disbursements grew ~18% YoY in 3QFY25

RECL (INR m)	Quarterly			Growth (%)	
	3QFY24	2QFY25	3QFY25	YoY	QoQ
Disbursements	4,63,580	4,73,030	5,46,920	18.0	15.6
Renewable Energy disbursements	39,940	59,460	63,140	58.1	6.2
Renewable energy as a proportion of total disbursements (%)	8.6	12.6	11.5	290bp	-100bp

Renewable energy contributed ~12% of the total disbursements as of Dec'24

RECL (INR m)	YTD		Growth (%)
	9MFY24	9MFY25	YoY
Disbursements	12,20,890	14,56,470	19.3
Renewable Energy disbursements	98,570	1,76,120	78.7
Renewable energy as a proportion of total disbursements (%)	8.1	12.1	400bp

3 January 2025

Update | Sector: Financials - Bank

Bank of Baroda

BSE SENSEX	S&P CNX
79,223	24,005

Stock Info

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1249.6 / 14.6
52-Week Range (INR)	300 / 219
1, 6, 12 Rel. Per (%)	-3/-9/-8
12M Avg Val (INR M)	4617
Free float (%)	36.0

Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	447.2	475.9	517.9
OP	309.7	332.8	361.8
NP	177.9	186.7	197.6
NIM (%)	3.1	3.0	2.9
EPS (INR)	34.4	36.1	38.2
EPS Gr. (%)	26.1	4.9	5.8
BV/Sh. (INR)	211	240	269
ABV/Sh. (INR)	194	224	251
Ratios			
RoA (%)	1.2	1.1	1.1
RoE (%)	17.8	16.3	15.3
Valuations			
P/E(X)	7.0	6.7	6.3
P/BV (X)	1.1	1.0	0.9
P/ABV (X)	1.2	1.1	1.0

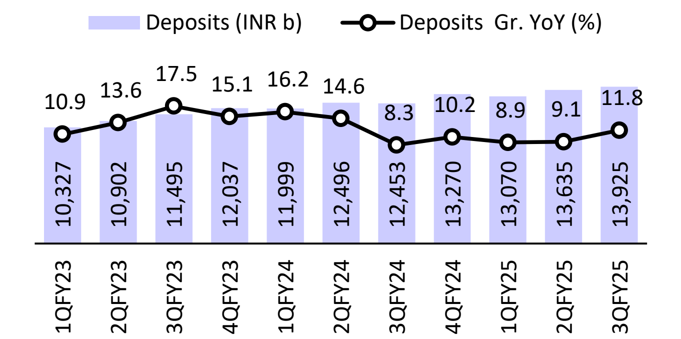
CMP: INR242 — Buy

Business growth healthy; domestic CD ratio at 82.6%

Bank of Baroda (BOB) released its 3QFY25 business update. Following are the key takeaways:

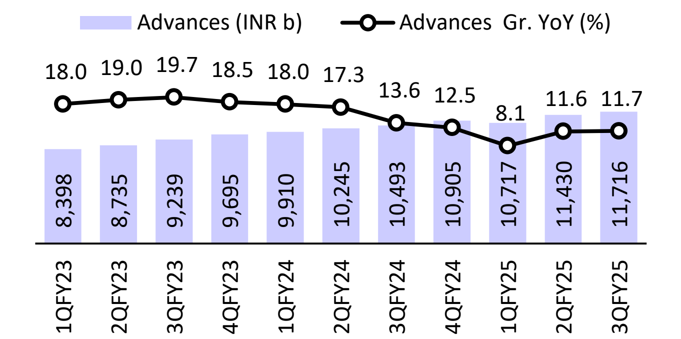
- Total advances grew 11.7% YoY (up 2.5% QoQ) to INR11.7t, with domestic advances up 11.8% YoY (up 2.6% QoQ). International book grew at 11.2% YoY/up 2% QoQ. Domestic retail loans grew 19.5% YoY.
- Total deposits grew at 11.8% YoY (up 2.1% QoQ) to INR13.9t, with growth in domestic deposits at 9.2% YoY (up 1.3% QoQ).
- The bank's global business grew 11.7% YoY to INR25.6t.
- As a result, the domestic C/D ratio stood at 82.6% (on a gross basis).

Deposits grew 11.8% YoY and 2.1% QoQ



Source: MOFSL, Company

Advances grew 11.7% YoY and 2.5% QoQ



Source: MOFSL, Company

Union Bank of India

BSE SENSEX	S&P CNX
79,223	24,005

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	365.7	369.7	398.7
OP	282.1	300.6	321.9
NP	136.5	158.3	164.3
NIM (%)	2.9	2.7	2.6
EPS (INR)	18.9	20.7	21.5
EPS Gr. (%)	52.9	9.9	3.8
BV/Sh. (INR)	123	140	157
ABV/Sh. (INR)	112	129	147
RoA (%)	1.0	1.1	1.0
RoE (%)	16.7	16.2	14.9
Valuations			
P/E(X)	6.6	6.0	5.8
P/BV (X)	1.0	0.9	0.8
P/ABV (X)	1.1	1.0	0.8

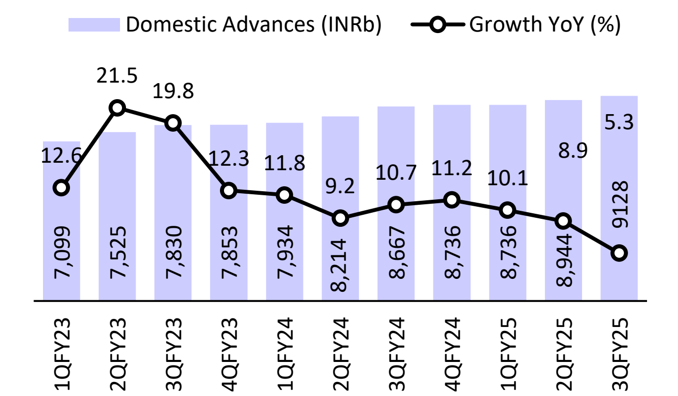
CMP: INR124 — Buy

Deposit growth modest, CASA mix moderates

Union Bank released its 3QFY25 business update. Following are the key takeaways:

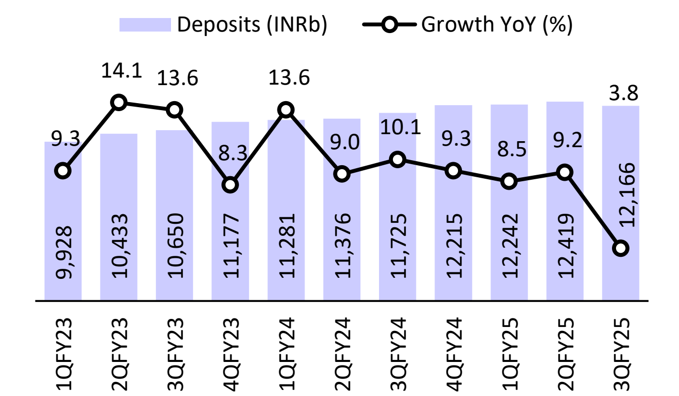
- Total business grew 4.7% YoY to INR216t.
- Advances rose 5.93% YoY (up 2.2% QoQ) to INR9.5t. Domestic advances increased by 5.3% YoY (up 2.1% QoQ) to INR9.1t. Domestic RAM advances grew 6.1% YoY (down 1.45% QoQ).
- Deposits grew 3.8% YoY (down 2% QoQ), with domestic CASA deposits declining by 0.44% YoY (down 0.2% QoQ).
- Domestic deposits rose 2.5% YoY (down 2.4% QoQ) to INR11.8t.

Domestic advances grew 5.3% YoY (up 2.1% QoQ)



Source: MOFSL, Company

Deposits grew 3.8% YoY (down 2% QoQ)



Source: MOFSL, Company

Dabur

BSE SENSEX	S&P CNX
79,223	24,005

Financials Snapshot (INR b)

Y/E Mar	2025E	2026E	2027E
Sales	126.8	140.7	154.8
Sales Gr. (%)	2.2	11.0	10.1
EBITDA	23.9	27.8	31.4
Margins (%)	18.9	19.8	20.3
Adj. PAT	18.6	21.3	24.3
Adj. EPS (INR)	10.5	12.0	13.7
EPS Gr. (%)	-0.9	14.4	14.2
BV/Sh.(INR)	59.8	64.0	68.3
Ratios			
RoE (%)	18.2	19.4	20.7
RoCE (%)	16.2	17.1	18.3
Payout (%)	66.7	70.8	72.9
Valuations			
P/E (x)	48.7	42.6	37.3
P/BV (x)	8.5	8.0	7.5
EV/EBITDA (x)	34.7	29.6	25.8
Div. Yield (%)	1.4	1.7	2.0

CMP: INR525 TP: INR675(+29%) BUY

Low-single-digit revenue growth; flat operating profit growth

DABUR released its pre-quarterly update for 3QFY25. Here are the key highlights:

Consumption
- FMCG consumption in rural markets was resilient and continued to grow faster than that in urban markets during the quarter.
- General trade was still under pressure, while alternative channels like modern trade, e-commerce, and quick commerce continued to deliver strong growth.

India business
- HPC is expected to grow in mid to high single digits in 3QFY25E, while Health Care is expected to be flat due to the delayed onset of winter.
- Beverages portfolio is expected to report a muted performance.
- Dabur culinary business under the brands ‘Hommade’ and ‘Badshah’ continued to perform well and is expected to post strong double-digit growth.

International business
- The international business is expected to register double-digit growth in CC terms, led by good momentum in MENA, Egypt, Bangladesh and the US.

Consolidated
- The management expects consolidated **revenue to grow in low single digits** (est. ~3% YoY in 3QFY25; -6% YoY in 2QFY25 and 7% in 3QFY24).
- Inflationary pressure was witnessed in some segments, which was partially mitigated through tactical price increases and cost-efficiency initiatives.
- The management expects flat growth in operating profit.

Quarterly Performance (Consolidated) **(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic FMCG vol. growth (%)	3.0	3.0	4.0	3.0	5.2	-7.0	1.0	4.5	3.3	1.0
Net sales	31,305	32,038	32,551	28,146	33,491	30,286	33,414	29,571	1,24,040	1,26,763
YoY change (%)	10.9	7.3	6.7	5.1	7.0	-5.5	2.7	5.1	7.5	2.2
Gross profit	14,588	15,482	15,823	13,679	16,005	14,943	16,406	14,253	59,571	61,607
Margin (%)	46.6	48.3	48.6	48.6	47.8	49.3	49.1	48.2	48.0	48.6
EBITDA	6,047	6,609	6,678	4,668	6,550	5,526	6,756	5,063	24,002	23,895
Margins (%)	19.3	20.6	20.5	16.6	19.6	18.2	20.2	17.1	19.4	18.9
YoY growth (%)	11.2	10.0	8.1	13.9	8.3	-16.4	1.2	8.5	10.5	-0.4
Depreciation	966	983	969	1,074	1,091	1,110	1,110	1,138	3,992	4,449
Interest	243	281	365	352	327	474	400	400	1,242	1,600
Other income	1,098	1,164	1,274	1,289	1,294	1,515	1,450	1,467	4,824	5,726
PBT	5,936	6,508	6,618	4,531	6,427	5,457	6,696	4,992	23,593	23,572
Tax	1,368	1,443	1,550	1,114	1,481	1,284	1,607	1,214	5,474	5,587
Rate (%)	23.0	22.2	23.4	24.6	23.0	23.5	24.0	24.3	23.2	23.7
Adjusted PAT	4,721	5,233	5,225	3,578	5,084	4,333	5,246	3,935	18,757	18,597
YoY change (%)	7.2	6.7	7.8	10.8	7.7	-17.2	0.4	10.0	9.3	-0.9

E: MOFSL Estimates

5 January 2025

Update | Sector: Consumer

Marico

BSE SENSEX	S&P CNX
79,223	24,005

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	106.9	117.9	129.3
Sales Gr. (%)	10.7	10.3	9.7
EBITDA	22.2	25.1	27.6
Margin (%)	20.8	21.3	21.4
Adj. PAT	16.7	18.6	20.0
Adj. EPS (INR)	12.9	14.4	15.5
EPS Gr. (%)	12.8	11.6	7.5
BV/Sh.(INR)	31.0	32.9	34.9
Ratios			
RoE (%)	42.6	45.1	45.7
RoCE (%)	36.6	38.4	39.4
Payout (%)	86.9	84.9	87.2
Valuations			
P/E (x)	49.8	44.6	41.5
P/BV (x)	20.7	19.5	18.4
EV/EBITDA (x)	36.9	32.6	29.4
Div. Yield (%)	1.8	1.9	2.1

CMP: INR661 TP: INR750(+13%) Buy

Revenue grows in mid-teens; modest operating profit growth due to RM inflation

Key highlights from Marico's (MRCO) 3QFY25 pre-quarterly update:

Business overview – consol. revenue growth in mid-teens

- MRCO saw steady demand trends in 3Q, driven by improving rural consumption and stable urban sentiment compared to 2QFY25.
- **Domestic business** delivered sequential improvement in underlying volume growth and sustained market share gains across key franchises.
- **Consolidated revenue** grew in the mid-teens YoY. MRCO is on track to deliver double-digit revenue growth on full year basis.
- The company remains committed to volume-driven revenue growth while being cautious about margins in the near term.

International business: Mid-teen growth in constant currency terms

- In 3QFY25, MRCO's international business delivered mid-teen growth in constant currency terms, driven by resilient and broad-based growth across markets.
- Bangladesh delivered high double-digit growth, showcasing visible strength.
- Vietnam faced a soft quarter due to a sluggish consumption environment.
- MENA and South Africa maintained robust double-digit growth.

Costs and margins

- Copra prices remained high and vegetable oil prices also increased during the quarter. Crude oil derivatives stayed range-bound.
- Rising input costs resulted in a higher-than-anticipated gross margin contraction as the company continued to favor consumer franchise expansion in the current environment.
- Operating profit growth is expected to be modest on a YoY basis as the company continues to invest in brand building.

Segments

- Parachute coconut oil delivered a resilient performance amid rising input costs and pricing pressure, although volume growth moderated QoQ. Revenue growth was in the low teens, supported by pricing interventions. The brand announced another round of price increases toward the end of this quarter as copra prices remained elevated.
- Saffola oils maintained steady volume, despite significant pricing interventions. Revenue grew in the high teens during the quarter.
- Revenue from value-added hair oils declined marginally due to competitive headwinds in the bottom-of-the-pyramid segment. However, the mid and premium segments saw a gradual recovery.
- Foods and Digital-first brands continued to exhibit strong growth, beating expectations.

Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	3.0	3.0	2.0	3.0	4.0	5.0	5.7	6.5	2.8	5.5
Net Sales	**24,770**	**24,760**	**24,220**	**22,780**	**26,430**	**26,640**	**27,930**	**25,888**	**96,530**	**1,06,888**
YoY Change (%)	-3.2	-0.8	-1.9	1.7	6.7	7.6	15.3	13.6	-1.1	10.7
Gross Profit	**12,380**	**12,500**	**12,420**	**11,750**	**13,810**	**13,530**	**14,049**	**13,124**	**49,050**	**54,513**
Gross margin (%)	50.0	50.5	51.3	51.6	52.3	50.8	50.3	50.7	50.8	51.0
EBITDA	**5,740**	**4,970**	**5,130**	**4,420**	**6,260**	**5,220**	**5,802**	**4,935**	**20,260**	**22,217**
Margins (%)	23.2	20.1	21.2	19.4	23.7	19.6	20.8	19.1	21.0	20.8
YoY Change (%)	8.7	14.8	12.5	12.5	9.1	5.0	13.1	11.7	11.9	9.7
Depreciation	360	390	420	410	410	410	420	433	1,580	1,673
Interest	170	200	190	170	170	110	150	155	730	585
Other Income	460	380	430	150	370	400	425	355	1,420	1,550
PBT	**5,670**	**4,760**	**4,950**	**3,990**	**6,050**	**5,100**	**5,657**	**4,702**	**19,370**	**21,509**
Tax	1,310	1,160	1,090	790	1,310	1,190	1,301	1,133	4,350	4,934
Rate (%)	23.1	24.4	22.0	19.8	21.7	23.3	23.0	24.1	22.5	22.9
Adjusted PAT	**4,270**	**3,530**	**3,830**	**3,180**	**4,640**	**4,132**	**4,326**	**3,610**	**14,810**	**16,708**
YoY Change (%)	15.1	17.3	16.8	5.3	8.7	17.1	12.9	13.5	13.7	12.8
Reported PAT	**4,270**	**3,530**	**3,830**	**3,180**	**4,640**	**4,230**	**4,326**	**3,610**	**14,810**	**16,806**

E: MOFSL Estimates

IndusInd Bank

BSE SENSEX	S&P CNX
79,223	24,005

Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	206.2	214.5	248.2
OP	158.6	148.4	175.0
NP	89.8	65.8	87.4
NIM (%)	4.2	3.9	4.1
EPS (INR)	115.5	84.5	112.3
EPS Gr. (%)	20.3	-26.9	33.0
BV/Sh. (INR)	810	878	974
ABV/Sh. (INR)	792	855	949
Ratios			
RoA (%)	1.8	1.2	1.4
RoE (%)	15.3	10.0	12.2
Valuations			
P/E (X)	8.6	11.8	8.9
P/BV (X)	1.2	1.1	1.0
P/ABV (X)	1.3	1.2	1.0

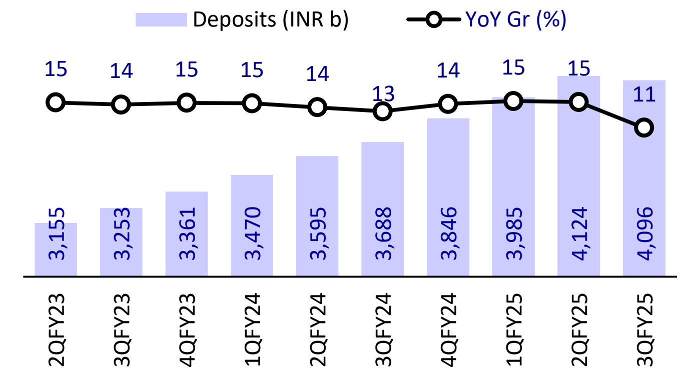
CMP: INR998 — Buy

Deposits decline QoQ; CD ratio further inches up sharply

IndusInd Bank (IIB) released its quarterly update, highlighting the key business numbers for 3QFY25. Following are the key takeaways:

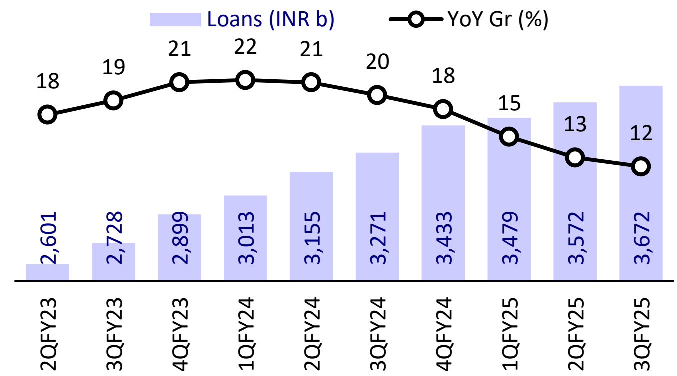
- **Net advances grew 12.3% YoY/2.8% QoQ to ~INR3.67t.**
- **Deposits growth disappoints as they declined 0.7% QoQ (up 11% YoY to ~INR4.1t), while the CASA mix further moderated 1% QoQ to 34.9%.**
- **The bank's CD ratio increased sharply to 89.6% (up 3% QoQ) in 3QFY25.**
- **IIB disappointed in terms of overall deposits growth, leading to a jump in the bank's CD ratio to 89.6%. Further, the CASA ratio saw a sharp decline of 1% QoQ.**

Deposits declined 0.7% QoQ (+11% YoY) in 3QFY25



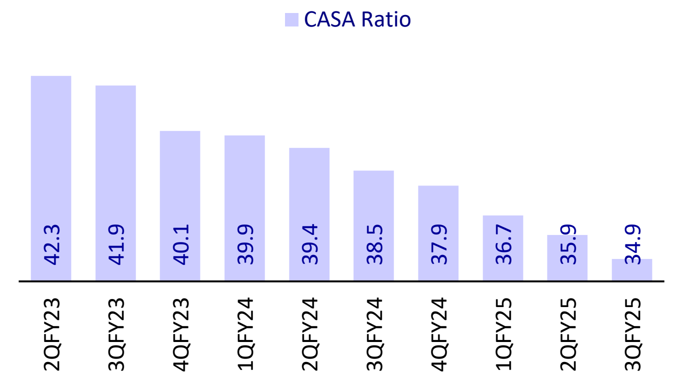
Source: MOFSL, Company

Loans were up 12.3% YoY (+2.8% QoQ) in 3QFY25



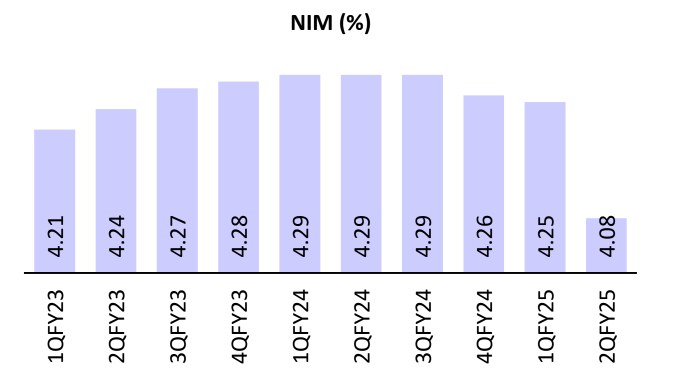
Source: MOFSL, Company

CASA ratio moderated to 34.9% in 3QFY25



Source: MOFSL, Company

NIM contracted sharply to 4.08% in 2QFY25



Source: MOFSL, Company

IDFC First Bank

BSE SENSEX	S&P CNX
79,944	24,189

Bloomberg	IDFCFB IN
Equity Shares (m)	7316
M.Cap.(INRb)/(USDb)	473.5 / 5.5
52-Week Range (INR)	90 / 59
1, 6, 12 Rel. Per (%)	1/-18/-37
12M Avg Val (INR M)	3046

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	164.5	196.0	235.5
OP	62.4	80.3	101.4
NP	29.6	21.3	35.7
NIM (%)	6.1	6.0	5.9
EPS (INR)	4.3	3.0	5.1
BV/Sh. (INR)	45	48	53
ABV/Sh. (INR)	44	46	51
Ratios			
RoA (%)	1.1	0.7	0.9
RoE (%)	10.2	6.4	10.0
Valuations			
P/E(X)	15.0	21.6	12.9
P/BV (X)	1.4	1.3	1.2
P/ABV (X)	1.5	1.4	1.3

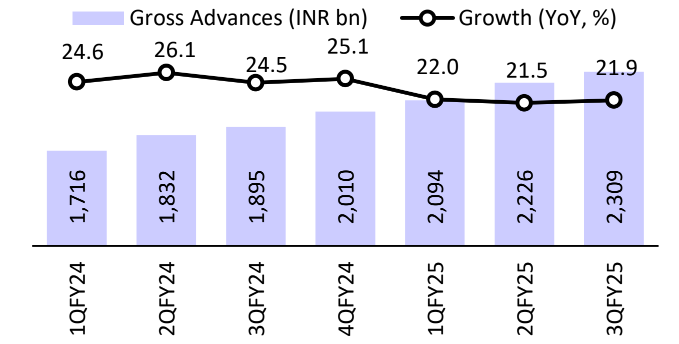
CMP: INR65 Buy

Business growth healthy; CD ratio at 95.7%

IDFCFB released its business update for 3QFY25. Here are the key highlights:

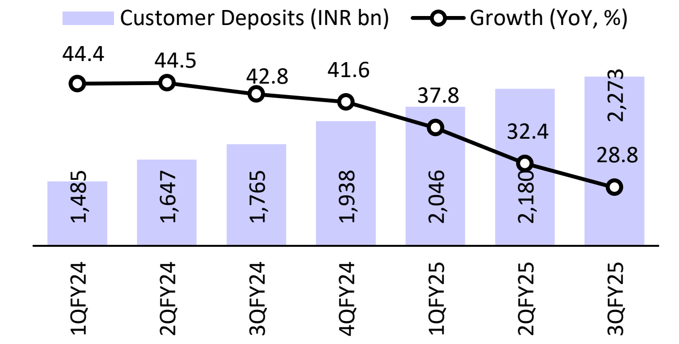
- IDFCFB reported 21.9% YoY growth (+3.7% QoQ) in loans and advances to INR2.31t in 3QFY25.
- Customer deposits grew by 28.8% YoY to INR2.27t (+4.2% QoQ).
- CASA deposits increased by 32.3% YoY/3.5% QoQ.
- CASA ratio moderated to 47.8% in 3QFY25 vs. 48.9% in 2QFY25.
- CD ratio stood at 95.7% vs. 97.7% in 2QFY25. The bank has been bringing down its CD ratio continuously by retiring legacy (pre-merger) bonds and borrowings and by increasing retail customer deposits.
- The incremental CD ratio for the trailing 12 months (Dec'23 to Dec'24) is 76.6%.

Gross advances grew 21.9% YoY to INR2,309b



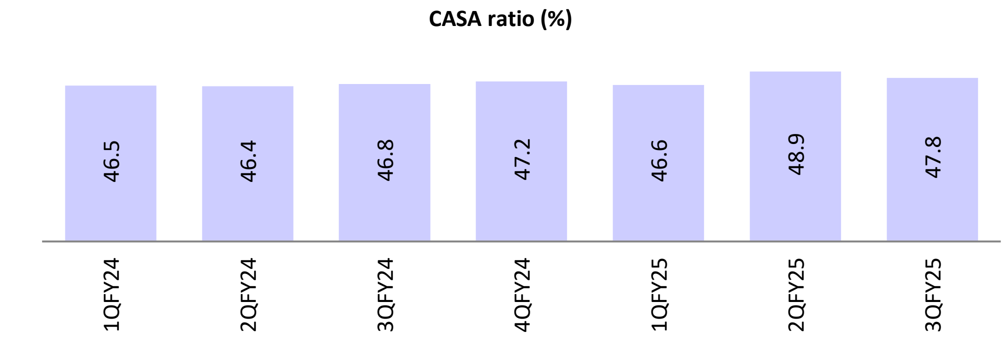
Source: MOFSL, Company

Customer deposits grew 28.8% YoY (+4.2% QoQ)



Source: MOFSL, Company

CASA ratio (%) moderated to 47.8% in 3QFY25



Source: MOFSL, Company

AU Small Finance Bank

BSE SENSEX	S&P CNX
79,223	24,005

Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	51.6	80.1	98.7
PPoP	24.4	43.1	53.4
PAT	15.3	21.1	27.7
NIM (%)	5.2	6.1	5.8
EPS (INR)	23.0	29.9	37.3
EPS Gr. (%)	4.3	30.1	24.6
BV/Sh. (INR)	187	222	257
ABV/Sh. (INR)	183	215	249
Ratios			
RoA (%)	1.5	1.6	1.6
RoE (%)	13.1	14.6	15.6
Valuations			
P/E(X)	25.0	19.2	15.4
P/BV (X)	3.1	2.6	2.2
P/ABV (X)	3.1	2.7	2.3

CMP: INR574 — Buy

Advances growth robust; CD ratio inches up

AUBANK released its business update for 3QFY25. Here are the key highlights:

- AUBANK reported healthy growth of 5.2% QoQ in gross advances to ~INR1t. Including the securitized/assigned loan portfolio, the total loan portfolio grew 3.7% QoQ.
- The bank securitized its asset portfolio of INR7.9b in 3QFY25 and INR9b in 2QFY25, resulting in GLP growth of 3.7% QoQ in 3QFY25.
- On the liability front, total deposits grew 2.3% QoQ to INR1.1t (14.9% YTD).
- CASA deposits declined 3.2% QoQ to INR344b. As a result, the CASA ratio declined to 30.6% from 32.4% in 2QFY25.
- Overall, advances growth was healthy and well on track, while CASA deposits declined by 3.2% QoQ, resulting in a decline in the CASA ratio. Lower deposit growth amid a decline in CASA deposits resulted in a 2.2% QoQ jump in the CD ratio on a calculated basis.

Key business trends

INR m	1QFY25	2QFY25	3QFY25	QoQ (%)
Total Deposits	9,72,900	10,96,930	11,22,600	2.3%
CASA Deposits	3,20,350	3,55,210	3,44,000	-3.2%
CASA Ratio (%)	32.9%	32.4%	30.6%	NA
Gross Advances	9,07,020	9,60,330	10,09,900	5.2%
Securitized/assigned loan portfolio + IBPC	90,890	89,980	79,300	NA
Gross Loan Portfolio	9,97,920	10,50,310	10,89,200	3.7%

Note: Fincare SFB with AU SFB effective from April 1, 2024; Source: MOSL, Company

4 January 2025

Update | Sector: Financials

L&T Finance

BSE SENSEX	S&P CNX
79,944	24,189

Financials Snapshot (INR b)

Y/E March	FY25E	FY26E	FY27E
Net Income	87.7	107.4	135.6
PPP	62.6	76.7	99.5
PAT	25.9	33.9	46.1
EPS (INR)	10.4	13.6	18.5
EPS Gr. (%)	11.6	31.0	35.9
BV/Sh. (INR)	102	113	128
Ratios			
NIM (%)	9.8	9.7	9.6
C/I ratio (%)	39.4	38.3	35.3
RoA (%)	2.3	2.5	2.7
RoE (%)	10.6	12.7	15.3
Payout (%)	26.5	23.5	21.5
Valuations			
P/E (x)	13.8	10.5	7.7
P/BV (x)	1.4	1.3	1.1
Div. Yield (%)	1.9	2.2	2.8

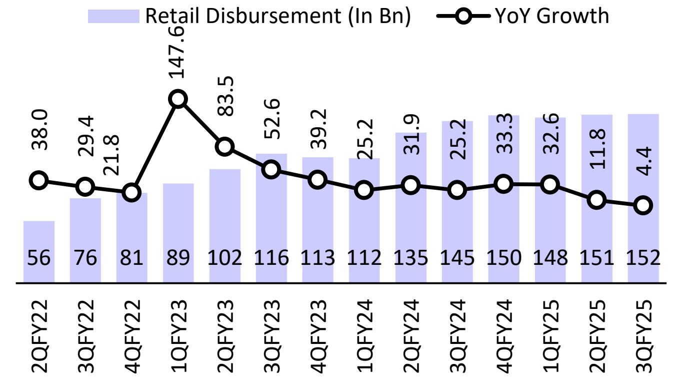
CMP:INR143 Buy

Retail loans grew ~23% YoY; retail mix now at ~97%

Wholesale loans could have potentially declined to ~INR29b

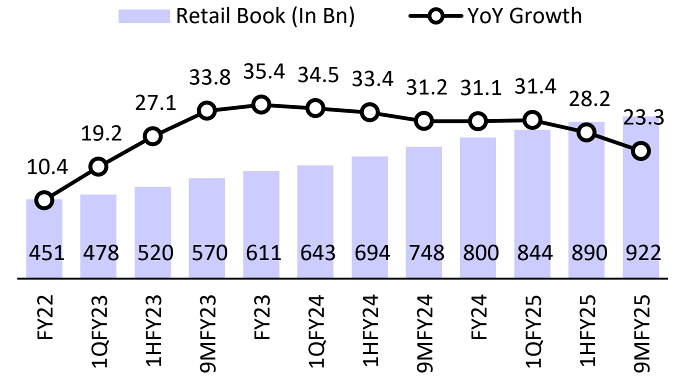
- 3QFY25 retail disbursements were up ~4% YoY and flat QoQ at INR152b (PY: INR145b).
- Rural business disbursements declined 16% YoY. Farmer Finance disbursements grew 23% YoY, Urban Finance disbursements grew 21% YoY, and SME disbursements rose ~28% YoY.
- Retail loan book grew 23% YoY and 4% QoQ to INR922b.
- Retail Loan mix increased to ~97% (PQ: 96%) and well ahead of Lakshya FY26 retail mix target of over 80%. This implies that the wholesale book could have declined to ~INR29b (PQ: ~INR37b).

Retail disbursements grew ~4% YoY



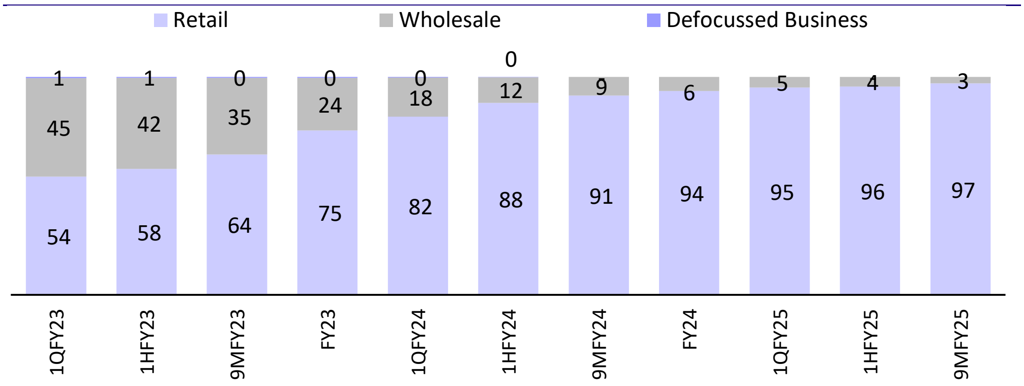
Source: MOFSL, Company

Retail loans grew ~23% YoY



Source: MOFSL, Company

Wholesale mix declined to ~3% (vs. 35% around two years ago)



Source: MOFSL, Company

Mahindra Finance

BSE SENSEX	S&P CNX
79,944	24,189

Financials Snapshot (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	82.6	99.0	116.0
PPP	49.6	62.2	74.5
PAT	24.2	30.7	38.5
EPS (INR)	19.6	24.9	31.2
EPS Gr. (%)	37	27	26
BV/Sh.(INR)	169	186	210
Ratios			
NIM (%)	6.7	7.0	7.1
C/I ratio (%)	39.9	37.2	35.8
RoA (%)	1.9	2.1	2.4
RoE (%)	12.1	14.0	15.8
Payout (%)	31.1	28.5	26.0
Valuations			
P/E (x)	14.1	11.1	8.8
P/BV (x)	1.6	1.5	1.3
Div. Yield (%)	2.2	2.6	2.9

CMP: INR276 — Buy

Business Assets rose ~18% YoY | Stage 2+Stage 3 remains stable QoQ

Key takeaways from Dec'24 business update:

- 3QFY25 disbursements at INR164.5b, grew 7% YoY. 9MFY25 disbursements stood at ~INR423.5b and grew ~4% YoY.
- Gross business assets as of Dec'24 stood at ~INR1.15t, up 18% YoY/2% QoQ.
- 3QFY25 CE stood at 95% (PY: 95% and PQ: 96%).
- MMFS reported that its Stage 3 is estimated at 3.9% (PQ: 3.8%) and Stage 2 is estimated at 6.3% (PQ: 6.4%).
- As of Dec'24, MMFS maintained a comfortable liquidity position with a liquidity chest of ~INR91b.

Exhibit 1: Trends in disbursements, collection efficiency, and asset quality

MMFS	4QFY24			1QFY25			2QFY25			3QFY25		
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Disbursements (INR b)	44	47.3	61	39.3	44.3	43.7		131.6			164.5	
Growth - YoY (%)	10%	13%	9%	4%	7%	3%		-1%			7%	
Business Assets (INR b)	982	1001	1026	1040	1053	1062			1126			1149
Growth - YoY (%)	26%	24%	24%	24%	23%	22%			20%			18%
Collection Efficiency [Monthly]	95%	97%	101%	89%	96%	95%						
Collection Efficiency [Quarterly]		98%			94%			96%			95%	
Stage 2			5.10%			6.10%			6.40%			6.30%
Stage 3			3.30%			3.60%			3.80%			3.90%
Stage 2 + Stage 3 [30+dpd]			**8.40%**			**9.70%**			**10.20%**			**10.20%**
Write-offs (INR b)		6			3.2							

MMFS	4QFY24			1QFY25			2QFY25			3QFY25		
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Commentary on Asset Quality												
Stage 2	Range-bound v/s Dec'23	Range-bound v/s Dec'23	QoQ reduction of ~90bp v/s Dec'23	Range-bound v/s Mar'24	Stage 2 and 3 remained below 10%	~100bp QoQ increase in Stage 2			~30bp QoQ increase in Stage 2			~10bp QoQ decline in Stage 2
Stage 3/NPA contracts	Range-bound v/s Dec'23	Range-bound v/s Dec'23	QoQ reduction of ~70bp v/s Dec'23	Range-bound v/s Mar'24		~30bp QoQ increase in Stage 3			~20bp QoQ increase in Stage 3			~10bp QoQ increase in Stage 3

Indian Hotels: Demand is stronger than supply due to change in infrastructure & disposable income; Puneet Chhatwal, MD & CEO

- There was a pick-up in demand post December 20
- Demand is stronger than supply due to the changes in infrastructure and disposable income
- Optimistic on the demand outlook for 2025
- Foreign tourist arrival is the only drawback in the industry currently
- Taj brand will drive growth making up ~70% of the portfolio in the next 2-3 years

Read More

Info Edge: FMCG, oil & gas have seen good white collar hiring; Pawan Goyal, ED & CBO

- Saw recovery in white collar jobs in 2024
- Non-IT sector like FMCG, oil & gas have seen good white collar hiring
- Fresher hiring has picked up after being subdued for sometime
- Orissa, MP & Rajasthan are the states that have grown highest from a CY perspective
- Jobspeak has improved every quarter in the past 4 quarters as per CY24

Read More

Wockhardt: Expect 65-70% market share over the next 4-5 years for Miqnaf drug; Habil Khorakiwala, Chairman

- Market potential for Miqnaf is around Rs 4000-5000 cr in India
- With Miqnaf, revenue potential for company is Rs 500-700 crs in the next 2-3 years
- Expect 65-70% market share over the next 4-5 years for Miqnaf Drug
- Expect an approval in Saudi Arabia for Miqnaf
- Can expect to reach double digit margins from next year
- See a greater opportunity on diabetic portfolio especially insulins given Novo is discontinuing cartridges

Read More

PTC Industries: Aspire to get topline of Rs 750 cr in FY26 & Rs 1,700 cr In FY27; Sachin Agarwal, CMD

- We are manufacturing titanium ingot within the country
- Company looking at 6000-6500 Tonnes capacity
- Rationale behind acquisition is to add technology to critical component manufacturing
- Expect EBITDA margins in the region of 30% going forward
- Acquisition of hot rolling mill will significantly enhance production capabilities

Read More

Index	1 Day (%)	1M (%)	12M (%)
Sensex	**-0.9**	**-2.0**	**11.0**
Nifty-50	**-0.8**	**-1.8**	**11.6**
Nifty Next 50	**0.1**	**-3.8**	**28.9**
Nifty 100	**-0.6**	**-2.0**	**14.3**
Nifty 200	**-0.5**	**-1.6**	**15.9**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Automobiles	**0.0**	**1.1**	**31.0**
Amara Raja Ener.	-0.9	-9.8	46.7
Apollo Tyres	-2.8	-1.8	11.8
Ashok Leyland	-0.8	-0.4	30.3
Bajaj Auto	-1.3	-2.1	28.3
Balkrishna Inds	-2.5	-0.8	12.5
Bharat Forge	-1.5	-4.0	4.9
Bosch	-0.5	-1.9	53.7
CEAT	0.0	2.6	30.1
Craftsman Auto	-0.2	7.7	3.6
Eicher Motors	0.0	9.6	36.6
Endurance Tech.	0.3	-7.0	15.8
Escorts Kubota	0.2	-4.5	17.1
Exide Inds.	-1.0	-6.8	30.3
Happy Forgings	0.5	-7.9	-0.1
Hero Motocorp	-1.6	-9.7	6.3
Hyundai Motor	0.5	-1.1	
M & M	-0.6	5.4	92.8
CIE Automotive	0.4	1.3	-0.2
Maruti Suzuki	0.8	5.8	18.4
MRF	-2.2	0.6	-3.2
Sona BLW Precis.	-1.1	-12.1	-7.4
Motherson Sumi	0.2	-3.7	57.1
Motherson Wiring	-0.8	-6.6	-3.3
Tata Motors	3.3	-1.4	1.1
TVS Motor Co.	-0.7	-2.9	24.3
Tube Investments	-1.7	-0.3	1.9
Banks-Private	**-0.9**	**-2.1**	**1.8**
AU Small Fin. Bank	0.4	-3.6	-25.5
Axis Bank	-0.2	-6.5	-1.2
Bandhan Bank	-2.0	-10.0	-37.9
DCB Bank	-0.1	-6.2	-18.4
Equitas Sma. Fin	0.8	-5.6	58.6
Federal Bank	-0.4	-2.2	35.3
HDFC Bank	-2.5	-4.2	4.6
ICICI Bank	-2.0	-3.3	28.6
IDFC First Bank	0.6	-0.2	-24.4
IndusInd Bank	0.7	0.0	-37.7
Kotak Mah. Bank	0.1	5.1	-1.5
RBL Bank	2.3	0.0	-42.9
SBI Cards	3.0	2.7	-6.0
Banks-PSU	**0.3**	**-5.1**	**14.1**
BOB	0.2	-5.1	3.8
Canara Bank	0.3	-3.5	10.7
Indian Bank	0.2	-9.6	24.5
Punjab Natl.Bank	0.9	-1.5	10.3
St Bk of India	-1.0	-7.1	23.3

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	**-0.5**	**-1.4**	**17.3**
Nifty Midcap 100	**-0.3**	**0.7**	**24.5**
Nifty Smallcap 100	**-0.2**	**0.2**	**25.3**
Nifty Midcap 150	**-0.3**	**0.6**	**24.6**
Nifty Smallcap 250	**-0.2**	**-0.2**	**27.1**
Union Bank (I)	2.2	-1.6	0.8
NBFCs	**-1.1**	**-2.3**	**11.7**
Aditya Birla Capital Ltd	0.3	-7.5	8.2
Angel One	-4.0	-7.2	-17.9
Bajaj Fin.	0.2	11.0	0.3
BSE	-2.3	18.3	137.0
Cholaman.Inv.&Fn	3.8	5.3	6.4
Can Fin Homes	-1.1	-13.6	-5.8
Cams Services	-2.1	-0.5	92.2
CreditAcc. Gram.	-2.1	5.4	-41.0
Fusion Microfin.	1.2	0.8	-69.1
360 One	0.3	12.1	98.0
Five-Star Bus.Fi	-0.9	24.9	9.2
Home First Finan	-0.8	1.7	11.8
Indostar Capital	1.4	-2.8	59.0
IIFL Finance	-2.4	-3.0	-28.6
L&T Finance	0.4	-1.5	-13.7
LIC Housing Fin.	0.6	-4.1	9.3
MCX	-2.8	-0.9	93.9
M & M Fin. Serv.	0.3	-3.1	0.3
Muthoot Finance	-0.9	15.8	51.6
Manappuram Fin.	-1.6	14.3	7.9
MAS Financial Serv.	-1.1	-5.4	-10.1
PNB Housing	0.2	4.7	17.6
Power Fin.Corpn.	1.2	-7.3	18.2
REC Ltd	3.8	-0.3	27.0
Repco Home Fin	-0.8	-11.0	5.7
Shriram Finance	-0.4	-3.4	45.9
Spandana Sphoort	0.8	-14.7	-69.1
HDFC AMC	-1.3	-0.8	30.5
Nippon Life Ind.	0.1	11.1	64.8
Aditya AMC	-0.9	-5.3	75.2
UTI AMC	-2.2	4.0	56.8
Nuvama Wealth	-2.9	4.4	95.3
Prudent Corp.	0.2	-7.9	132.0
Anand Rathi Wea.	0.6	-6.0	52.4
C D S L	0.0	8.5	95.9
Insurance			
HDFC Life Insur.	0.5	-1.7	-2.2
ICICI Pru Life	1.7	-1.5	25.9
ICICI Lombard	0.3	-3.1	33.4
Life Insurance	0.7	-6.3	8.3
Max Financial	-1.2	-2.8	18.9
SBI Life Insuran	1.8	0.5	1.8
Star Health Insu	-1.2	-0.4	-12.4
Chemicals			
Alkyl Amines	0.0	-12.9	-32.4
Atul	-1.5	-7.0	-4.0

Company	1 Day (%)	1M (%)	12M (%)
Clean Science	-1.2	16.1	-4.7
Deepak Nitrite	-2.5	-6.6	-1.1
Fine Organic	-1.0	-13.5	-6.8
Galaxy Surfact.	0.8	-11.7	-8.0
Navin Fluo.Intl.	1.8	-6.3	-13.1
NOCIL	0.7	-9.4	-9.8
P I Inds.	-1.4	-11.4	5.9
SRF	2.7	-1.1	-8.8
Tata Chemicals	-0.3	-9.5	-7.6
Vinati Organics	-1.9	-5.1	2.5
Capital Goods	**-0.5**	**-7.9**	**-31.2**
A B B	-1.3	-9.8	42.4
Bharat Electron	-1.6	-6.5	60.1
Cummins India	-1.2	-8.4	63.1
Hitachi Energy	-0.2	23.8	178.3
K E C Intl.	1.0	11.8	105.0
Kalpataru Proj.	0.3	11.3	79.9
Kirloskar Oil	0.8	-5.6	58.6
Larsen & Toubro	-1.4	-3.4	6.4
Siemens	-1.3	-14.5	61.8
Thermax	2.0	-14.2	30.4
Triveni Turbine	1.9	5.2	85.0
Zen Technologies	1.3	40.2	227.5
Cement			
Ambuja Cem.	-0.2	-3.2	2.4
ACC	-0.7	-10.3	-9.9
Birla Corp.	-1.1	-3.0	-13.7
Dalmia Bhar.	-0.5	-6.4	-21.7
Grasim Inds.	-1.3	-7.5	21.6
India Cem	0.3	2.0	43.8
J K Cements	-0.4	1.7	22.9
JK Lakshmi Cem.	-2.0	-1.3	-7.1
The Ramco Cement	0.0	-5.2	-2.0
Shree Cement	-2.2	-3.9	-7.5
UltraTech Cem.	-0.1	-0.6	16.6
Consumer	**0.3**	**0.2**	**1.1**
Asian Paints	-0.3	-5.4	-30.8
Britannia Inds.	1.0	-1.5	-8.0
Colgate-Palm.	1.5	-2.6	13.1
Dabur India	2.2	0.4	-4.8
Emami	0.9	-4.0	12.9
Godrej Consumer	2.1	-9.2	-4.4
Hind. Unilever	1.5	-3.1	-7.7
ITC	-1.5	1.9	0.9
Indigo Paints	-1.1	-2.4	-6.3
Jyothy Lab.	-0.6	-2.1	-16.8
L T Foods	0.1	4.3	114.1
Marico	1.2	3.0	21.6
Nestle India	1.5	-1.3	-16.2
Page Industries	-0.4	3.9	23.6
Pidilite Inds.	0.2	-6.9	5.8
P & G Hygiene	0.8	-7.8	-14.0
Tata Consumer	1.1	-1.6	-12.3

Company	1 Day (%)	1M (%)	12M (%)
United Breweries	-0.4	8.8	16.6
United Spirits	-0.4	9.0	53.2
Varun Beverages	0.5	5.0	33.0
Consumer Durables	**0.4**	**3.5**	**31.6**
Polycab India	-2.5	-2.8	33.4
R R Kabel	0.0	-2.6	-7.7
Havells	-0.1	-3.3	21.6
Voltas	-0.6	8.1	84.9
KEI Industries	-2.5	0.5	35.3
EMS			
Amber Enterp.	2.7	28.7	148.9
Avalon Tech	-0.3	6.2	80.9
Cyient DLM	-0.5	-6.0	0.2
Data Pattern	-0.2	-1.4	33.9
Dixon Technolog.	0.3	9.1	189.7
Kaynes Tech	0.8	21.2	195.2
Syrma SGS Tech.	0.4	7.5	-5.5
Healthcare	**-1.2**	**3.6**	**33.9**
Alembic Pharma	0.2	-4.2	30.4
Alkem Lab	-1.4	-2.4	5.0
Apollo Hospitals	-1.7	2.4	26.5
Ajanta Pharma	-3.5	-3.2	28.7
Aurobindo	-2.2	4.4	20.9
Biocon	-1.1	-1.2	30.8
Zydus Lifesci.	-1.5	-0.6	37.4
Cipla	-1.7	-1.5	16.2
Divis Lab	-1.6	-2.6	50.1
Dr Reddy’s	-1.6	10.5	14.0
ERIS Lifescience	-1.8	-11.8	42.0
Gland Pharma	3.2	4.9	-6.4
Glenmark	-0.2	4.9	82.2
Global Health	-1.3	-4.3	13.6
Granules	-0.6	13.3	44.1
GSK Pharma	1.0	-7.5	8.5
IPCA Labs	-0.5	15.5	56.3
Laurus Labs	-0.2	5.3	42.4
Lupin	-1.1	13.8	68.4
Mankind Pharma	1.2	14.8	36.3
Max Healthcare	1.6	13.9	70.6
Piramal Pharma	-1.0	-5.1	81.7
Sun Pharma	-1.5	2.8	42.4
Torrent Pharma	-1.1	1.2	44.7
Infrastructure	**-0.3**	**-3.5**	**18.0**
G R Infraproject	-0.7	-11.1	33.0
IRB Infra.Devl.	0.4	9.6	45.2
KNR Construct.	0.2	5.7	33.4
Logistics			
Adani Ports	-2.2	-6.9	9.6
Blue Dart Exp.	-0.8	-8.4	-7.9
Container Corpn.	-0.5	-6.4	-10.9
JSW Infrast	0.7	2.8	54.7
Mahindra Logis.	-0.2	-0.9	-13.3
Transport Corp.	0.8	2.0	41.0

Company	1 Day (%)	1M (%)	12M (%)
TCI Express	1.5	2.6	-38.8
VRL Logistics	-0.6	-7.0	-30.1
Media	**1.7**	**-10.0**	**-24.1**
PVR INOX	-1.4	-18.5	-24.0
Sun TV	-0.9	-11.2	-4.4
Zee Ent.	1.2	-9.2	-56.1
Metals	**0.1**	**-5.6**	**10.8**
Hindalco	-1.3	-11.4	-0.3
Hind. Zinc	3.7	-7.5	47.2
JSPL	1.7	3.5	30.9
JSW Steel	0.3	-8.4	9.2
Nalco	-3.9	-15.7	60.2
NMDC	0.0	-13.9	-6.6
SAIL	0.1	-7.0	-4.1
Tata Steel	0.1	-5.6	2.2
Vedanta	1.9	-2.2	73.7
Oil & Gas	**1.5**	**-1.2**	**14.1**
Aegis Logistics	-1.1	-3.1	132.0
BPCL	-0.2	0.7	28.6
Castrol India	-0.5	-4.8	6.8
GAIL	0.0	-4.5	17.8
Gujarat Gas	1.2	3.3	3.1
Gujarat St. Pet.	-0.2	0.4	12.6
HPCL	0.1	7.4	46.9
IOCL	0.1	-1.0	4.1
IGL	3.7	22.2	4.5
Mahanagar Gas	1.3	2.7	7.4
MRPL	-0.1	-4.1	12.6
Oil India	3.8	-1.9	87.1
ONGC	5.2	-1.3	24.3
PLNG	0.5	-2.9	44.3
Reliance Ind.	0.8	-5.5	-3.1
Real Estate	**-0.6**	**-0.9**	**32.6**
Anant Raj	1.1	22.8	183.7
Brigade Enterpr.	1.4	0.8	49.0
DLF	-0.9	-2.2	15.7
Godrej Propert.	-2.8	-4.5	33.2
Kolte Patil Dev.	-0.5	-7.9	-31.2
Mahindra Life.	0.2	-7.5	-14.9
Macrotech Devel.	1.9	8.0	39.4
Oberoi Realty Ltd	-1.2	9.5	54.6
SignatureGlobal	0.3	2.3	46.9
Sobha	-0.1	-8.7	41.8
Sunteck Realty	-0.1	-6.6	15.3
Phoenix Mills	-1.8	-9.8	37.5
Prestige Estates	-0.4	-3.9	31.6

Company	1 Day (%)	1M (%)	12M (%)
Jubilant Food	0.4	15.5	37.0
Kalyan Jewellers	-1.3	7.0	116.3
Metro Brands	-1.3	1.1	0.0
P N Gadgil Jewe.	0.1	-6.1	
Raymond Lifestyl	-1.1	1.8	
Relaxo Footwear	0.3	-7.4	-29.6
Restaurant Brand	-2.2	-5.6	-27.0
Sapphire Foods	2.2	3.2	23.8
Senco Gold	-1.3	-0.9	58.4
Shoppers St.	-0.5	-5.3	-11.1
Titan Co.	1.9	3.6	-6.5
Trent	-0.2	6.8	138.9
V-Mart Retail	-3.0	-6.4	79.0
Vedant Fashions	-0.5	-9.2	-0.2
Westlife Food	1.6	2.6	-1.9
Tecnology	**-1.4**	**-0.1**	**27.1**
Cyient	-1.2	-5.3	-22.2
HCL Tech.	-1.3	3.0	35.4
Infosys	-1.0	2.5	30.1
LTIMindtree	-0.3	-7.0	-3.8
L&T Technology	0.0	-9.8	-6.2
Mphasis	-1.0	-5.0	11.3
Coforge	-0.3	10.9	63.1
Persistent Sys	-1.2	6.0	75.8
TCS	-1.8	-4.7	11.1
Tech Mah	-2.2	-3.4	35.8
Wipro	-3.1	1.0	29.2
Zensar Tech	0.1	2.8	37.4
Telecom	**0.2**	**-1.4**	**26.7**
Bharti Airtel	-0.7	-1.3	54.4
Indus Towers	-0.7	-2.8	65.6
Idea Cellular	1.6	0.7	-47.8
Tata Comm	-0.5	-3.9	-0.8
Utiltites	**-0.4**	**-7.5**	**19.3**
Coal India	0.2	-6.7	2.4
NTPC	0.5	-7.5	11.0
Power Grid Corpn	0.3	-4.1	33.3
Tata Power Co.	0.3	-7.4	21.4
JSW Energy	-1.0	-1.3	54.3
Indian Energy Ex	-2.3	-0.6	8.5
Others			
APL Apollo Tubes	1.9	3.9	10.0
Cello World	0.7	-5.8	-7.0
Coromandel Intl	0.1	10.2	56.8
Dreamfolks Servi	-0.8	-11.0	5.7
EPL Ltd	1.9	-6.3	35.0

Company	1 Day (%)	1M (%)	12M (%)
Retail			
Aditya Bir. Fas.	-0.7	-11.2	16.6
Avenue Super.	11.5	5.1	2.4
Bata India	2.8	2.4	-8.4
Campus Activewe.	-1.4	3.5	4.9
Barbeque-Nation	-0.5	-15.6	-32.6
Devyani Intl.	0.5	15.2	-0.2

Company	1 Day (%)	1M (%)	12M (%)
Gravita India	1.7	6.7	114.6
Godrej Agrovet	1.3	-0.1	34.5
Havells	-0.1	-3.3	21.6
Indian Hotels	-0.8	8.2	93.3
Indiamart Inter.	0.3	-3.1	33.4
Info Edge	0.7	-6.3	8.3
Interglobe	-1.6	1.4	49.3
Kajaria Ceramics	-0.5	-6.3	-12.3
Lemon Tree Hotel	0.6	21.4	23.4
MTAR Technologie	2.9	-0.9	-19.0
One 97	0.0	8.9	45.9
Piramal Enterp.	-2.6	-11.4	17.2
Quess Corp	3.2	-4.1	34.3
SIS	0.3	-2.3	-19.6
Swiggy	-2.7	7.9	
Team Lease Serv.	-0.4	5.8	-4.1
UPL	3.9	-6.0	-5.9
Updater Services	1.9	-5.6	24.1
Voltas	-0.6	8.1	84.9
Zomato Ltd	-4.1	-2.5	113.9

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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