

Technical Yearly Outlook 2025



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Markets set for double digit gains to 28800...

Technical Outlook: Nifty CMP - 24350

In the journey of Nifty @ 50000 by CY30, Nifty has achieved the milestone of 24800 for the CY24. After volatile H2CY24, our traditional as well as statistical analysis depicts that the stage has been set to embark upon the next up move towards 28800 levels in the CY25 while key support threshold is placed at 22000. The positive bias is validated by following observations:

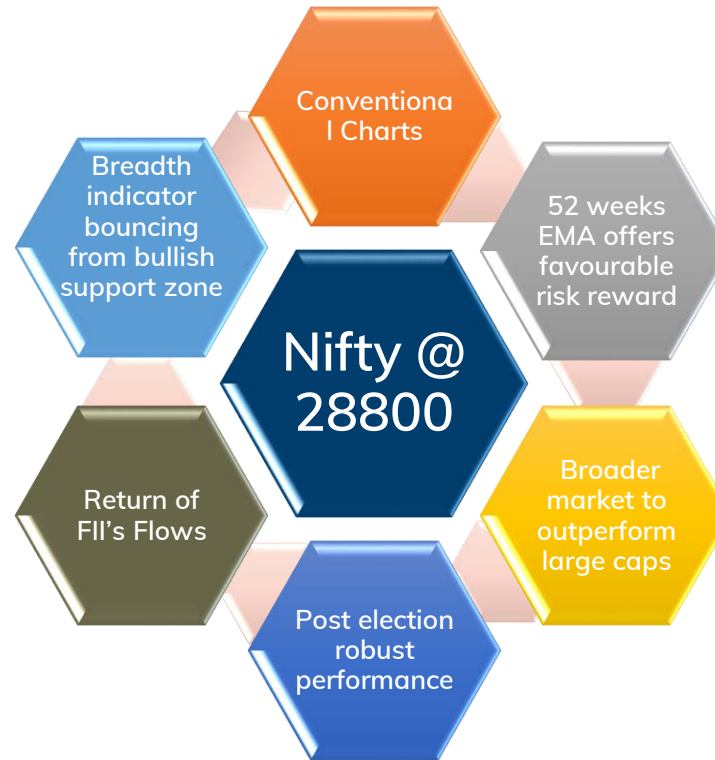
Statistical Analysis

Breadth Indicator has a tendency to find support around 30-40 zone in bull market, resulting into average 20% upside in next 12 months

Historically, on five occasions despite Rs. >30000 or **FII's sell-off** in a single quarter, the average 1 year forward returns have been to the tune of 28%

Past 4 decades, market has seen double digit rally in **subsequent year to election** with a success rate of 82%

Our **in-house Sector rotation model** depicts outperformance of BFSI, Capital Goods, IT while PSU and Metal offer bargain buy opportunity



Classical Technical Analysis

Nifty to head towards 28800 being upper band of long term rising channel

Past two decades data suggest that **buying near 52 weeks EMA** offers favourable risk reward with a median return of 23% in next 12 months

Breakout of Ratio chart of Nifty500 / Nifty100, suggesting outperformance of broader market

Over past 2 decades, **during 5th year broader market has always outperformed** the benchmark

Top Picks CY25

Duration: 12 Months

Scrip	I-Direct Code	Market Cap (Rs. Crore)	Buying Range	Target	Support	Upside (in %)
United Spirits	UNISPI	1,11,175	1490-1575	1,820	1,310	17
Indian Bank	INDIBA	79,491	555-585	705	505	24
SAIL	SAIL	50,304	117-125	153	105	25
Timken India	TIMIND	25,424	3050-3160	3,950	2,750	25

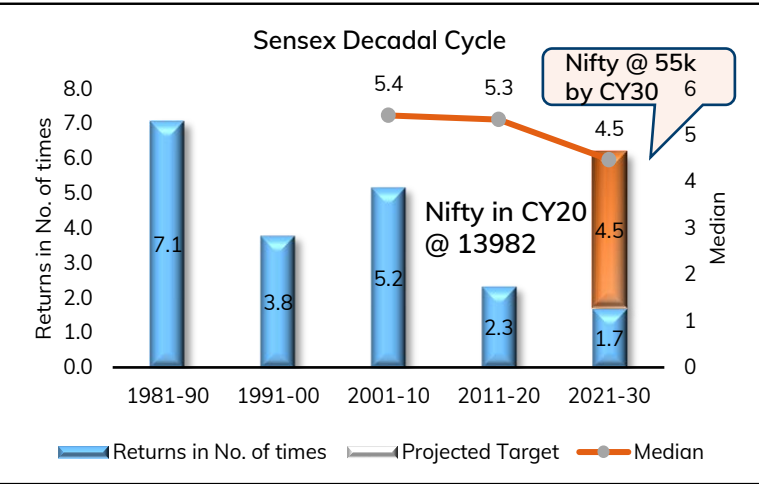
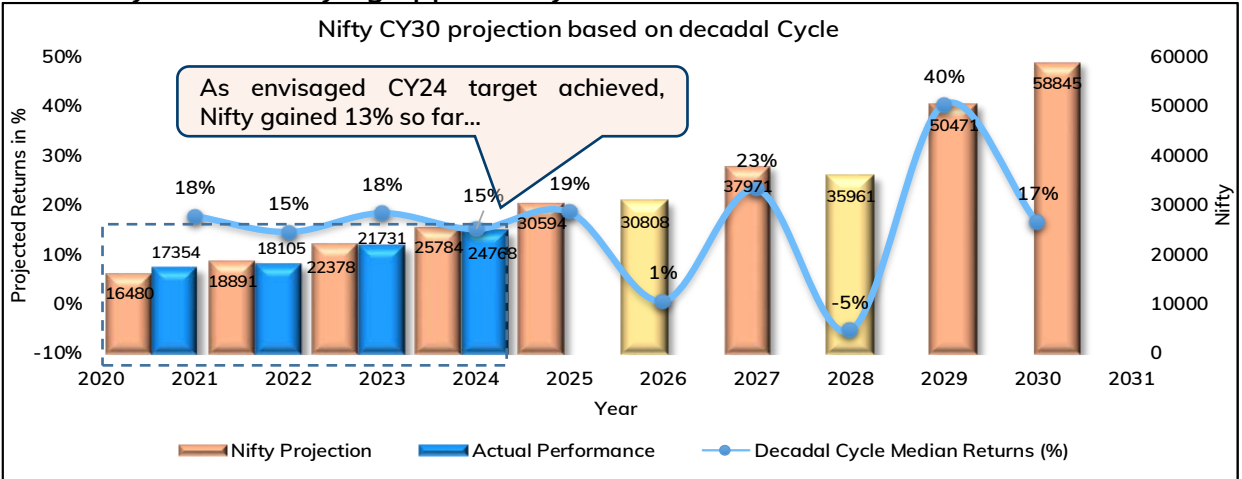
Top Picks CY25

Duration: 12 Months

Scrip	I-Direct Code	Market Cap (Rs. Crore)	Buying Range	Target	Support	Upside (in %)
CESC	CESC	25,265	180-194	235	165	24
BEML	BEML	17,818	4 2 504450	5,390	3,700	21
JK Lakshmi Cement	JKLAKS	9,626	820-875	994	715	15
Rallis India	RALIND	6,498	290-310	375	265	23

...Seconded by our "Decadal Theory"

- Since inception in 1979, the Sensex returns for each of the four decades has been 4x (median value). The study helps investors to form a larger perspective and stay the course during times of turbulence
- Projection for current decade (CY21-30) on the basis of CY20 close (Nifty:13982) works out to around 55,000
- Empirically, fifth year of the decade has been volatile. However, median returns have been higher teens
- It is worth noting that such returns do not come in a linear fashion and corrections of around 12-15% along the way have always been a buying opportunity



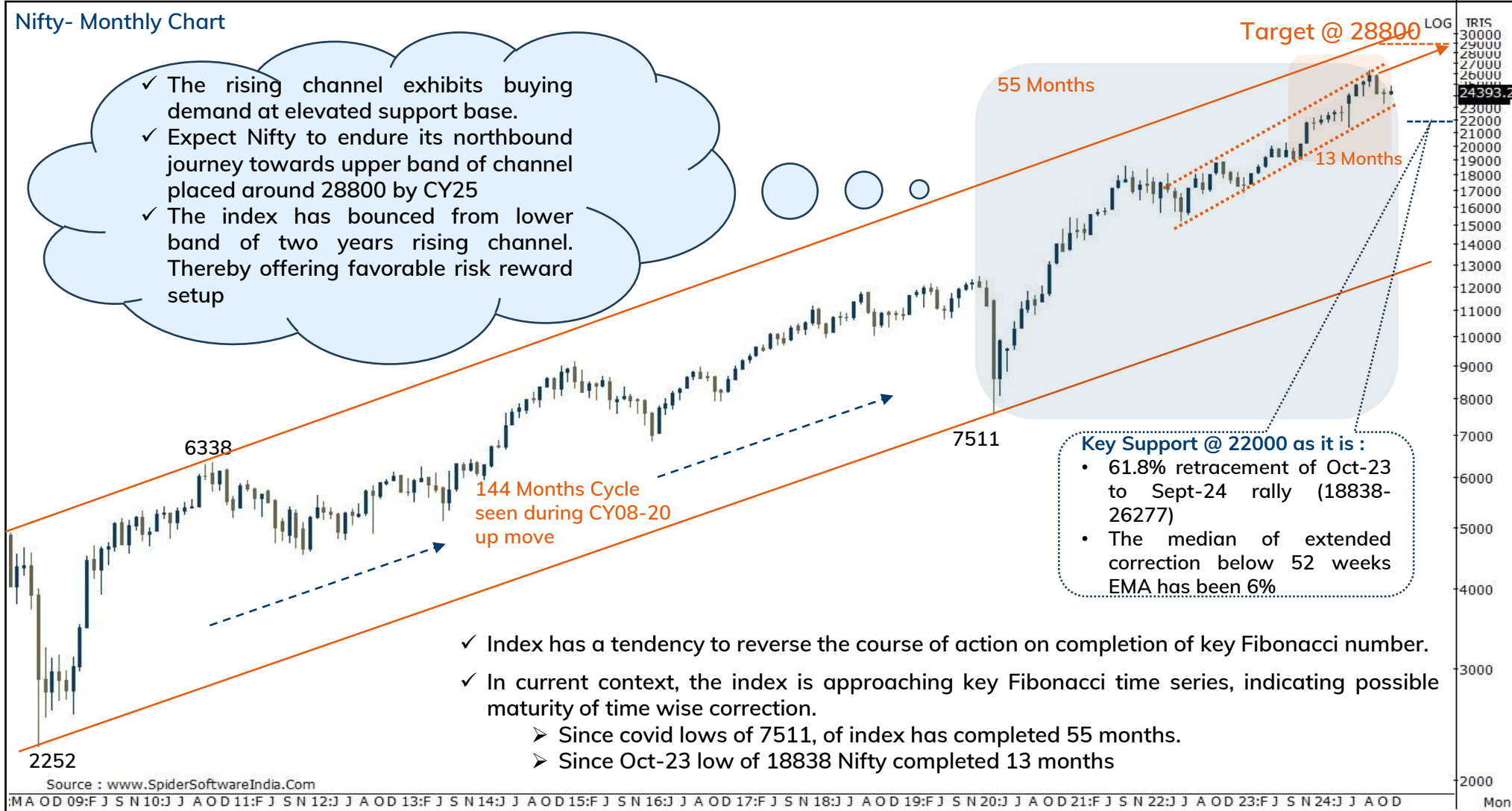
Decade / Year	1	2	3	4	5	6	7	8	9	10
1981-1990	54%	4%	7%	7%	94%	-1%	-16%	51%	17%	35%
1991-2000	82%	37%	28%	17%	-21%	-1%	19%	-16%	64%	-21%
2001-2010	-18%	4%	73%	13%	42%	47%	47%	-52%	81%	17%
2011-2020	-25%	26%	9%	30%	-5%	2%	28%	6%	14%	16%
Positive Instances	2	4	4	4	2	2	3	2	4	3
2021-2030	2021	2022	2023	5 th year median return						
Returns	24%	4%	18%							
Average	23%	17%	29%	17%	28%	12%	19%	-3%	44%	12%
Median	18%	15%	18%	15%	19%	1%	23%	-5%	40%	17%
Min	-25%	4%	7%	7%	-21%	-1%	-16%	-52%	14%	-21%
Max	82%	37%	73%	30%	94%	47%	47%	51%	81%	35%

Historically, in all decades second, third, fourth, ninth year have posted positive returns of 15%, 18%, 15%, 40%, respectively (median values)

Conventional charts projecting 28800...

Nifty- Monthly Chart

- ✓ The rising channel exhibits buying demand at elevated support base.
- ✓ Expect Nifty to endure its northbound journey towards upper band of channel placed around 28800 by CY25
- ✓ The index has bounced from lower band of two years rising channel. Thereby offering favorable risk reward setup



Key Support @ 22000 as it is :

- 61.8% retracement of Oct-23 to Sept-24 rally (18838-26277)
- The median of extended correction below 52 weeks EMA has been 6%

- ✓ Index has a tendency to reverse the course of action on completion of key Fibonacci number.
- ✓ In current context, the index is approaching key Fibonacci time series, indicating possible maturity of time wise correction.
 - Since covid lows of 7511, of index has completed 55 months.
 - Since Oct-23 low of 18838 Nifty completed 13 months

Source : www.SpiderSoftwareIndia.Com
 MA OD 09:F J S N 10:J J A OD 11:F J S N 12:J J A OD 13:F J S N 14:J J A OD 15:F J S N 16:J J A OD 17:F J S N 18:J J A OD 19:F J S N 20:J J A OD 21:F J S N 22:J J A OD 23:F J S N 24:J J A OD

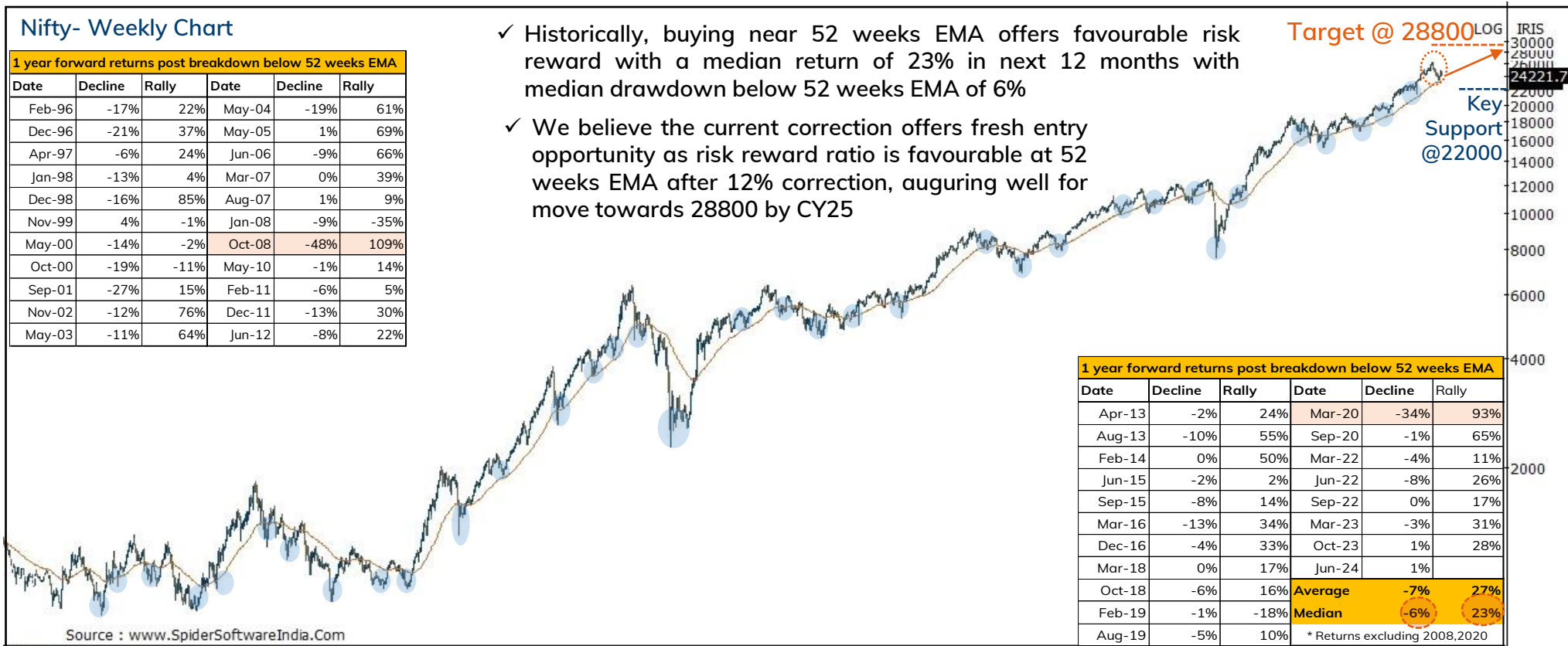
No one rings bell at the bottom...Initiate long positions as risk-reward favourable...

Nifty- Weekly Chart

1 year forward returns post breakdown below 52 weeks EMA					
Date	Decline	Rally	Date	Decline	Rally
Feb-96	-17%	22%	May-04	-19%	61%
Dec-96	-21%	37%	May-05	1%	69%
Apr-97	-6%	24%	Jun-06	-9%	66%
Jan-98	-13%	4%	Mar-07	0%	39%
Dec-98	-16%	85%	Aug-07	1%	9%
Nov-99	4%	-1%	Jan-08	-9%	-35%
May-00	-14%	-2%	Oct-08	-48%	109%
Oct-00	-19%	-11%	May-10	-1%	14%
Sep-01	-27%	15%	Feb-11	-6%	5%
Nov-02	-12%	76%	Dec-11	-13%	30%
May-03	-11%	64%	Jun-12	-8%	22%

- ✓ Historically, buying near 52 weeks EMA offers favourable risk reward with a median return of 23% in next 12 months with median drawdown below 52 weeks EMA of 6%
- ✓ We believe the current correction offers fresh entry opportunity as risk reward ratio is favourable at 52 weeks EMA after 12% correction, auguring well for move towards 28800 by CY25

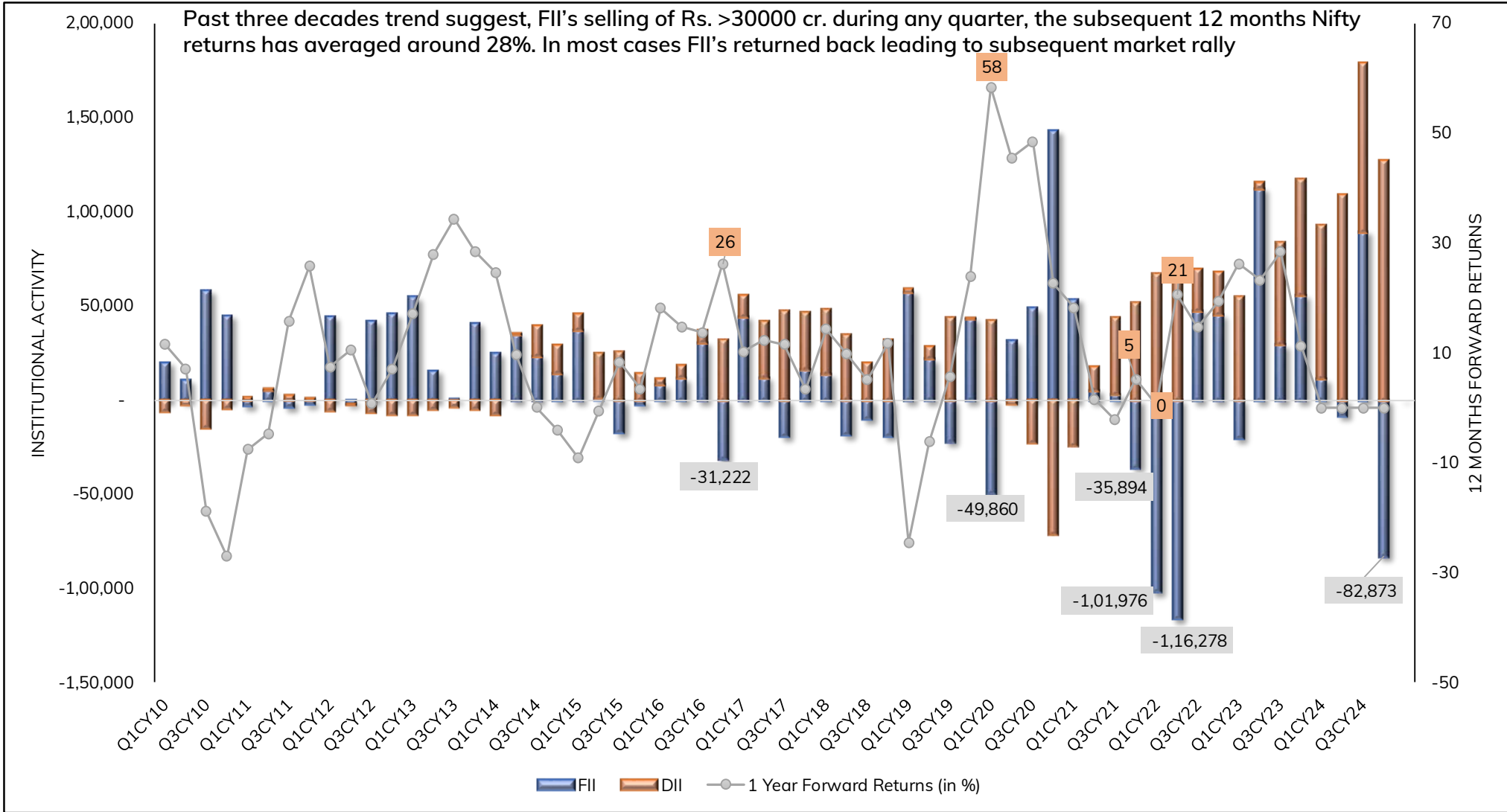
Target @ 28800
Key Support @ 22000



1 year forward returns post breakdown below 52 weeks EMA					
Date	Decline	Rally	Date	Decline	Rally
Apr-13	-2%	24%	Mar-20	-34%	93%
Aug-13	-10%	55%	Sep-20	-1%	65%
Feb-14	0%	50%	Mar-22	-4%	11%
Jun-15	-2%	2%	Jun-22	-8%	26%
Sep-15	-8%	14%	Sep-22	0%	17%
Mar-16	-13%	34%	Mar-23	-3%	31%
Dec-16	-4%	33%	Oct-23	1%	28%
Mar-18	0%	17%	Jun-24	1%	
Oct-18	-6%	16%	Average	-7%	27%
Feb-19	-1%	-18%	Median	-6%	23%
Aug-19	-5%	10%	* Returns excluding 2008,2020		

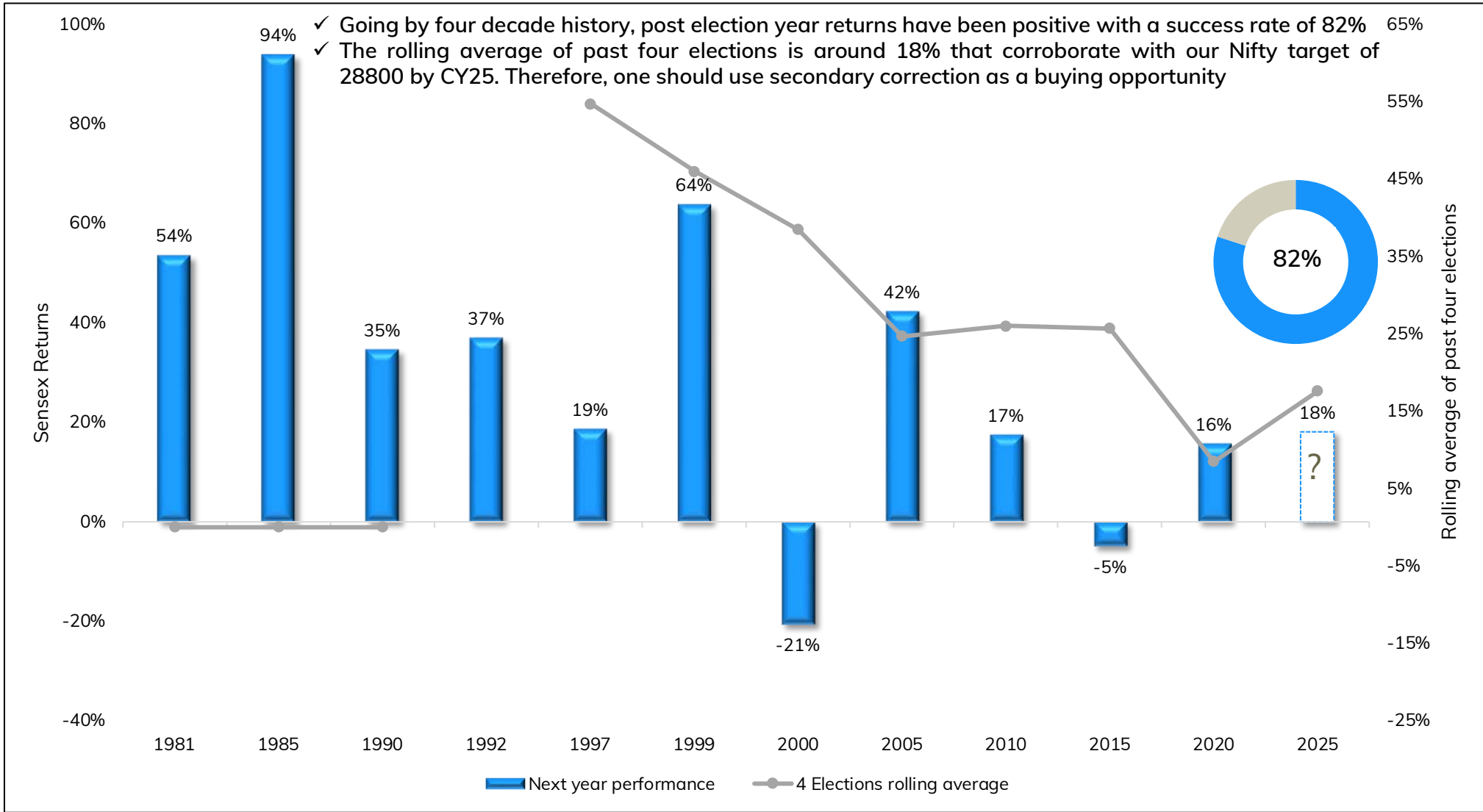


Higher FI's outflow precedes market rally



Source: Bloomberg, ICICI Direct Research
December 17, 2024

Nifty shines in subsequent year post Election



Source: Bloomberg, ICICI Direct Research

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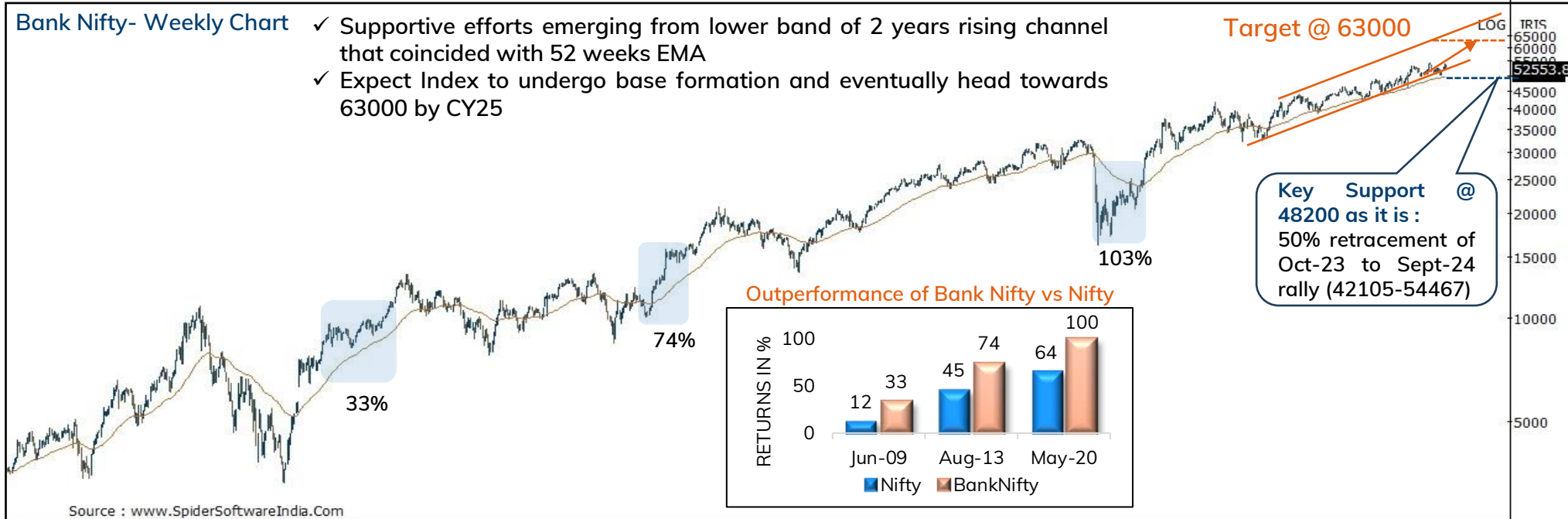
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Bank Nifty : Ratio chart at cycle low, outperformance to get amplified ...

Bank Nifty- Weekly Chart

- ✓ Supportive efforts emerging from lower band of 2 years rising channel that coincided with 52 weeks EMA
- ✓ Expect Index to undergo base formation and eventually head towards 63000 by CY25



Source : www.SpiderSoftwareIndia.Com

RscD(N,59901,01/01/1990,Y)

Ratio line of Bank Nifty / Nifty

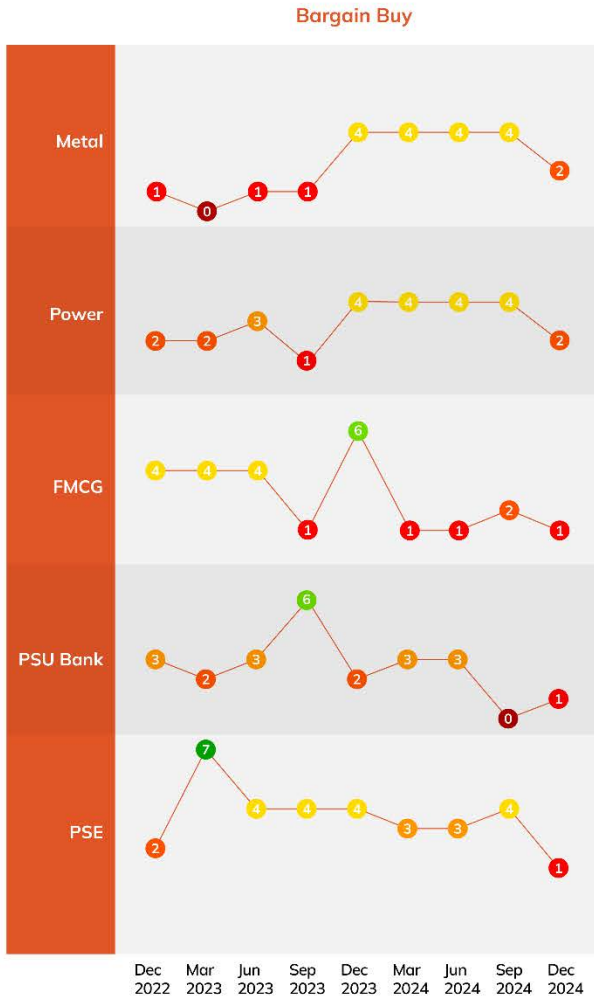
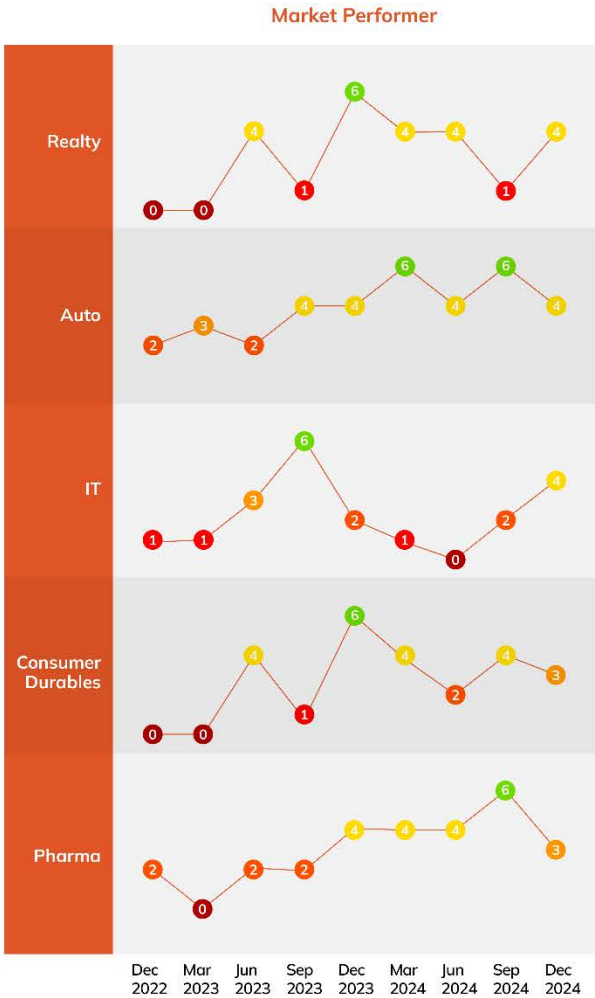


- ✓ The upward pointing ratio chart of BankNifty/ Nifty suggest relative outperformance of Banking space
- ✓ Historically such cycle lows garnered double digit returns in next 12 months



Sectors to hog limelight : Financials, Capital Goods, IT

- ✓ Inhouse model, with the combination of time tested trend identification parameters, momentum and relative strength helps us in removing personal bias in sector identification process.
- ✓ It follows numerical scale with 6-7 being outperformer, 3-5 as market performer and 1-2 being bargain buy and 0 being Neutral



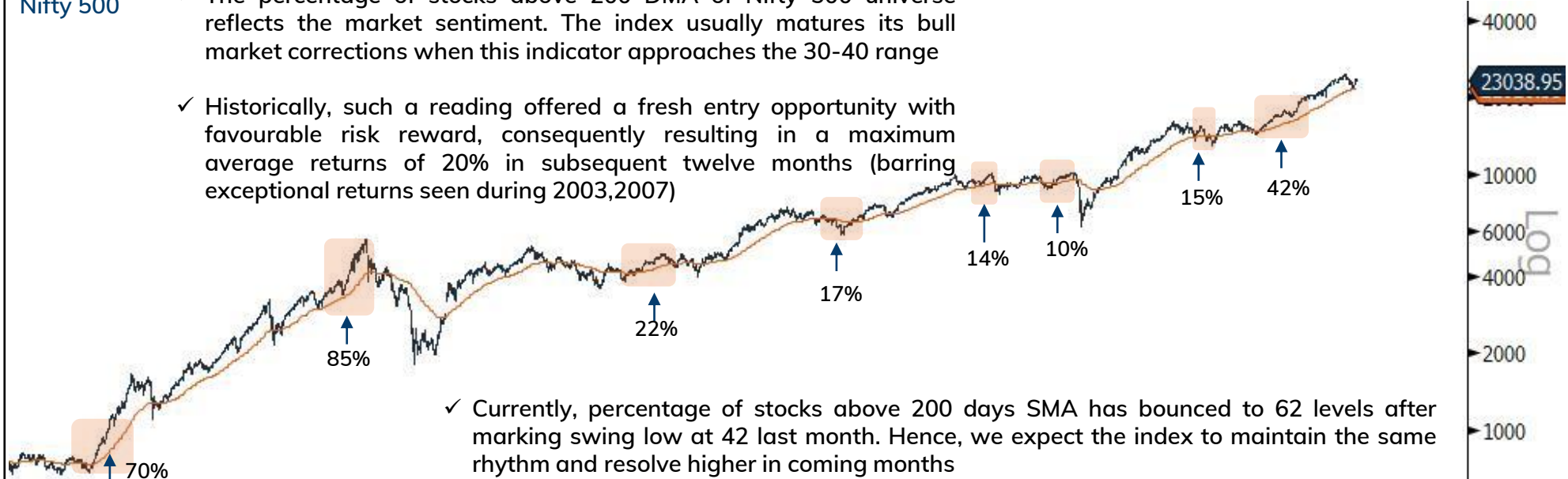
Source: Bloomberg, ICICI Direct Research
December 17, 2024



Sentiment indicator reverting from bullish support zone

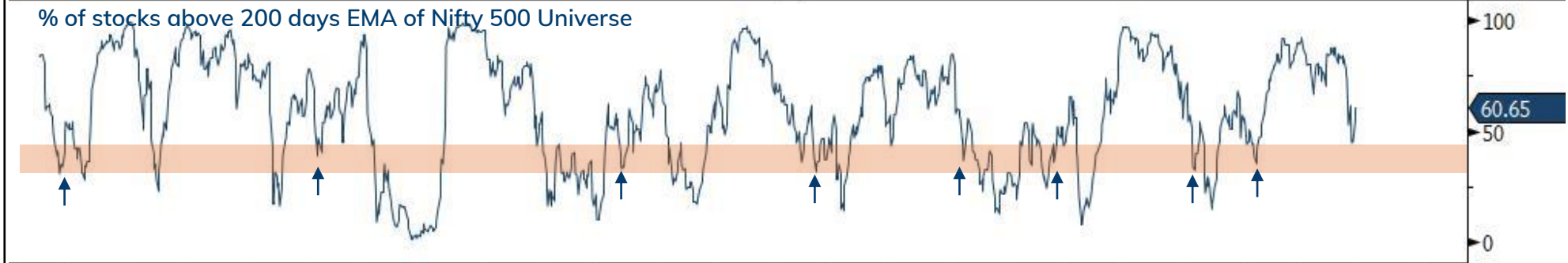
Nifty 500

- ✓ The percentage of stocks above 200 DMA of Nifty 500 universe reflects the market sentiment. The index usually matures its bull market corrections when this indicator approaches the 30-40 range
- ✓ Historically, such a reading offered a fresh entry opportunity with favourable risk reward, consequently resulting in a maximum average returns of 20% in subsequent twelve months (barring exceptional returns seen during 2003,2007)



✓ Currently, percentage of stocks above 200 days SMA has bounced to 62 levels after marking swing low at 42 last month. Hence, we expect the index to maintain the same rhythm and resolve higher in coming months

% of stocks above 200 days EMA of Nifty 500 Universe



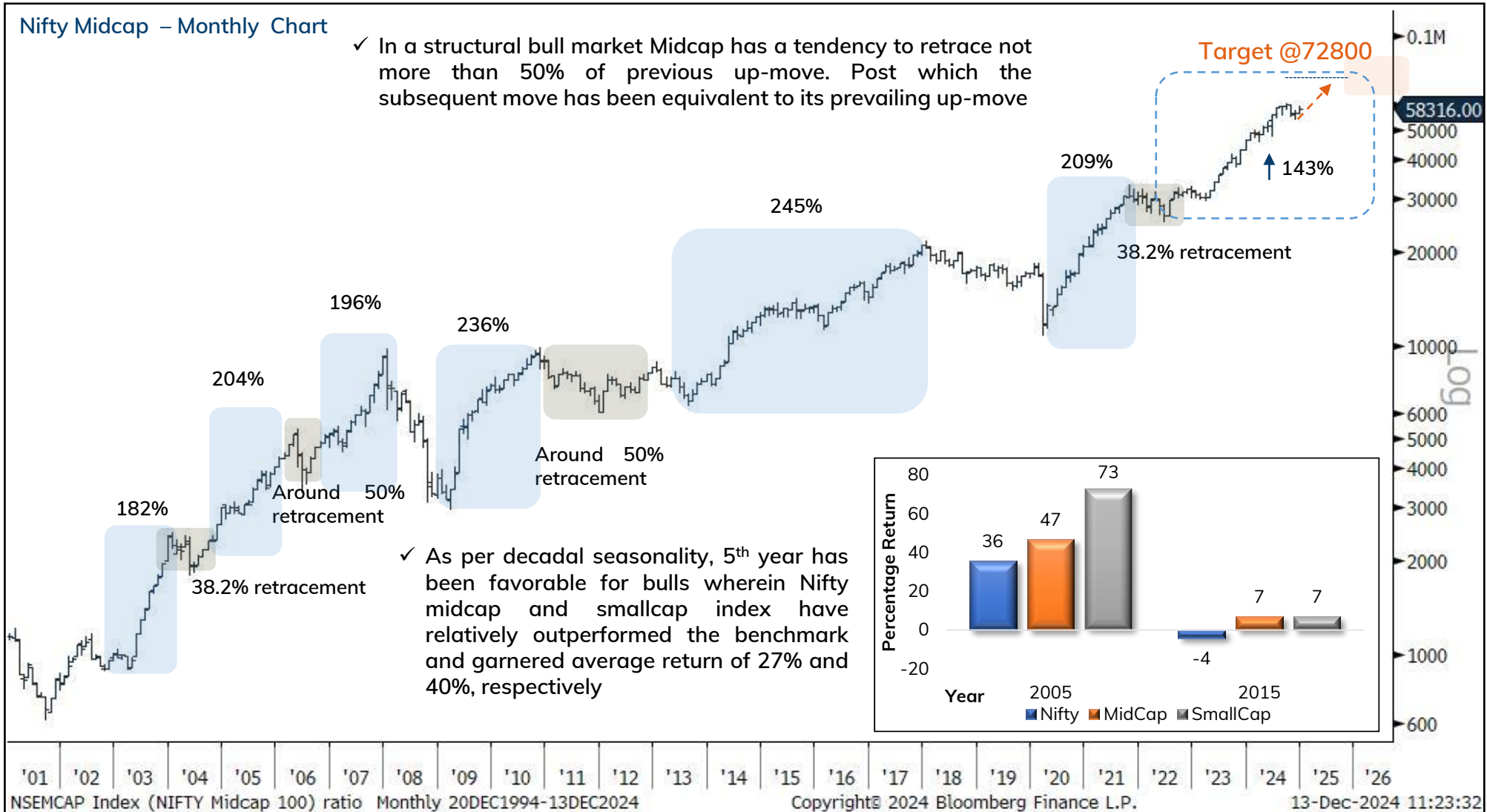
'02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23 '24 '25 '26

NSE500 Index (NSE Nifty 500 Index) ratio Weekly 16DEC2014-13DEC2024 Copyright© 2024 Bloomberg Finance L.P. 13-Dec-2024 11:46:10

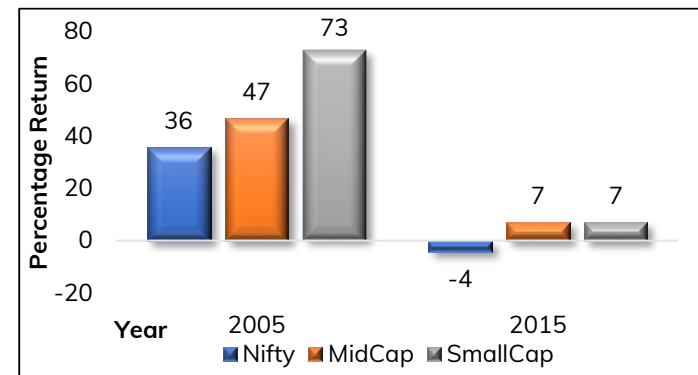
Midcaps to outperform the benchmark...

Nifty Midcap – Monthly Chart

✓ In a structural bull market Midcap has a tendency to retrace not more than 50% of previous up-move. Post which the subsequent move has been equivalent to its prevailing up-move



✓ As per decadal seasonality, 5th year has been favorable for bulls wherein Nifty midcap and smallcap index have relatively outperformed the benchmark and garnered average return of 27% and 40%, respectively



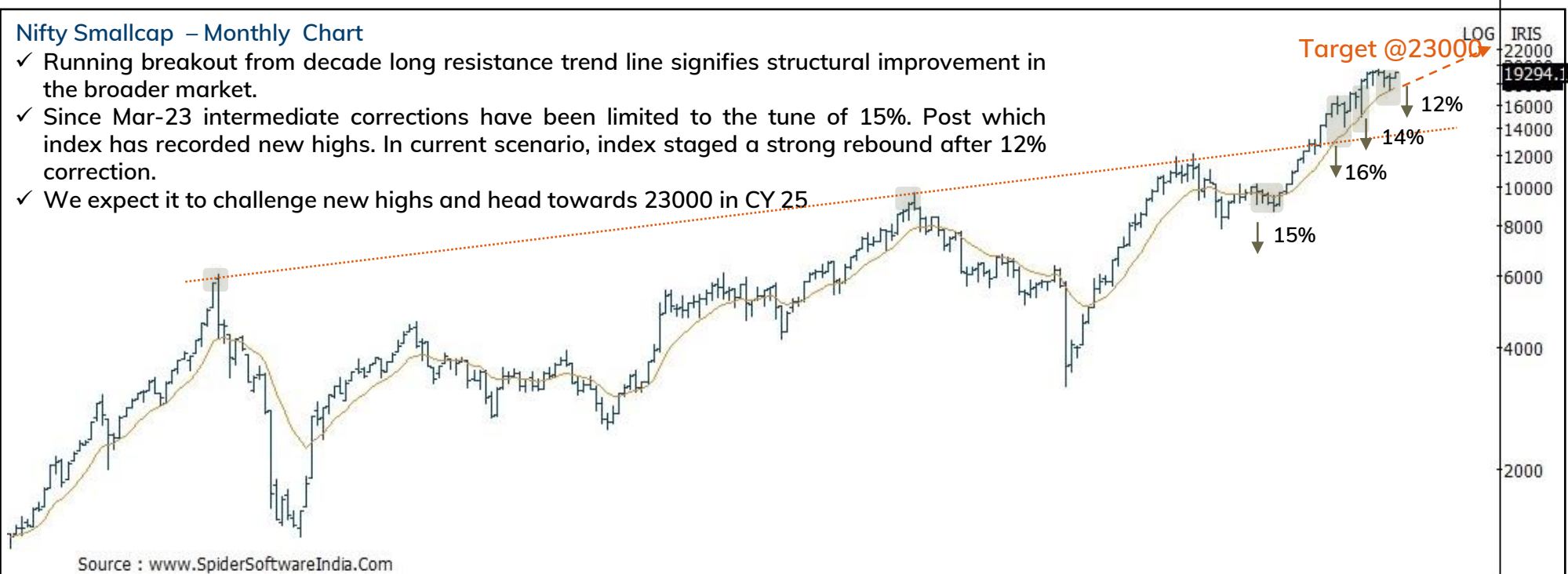
Source: Bloomberg, ICICI Direct Research



Smallcaps: Acceleration of relative outperformance..

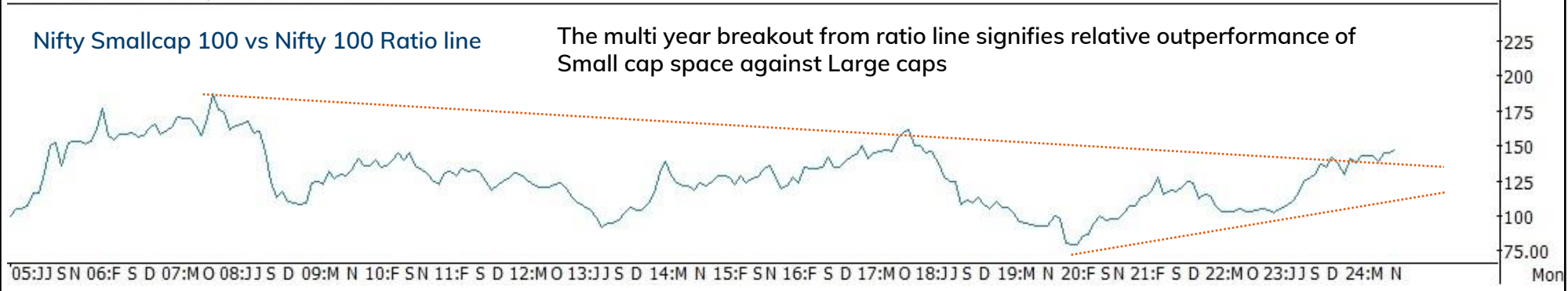
Nifty Smallcap – Monthly Chart

- ✓ Running breakout from decade long resistance trend line signifies structural improvement in the broader market.
- ✓ Since Mar-23 intermediate corrections have been limited to the tune of 15%. Post which index has recorded new highs. In current scenario, index staged a strong rebound after 12% correction.
- ✓ We expect it to challenge new highs and head towards 23000 in CY 25.



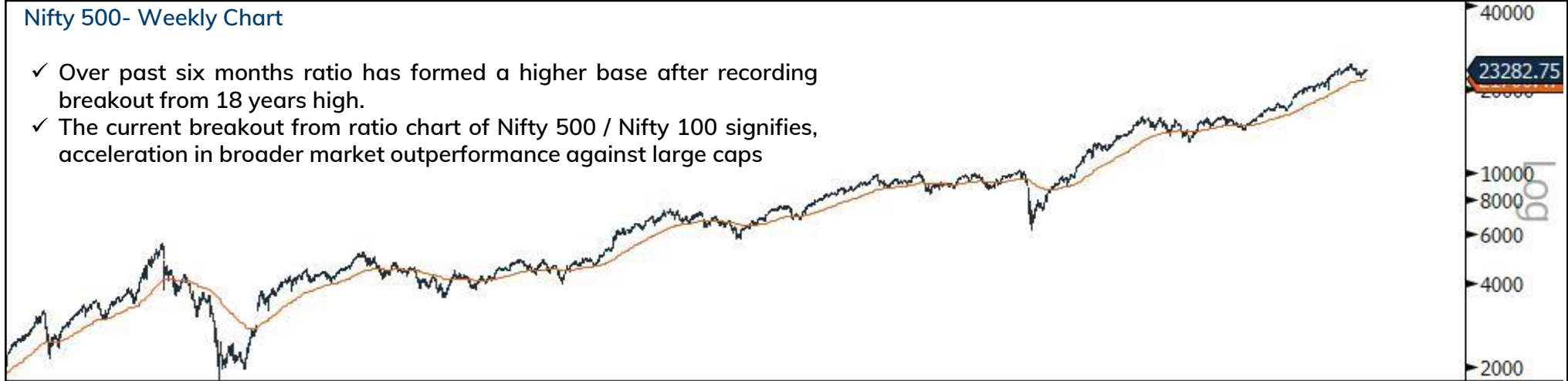
Nifty Smallcap 100 vs Nifty 100 Ratio line

The multi year breakout from ratio line signifies relative outperformance of Small cap space against Large caps

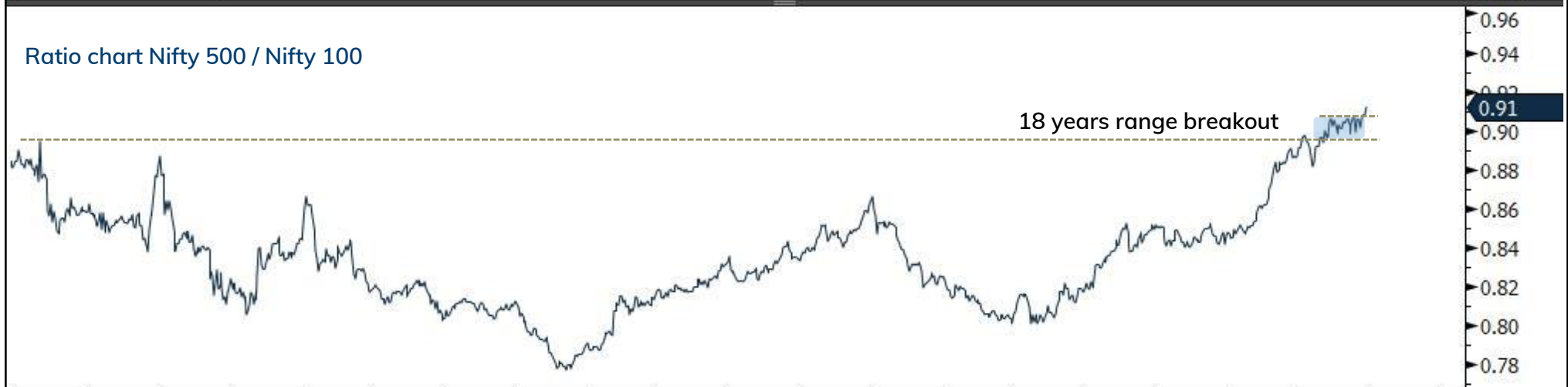


Nifty 500- Weekly Chart

- ✓ Over past six months ratio has formed a higher base after recording breakout from 18 years high.
- ✓ The current breakout from ratio chart of Nifty 500 / Nifty 100 signifies, acceleration in broader market outperformance against large caps



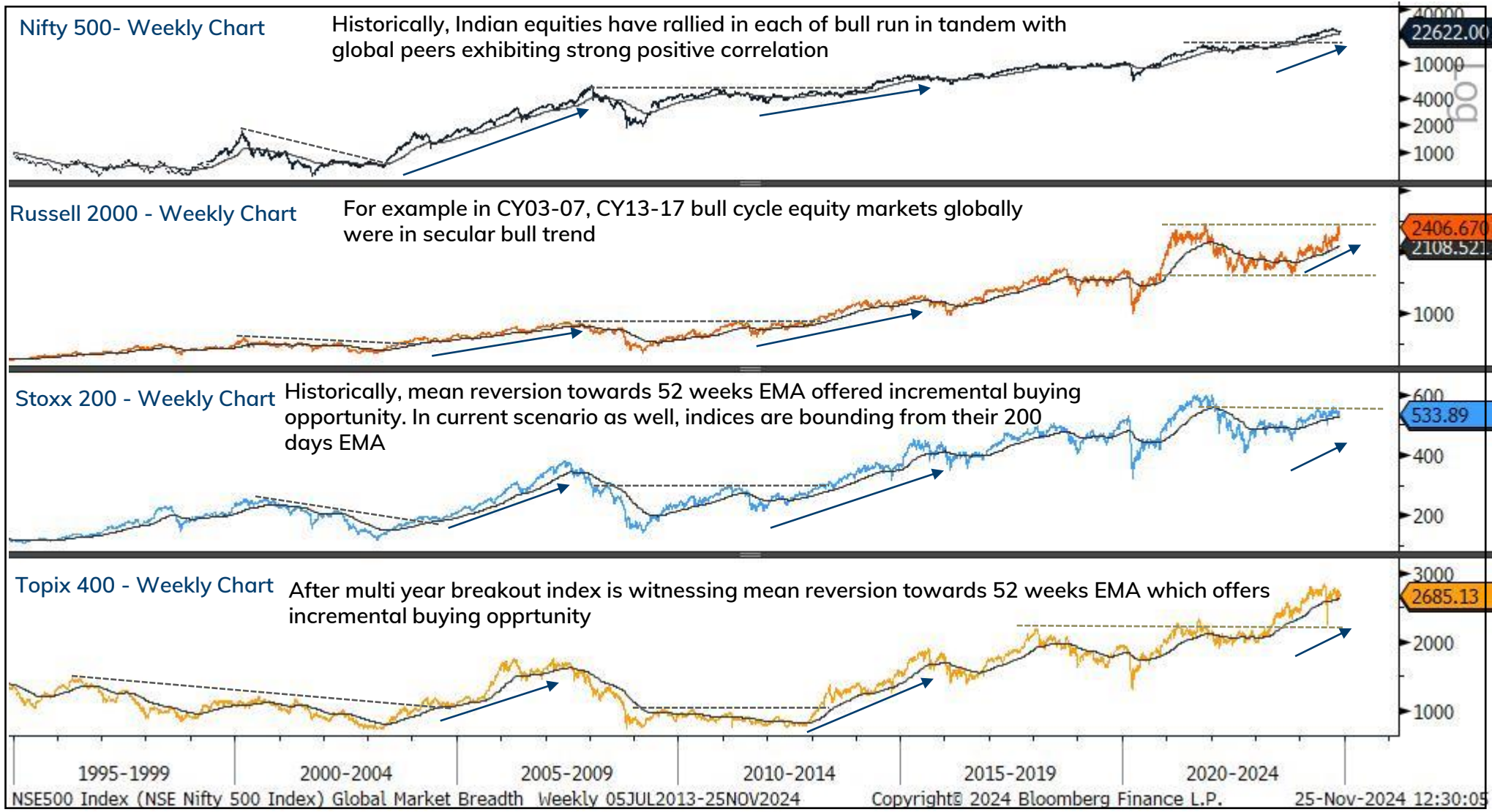
Ratio chart Nifty 500 / Nifty 100



NSE500 Index (NSE Nifty 500 Index) ratio Weekly 18DEC2022-17DEC2024 Copyright© 2024 Bloomberg Finance L.P. 17-Dec-2024 09:57:02



Global broader markets showing strength



Broader Equities outperform in year post US election



Source: Bloomberg, ICICI Direct Research
December 17, 2024

Top Picks for CY25

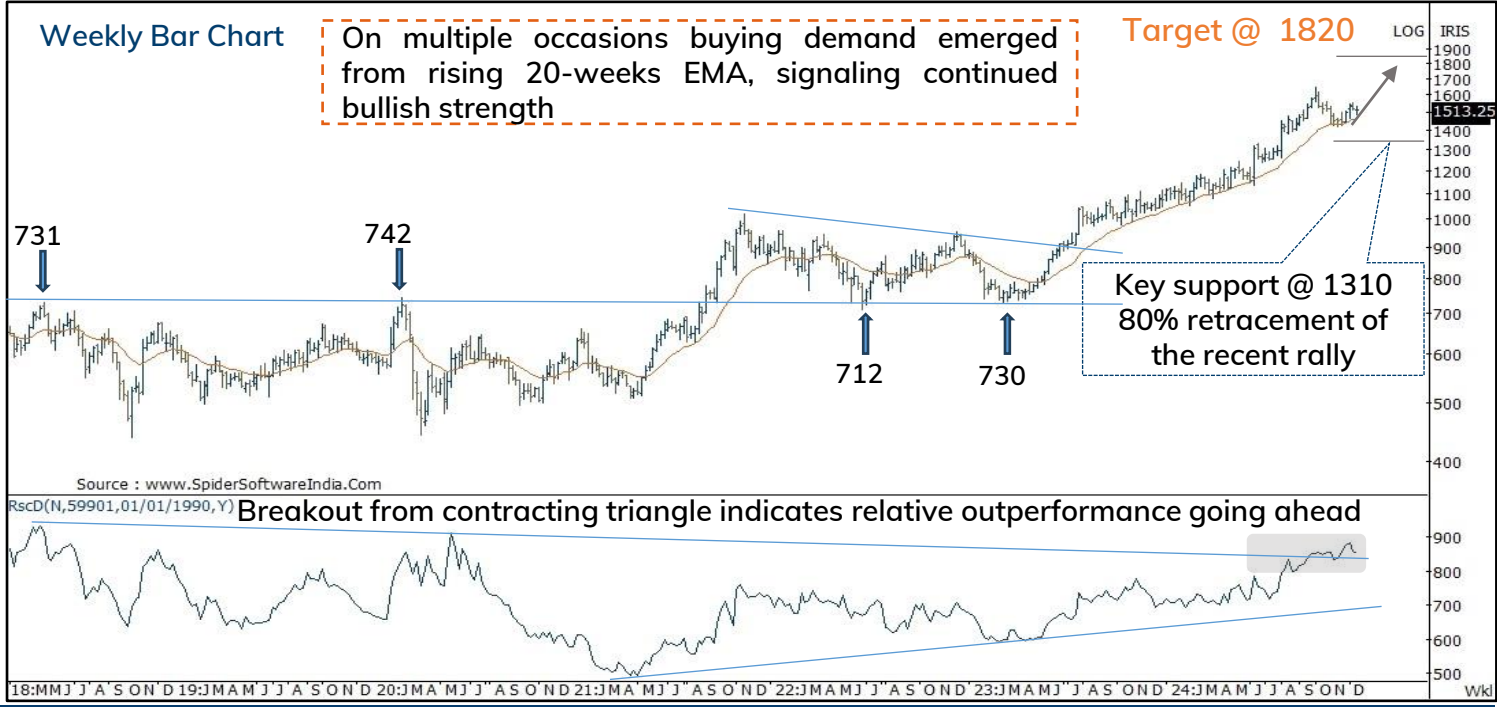
(All stock charts are as of 17th December 2024)

United Spirit(UNISPI): Acceleration of relative outperformance

Rec. Price	1490-1575	Target	1820	Upside	17%	Time frame	12 Months
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Technical Outlook

- UNITED SPIRIT has been marching northward after recording breakout from multiyear consolidation. Consequently, stock has broken out of ratio line chart against Nifty, indicating relative outperformance amidst recent volatile scenario.
- Key point to highlight since May 2023 is that, on multiple occasions buying demand emerged from rising 20-weeks EMA, which is acting as a strong support level and signaling continued bullish strength.
- Structurally, over past 10 weeks it retraced 61.8% of preceding 10 weeks rally (1264-1648). The slower pace of retracement signifies inherent strength.
- We expect stock to head towards Rs 1820 being price parity of July-September rally(1263-1647)

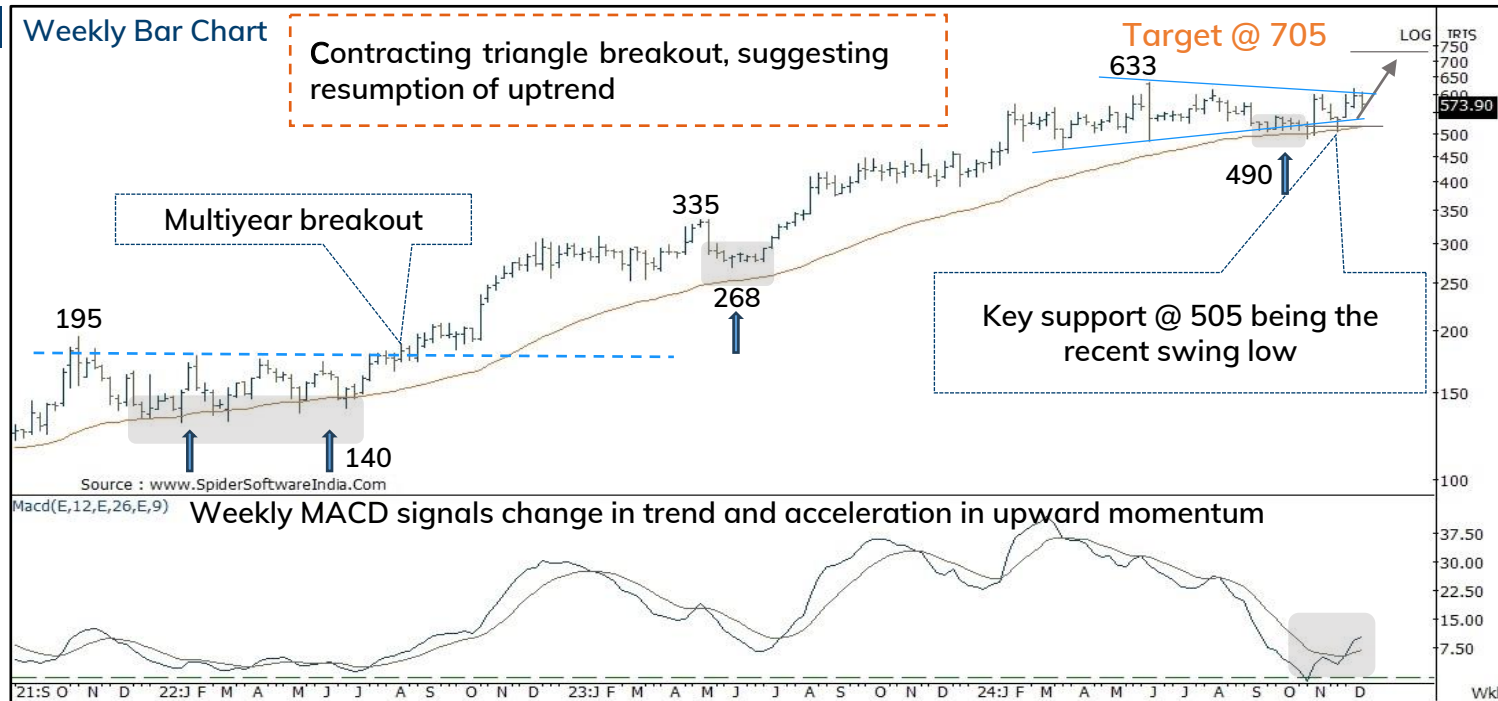


Indian Bank(INDIBA): Contracting Triangle breakout

Rec. Price	555-585	Target	705	Upside	24%	Time frame	12 Months
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Technical Outlook

- The PSU Bank Index shows a decisive trendline breakout after rebounding strongly from 52-week EMA, signaling resumption of structural uptrend
- Within this space Indian Bank has been the resilient stock which remains our preferred pick as stock has clocked a resolute breakout from 10 months contracting triangle, indicating conclusion of corrective phase
- Since December 2020, the stock has been consistently finding support from the 52-week EMA. Even in current scenario, stock has formed a base, indicating sustained buying demand.
- We expect stock to head towards Rs 705 being measuring implication of range breakout (615-490)



Fundamental Outlook

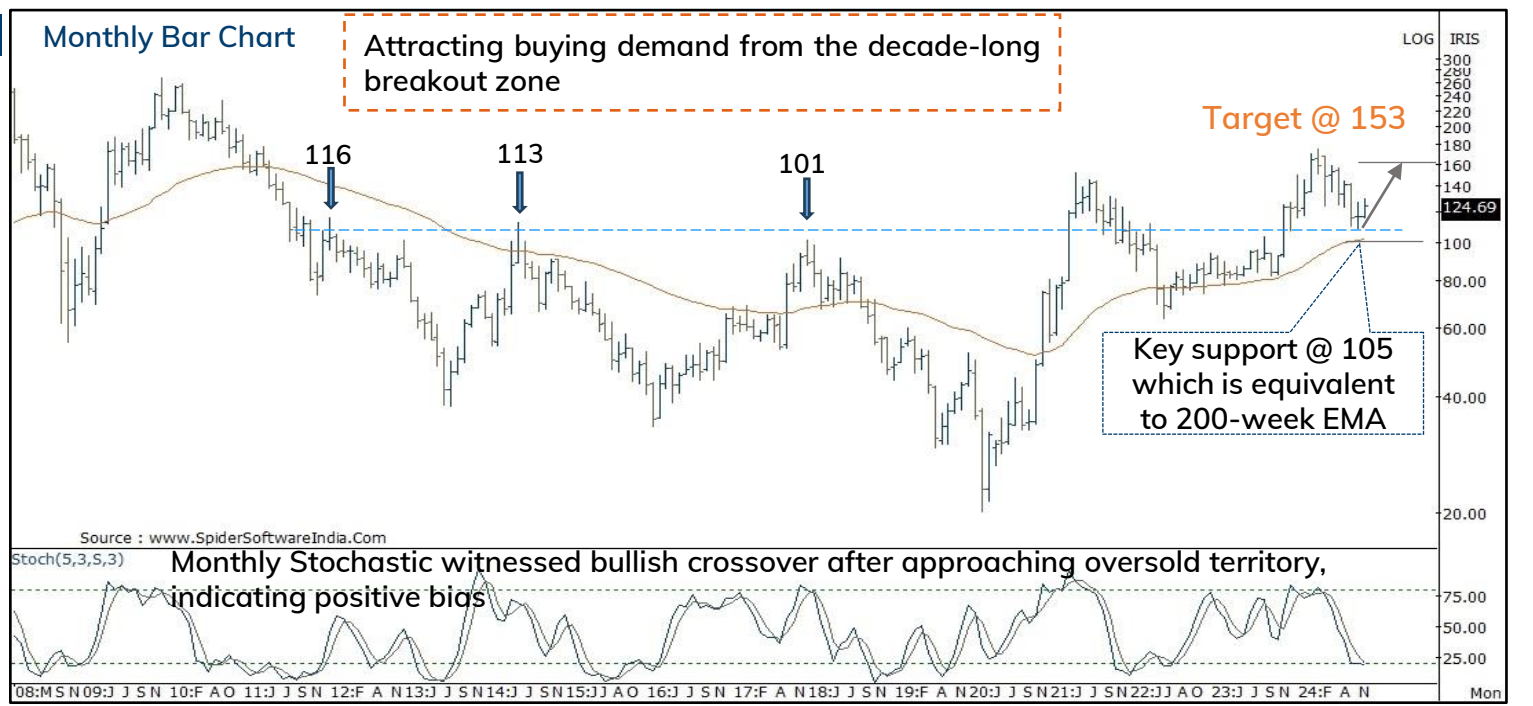
- Indian Bank is one of the largest and among the better performing PSU banks in India with a total business of over ₹ 12 lakh crore. The bank has diversified loan mix with RAM (retail/agri/MSME) forming ~62% to book catered by strong branch network of 5847 domestic branches.
- Indian Bank has delivered superior performance consistently on both business growth and asset quality. While business growth remained steady at ~12% YoY, asset quality has been superior on relative basis with lower NNPA at 0.27% and better PCR at ~97.6%.
- Growth with selective approach and focus on sustained margins & asset quality is seen to gradually drive improvement in RoA at 1.2-1.3% in FY25- 26E. Given relatively stable performance historically along with steady outlook on growth at 12-14% and RoA at 1.1-1.2% bodes well at current valuation.

SAIL (SAIL): Higher base above decade long breakout

Rec. Price	117-125	Target	153	Upside	25%	Time frame	12 Months
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Technical Outlook

- The metal index experienced a strong seven months uptrend, followed by 6 months of slow-paced consolidation, reflecting inherent strength.
- Within this space SAIL remains our preferred pick. The stock broke out of the decade-long base formation around 110-120 zone in CY21. As per change of polarity concept, stock is now forming a higher base above the same breakout area, thereby confirming long term breakout.
- The slower pace of retracement on the monthly chart clearly depicts inherent strength as over past 7 months it retraced 61.8% of preceding 6 months rally (82-175)
- We expect, stock to resume uptrend and head towards Rs 153 being 61.8% retracement of recent decline (175-108)



Fundamental Outlook

- SAIL is a central public sector enterprises (CPSE) and is among the largest integrated steel producers in India. Its crude steel and saleable steel production stood at 19.2 million tonnes per annum (MTPA, up 5% YoY) and 18.4 MTPA (up 7% YoY), respectively, as of 31st March'24.
- India despite being the world's 2nd largest consumer of finished steel, has lower per capita steel consumption at 98 per kg, which is significantly lower than global average of 233 per kg. Thus, amid need for infrastructure development and increased manufacturing set up, the runway of growth is very long and exciting for domestic steel players with SAIL a clear beneficiary.
- Company's performance in H1FY25 was affected by the rise in cheap steel imports. However, with steel prices bottoming out & declining in key raw material prices such as coking coal we expect company to report better operating performance going forward. Added positive in the near term can be any import restrictions imposed by the government to protect the interests of domestic steel industry.

CESC(CESC): Maturity of Price and Time wise correction

Rec. Price

180-194

Target

235

Upside

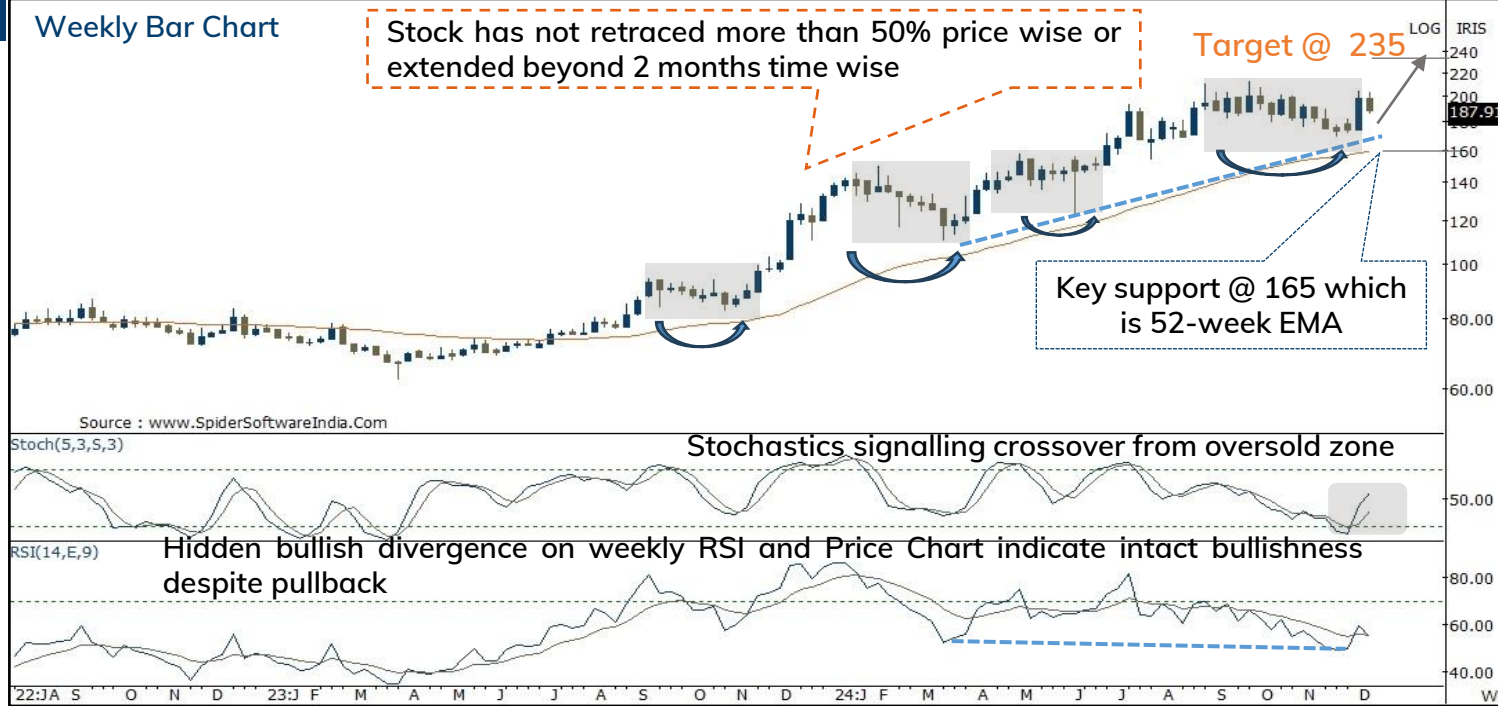
24%

Time frame

12 Months

Technical Outlook

- Post its multiyear breakout the POWER index has entered into 6 months of consolidation phase and has now approached its 52-week EMA.
- Within power segment CESC is our preferred pick. Since the resumption of the upward rally in CY23, price wise the stock has maintained the rhythm of not retracing >50% of its prevailing up move while time wise intermediate corrections got arrested within 2 months, highlighting robust price structure.
- As stock has approached maturity of price and time wise correction, we expect stock to gradually head towards Rs 235 being measuring implication of pattern range (212-169)



Fundamental Outlook

- CESC is a fully integrated electrical utility company (since 1899), headquartered in Kolkata, with business interest in generation & distribution of power. Its revenue grew 10% CAGR over FY21 to FY24, whereas EBITDA & PAT declined 12% & 1% CAGR respectively over the same period.
- It showcases a 2140 MW power generation portfolio with 5 thermal power generation plants across India.
- CESC has 4 distribution contracts, located in Kolkata (~64% of sales volume), Noida (~18%), Kota, Rajasthan (~14%) & Malegaon, Maharashtra (~4%). CESC had consolidated sales of 17,500 MU in FY24.
- CESC further plans to grow Renewable Energy portfolio to 3.2 GW by FY29 (Phase-1), overall 10GW (Phase-2). On Green Hydrogen it aims to produce 10,500 MT per annum by FY29.
- CESC has provided a roadmap of achieving 1.4GW/2.4GW/3.2GW commissioned RE capacity in FY27E/28E/29E with overall 1.7GW of wind & 1.5GW of Solar. It has 3.6GW and 2.4GW of project pipeline for wind and solar energy respectively.

Source: Spider Software, ICICI Direct Research

December 17, 2024

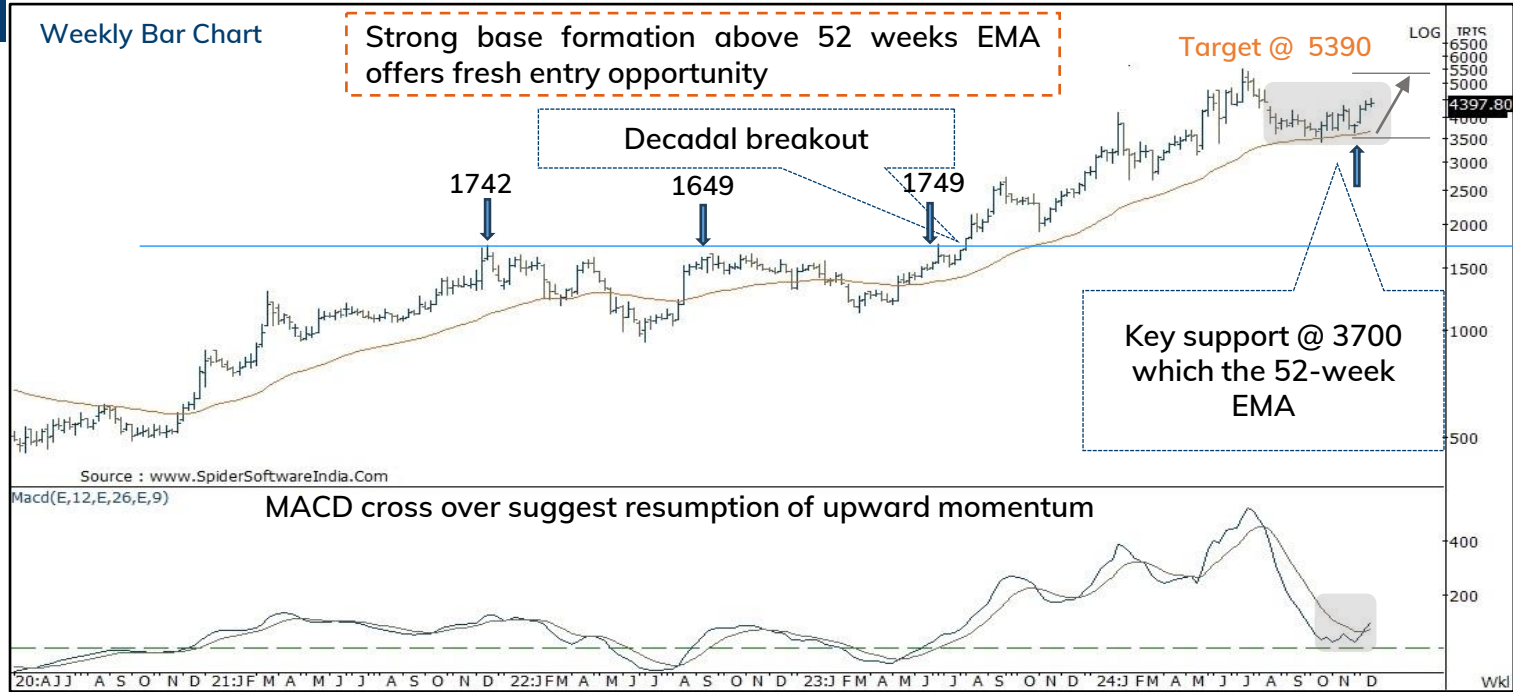
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BEML(BEML): Healthy consolidation above 52-week EMA

Rec. Price	4250-4450	Target	5390	Upside	21%	Time frame	12 Months
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Technical Outlook

- The PSE index, following a strong outperformance rally over past couple of years, underwent a brief consolidation. Wherein it maintained the rhythm of not correcting more than 20% since covid lows.
- Within the space we remain constructive on BEML as after a decade long breakout in CY23 it continued its northbound journey within which it observed a healthy retracement arresting within 50% of preceding up move and now it is forming a base around the key support threshold of 52-week EMA. Hence, offering fresh entry opportunity
- We expect stock to head towards Rs 5390 over next few months being measuring implication of range breakout (4350-3425).



Fundamental Outlook

- BEML Limited was incorporated on 11th May 1964 is a Mini Ratna 'Category 1' Company under the Ministry of Defence, Govt. of India. Serves Core Sectors of Economy: Defence & Aerospace, Coal, Mining, Steel, Cement, Power, Irrigation, Construction, Infrastructure, Railways and Metro Transportation System. The Government of India holds 54% stake in the company.
- The company has three major business verticals spread across a) Defence & Aerospace (19% of revenues), b) Mining & Construction (43% of revenues) and c) Rail & Metro (38% of revenues).
- The revenues and PAT of the company has grown at a CAGR of 4% and 14%, respectively over FY18-FY24.
- Going ahead, with strong focus of the government on creating a manufacturing led growth in segments like Railways, Urban Transportation, mining and construction puts BEML is in a sweet spot to capture the same. The current order backlog of Rs 11872 crore in FY24 end vs. Rs 8570 crore provide strong visibility for strong growth over the next couple of years

Source: Spider Software, ICICI Direct Research

December 17, 2024

JK Lakshmi Cement (JKLAKS): Favorable Risk-Reward Setup

Rec. Price	820-875	Target	994	Upside	15%	Time frame	12 Months
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Technical Outlook

- Cement space has been in brief consolidation since last six months following a healthy up-move in the initial part of the year.
- Within cement space JK LAKSHMI looks lucrative, as it has been consistently making higher bases and is trading in a rising channel, since its multiyear breakout in 2021, highlighting elevated buying demand. Thereby, offering favorable risk reward setup.
- Structurally, stock has undergone slower pace of retracement as over past 10 months it retraced 61.8% of preceding 6 months rally (607-880)
- We expect stock to resolve higher and head towards Rs 994 which is the February 2024 high



Fundamental Outlook

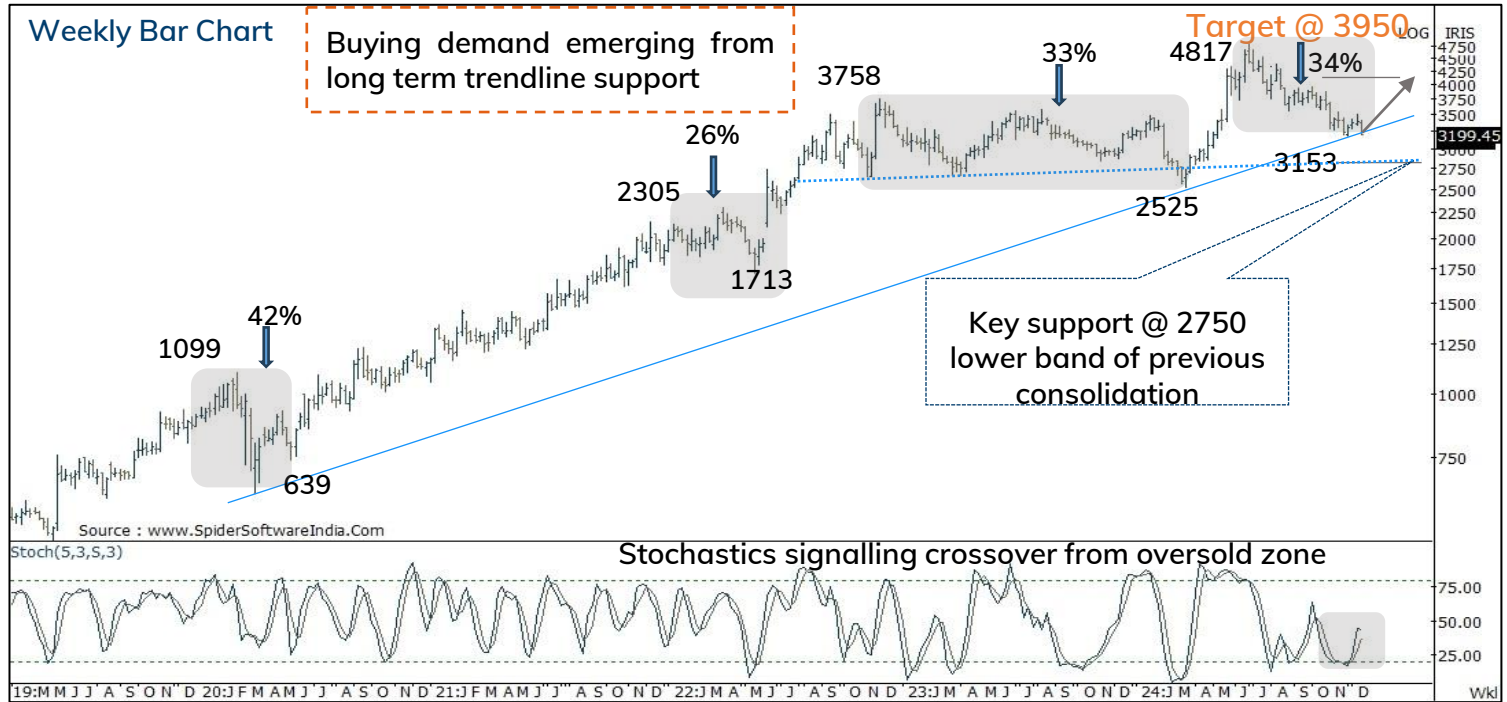
- JK Lakshmi Cement (JKLC) mainly caters to the north, west & eastern markets of India with a total consolidated cement capacity of 16.5 million tonnes (mtpa), of which 10.7 mtpa is located in northern region followed by 3.5 mtpa in eastern region and balance 2.2 mtpa in western region
- After a muted H1FY25, company's operational performance is expected to improve substantially in the coming period (2HFY25 and FY26E/27E), led by improvement in demand, prices and continuous focus on cost savings
- Volume growth visibility remains strong led by improvement in capacity utilisation of existing capacities and strong expansion plans. Company is in process of expanding its capacity to 24.1 mtpa by FY27E & aims to reach 30 mtpa by FY30E. In terms of profitability, EBITDA/ton is expected to improve driven by realisation improvement and operational efficiency measures
- Valuation at 60 EV/ton & 10.3x EV/EBITDA on FY26E basis looks attractive considering the strong recovery in operational performance and company's strategic plan of achieving 33 mtpa by FY30E with favourable market mix. Net debt/EBITDA to remain in the comfort range of 1.8-2.0x despite significant capex planned over FY25-27E

Timken India (TIMIND): Fresh entry opportunity at Long term trendline support

Rec. Price	3050-3160	Target	3950	Upside	25%	Time frame	12 Months
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Technical Outlook

- BSE capital good index has resumed uptrend after forming higher base above 52-week EMA
- TIMKEN INDIA found support at the long-term rising trendline (adjoining the lows of CY20-24 that coincided with previous breakout mark of the falling trendline, indicating buying demand from elevated support base.
- Since covid, average correction has been around 34%. Such corrections offered incremental buying opportunity leading to fresh highs in subsequent quarters. In the current scenario, with 34% correction already in place we believe, stock is approaching maturity of price-wise correction.
- We expect stock to head towards Rs 3950 being 50% retracement of Jun24 – Nov24 decline (4817-3135).



Fundamental Outlook

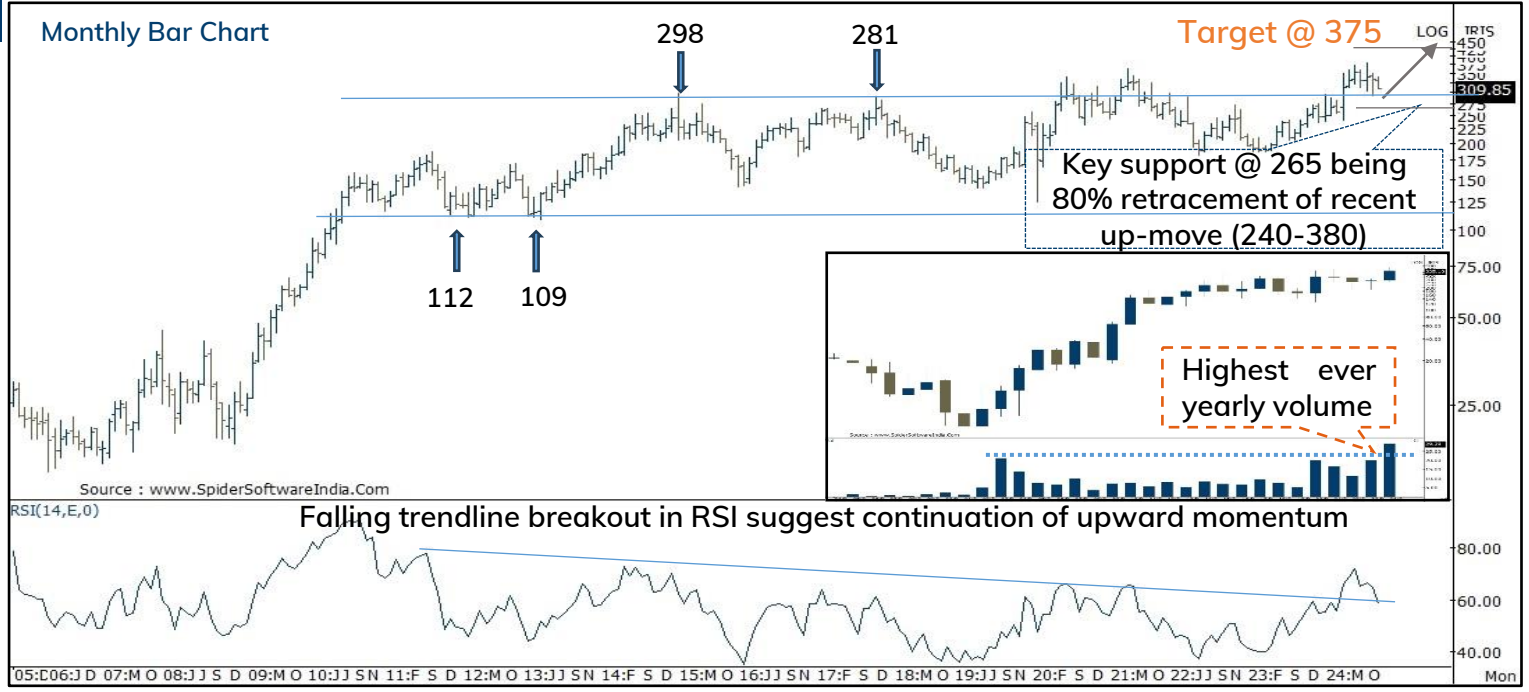
- Timken India is engaged in the manufacturing, distribution and sale of anti-friction bearings, components, accessories and mechanical power transmission products. In terms of revenue contribution for FY24, railways and mobility segments contributed ~19% each followed by process Industries (~17%), exports (~20%) and after-market & others (~25%)
- We believe that company is strongly positioned to benefit from the buoyant capex outlay in key domestic segments including railways and process industries. Moreover, gradual recovery in mobility and exports would further help in driving overall revenue growth over FY25-27E
- Increase in manufacturing capacity at Bharuch would help increasing localisation of products and would open up new opportunities (in both domestic & export markets), reduce its trade imports and overall lead time. Company's margins expected to improve considerably once the new facility starts operating at optimal utilisation levels of ~80% in next 3-4 years
- Valuation at 42x P/E on FY27E basis looks attractive and leaves room for further upside, considering the imminent recovery in company's overall operational performance going ahead

Rallis India(RALIND): Decade long breakout backed by highest ever volume

Rec. Price	290-310	Target	375	Upside	23%	Time frame	12 Months
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Technical Outlook

- The share price of RALLIS has broken out of a decade-long consolidation, accompanied by the highest ever yearly trading volume, signaling structural improvement
- Key point to observe is that, stock has experienced faster pace of retracement wherein it fully retraced 10 quarters correction in just five quarters, indicating an accelerated bullish trend.
- Among oscillators, RSI on the monthly chart gave a trendline breakout and recently retested the same mark indicating near term support.
- Going ahead, we expect stock to accelerate the uptrend in CY25 and retest the previous high of October 2024 around 375.



Fundamental Outlook

- Rallis India is a leading agrochemical company with a presence across agri-input value chain and a strong, healthy pipeline of sustainable products. The company has a diversified portfolio, supported by a strong channel network of more than 7,740 dealers and 1,11,000+ retailers.
- Company's domestic crop care constitutes 44% of overall revenue followed by international crop care of 40% and the rest from the seeds business.
- The company is expanding its portfolio offerings to cater to diverse customer needs and preferences and enhancing manufacturing capabilities to improve efficiency and product quality.
- Over the last four years company has spent around ₹ 650 crore out of ₹800 crore of Capex planned and expects to spend another ₹100 crore on the commencement of the new R&D center in a phased manner and now with all capex outlaid company awaits to fructify those capacities with pickup in volume and prices by leveraging on marketing strategies.

Appendix

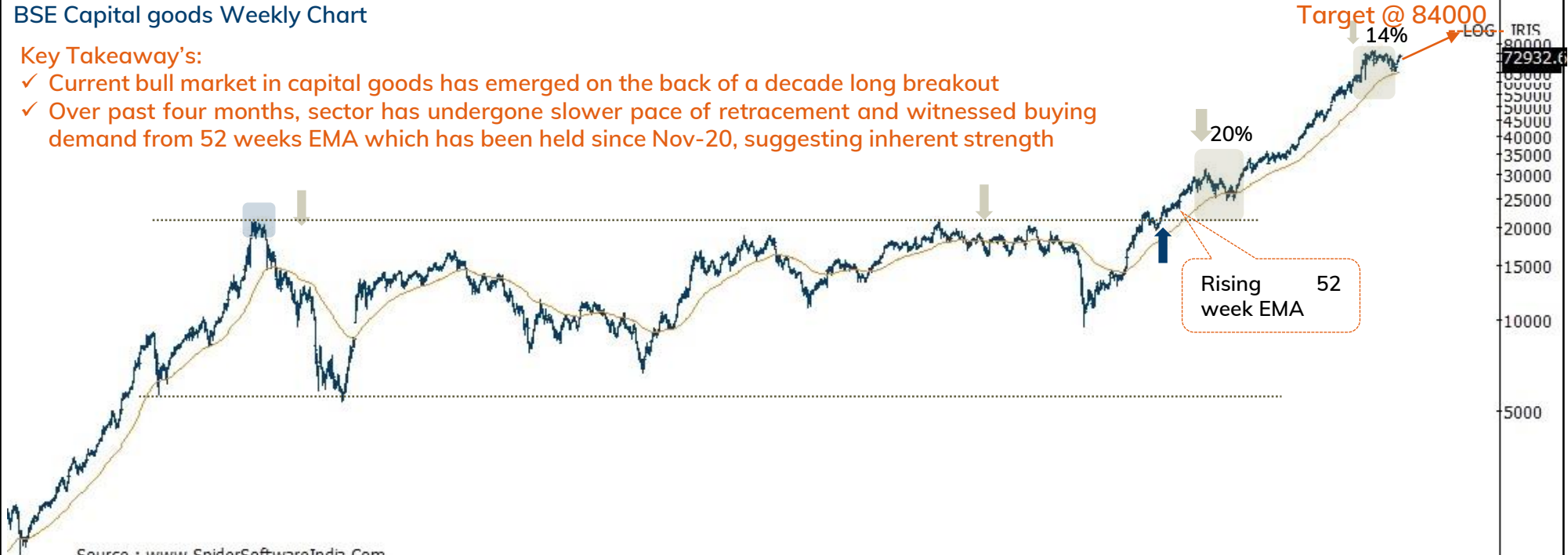


Capital Goods: Structural uptrend to continue

BSE Capital goods Weekly Chart

Key Takeaway's:

- ✓ Current bull market in capital goods has emerged on the back of a decade long breakout
- ✓ Over past four months, sector has undergone slower pace of retracement and witnessed buying demand from 52 weeks EMA which has been held since Nov-20, suggesting inherent strength



Ratio chart of BSE Capital goods/BSE Sensex

Ratio line bounced after retesting 2009 high, signaling continuation of relative outperformance going ahead

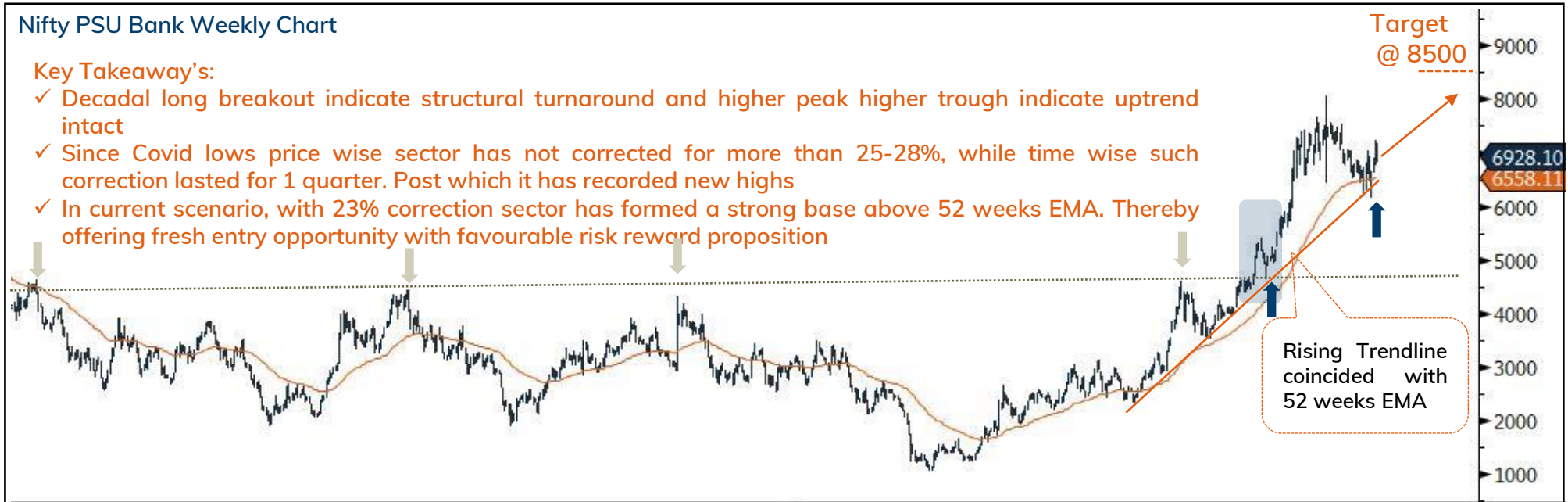


Nifty PSU Bank : Incremental buying opportunity with favourable risk reward

Nifty PSU Bank Weekly Chart

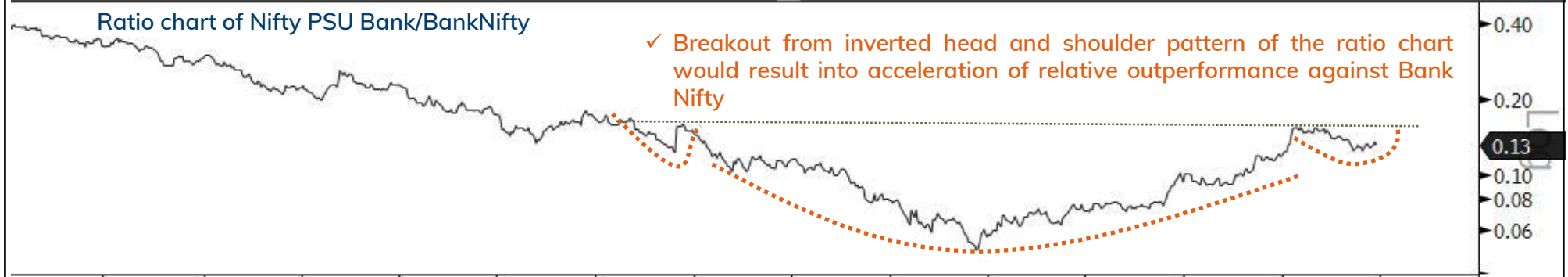
Key Takeaway's:

- ✓ Decadal long breakout indicate structural turnaround and higher peak higher trough indicate uptrend intact
- ✓ Since Covid lows price wise sector has not corrected for more than 25-28%, while time wise such correction lasted for 1 quarter. Post which it has recorded new highs
- ✓ In current scenario, with 23% correction sector has formed a strong base above 52 weeks EMA. Thereby offering fresh entry opportunity with favourable risk reward proposition



Ratio chart of Nifty PSU Bank/BankNifty

- ✓ Breakout from inverted head and shoulder pattern of the ratio chart would result into acceleration of relative outperformance against Bank Nifty



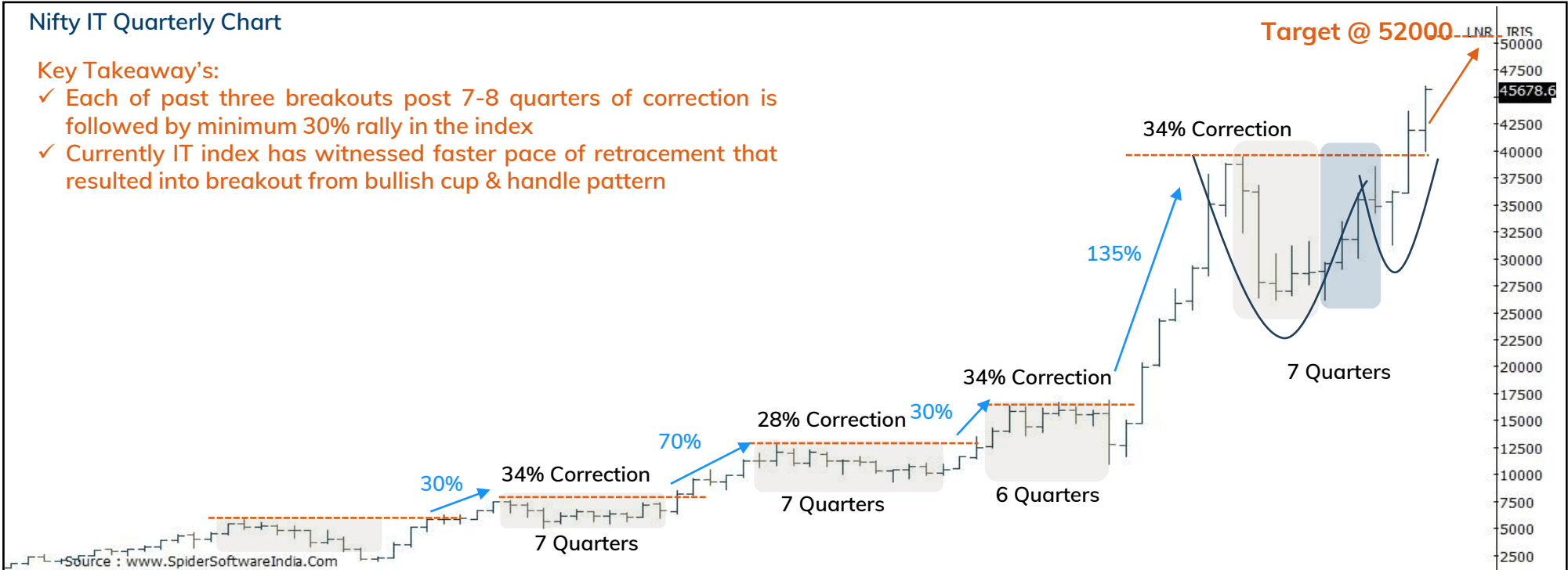
NSEPSBK Index (NSE Nifty PSU Bank Index) ratio Weekly 16DEC2014-13DEC2024 Copyright© 2024 Bloomberg Finance L.P. 13-Dec-2024 12:34:54

IT: Outperformance to get better...

Nifty IT Quarterly Chart

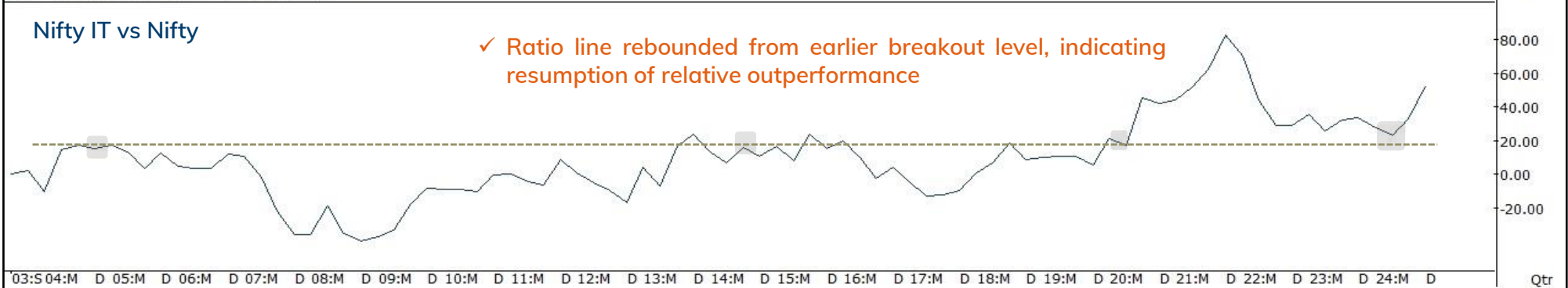
Key Takeaway's:

- ✓ Each of past three breakouts post 7-8 quarters of correction is followed by minimum 30% rally in the index
- ✓ Currently IT index has witnessed faster pace of retracement that resulted into breakout from bullish cup & handle pattern

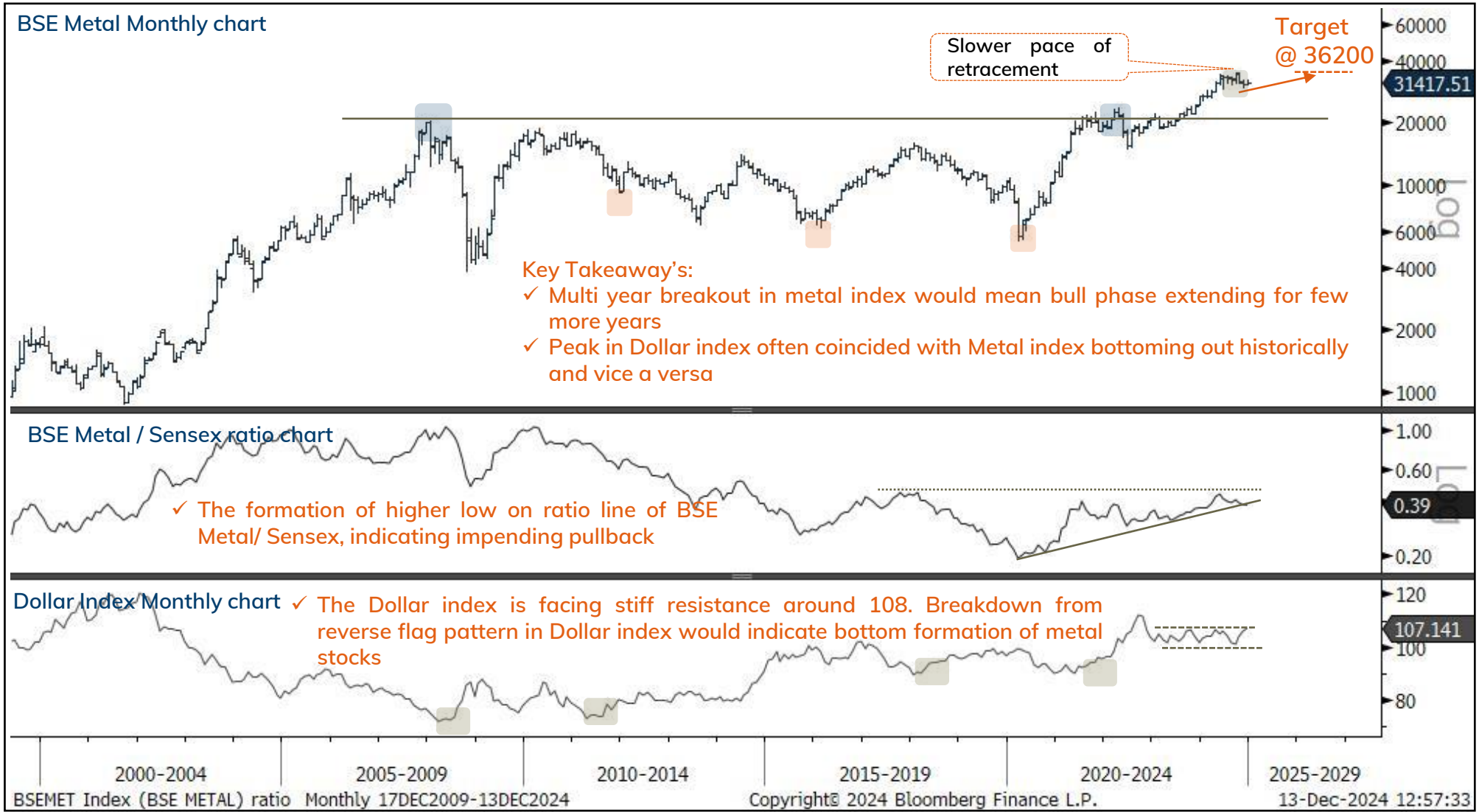


Nifty IT vs Nifty

- ✓ Ratio line rebounded from earlier breakout level, indicating resumption of relative outperformance



Dollar peaking out, boon for metals

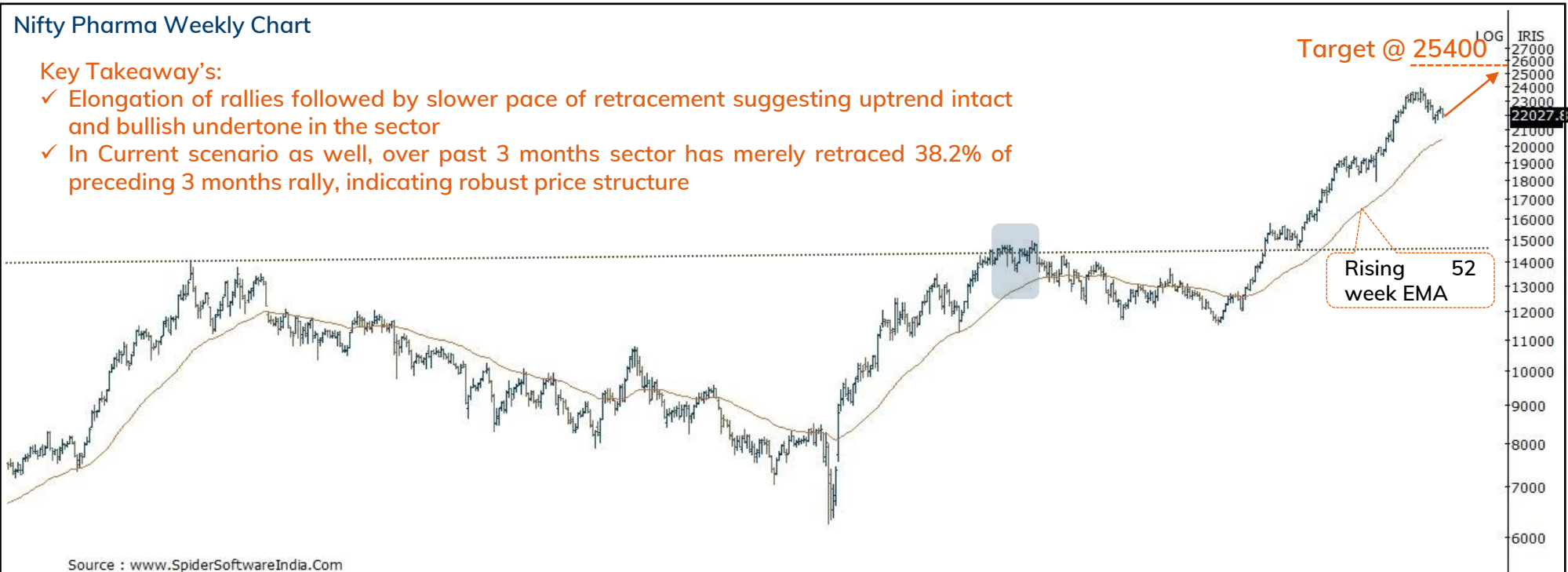


Nifty Pharma : Rally to continue

Nifty Pharma Weekly Chart

Key Takeaway's:

- ✓ Elongation of rallies followed by slower pace of retracement suggesting uptrend intact and bullish undertone in the sector
- ✓ In Current scenario as well, over past 3 months sector has merely retraced 38.2% of preceding 3 months rally, indicating robust price structure



Source : www.SpiderSoftwareIndia.Com

Ratio chart of Nifty Pharma/Nifty

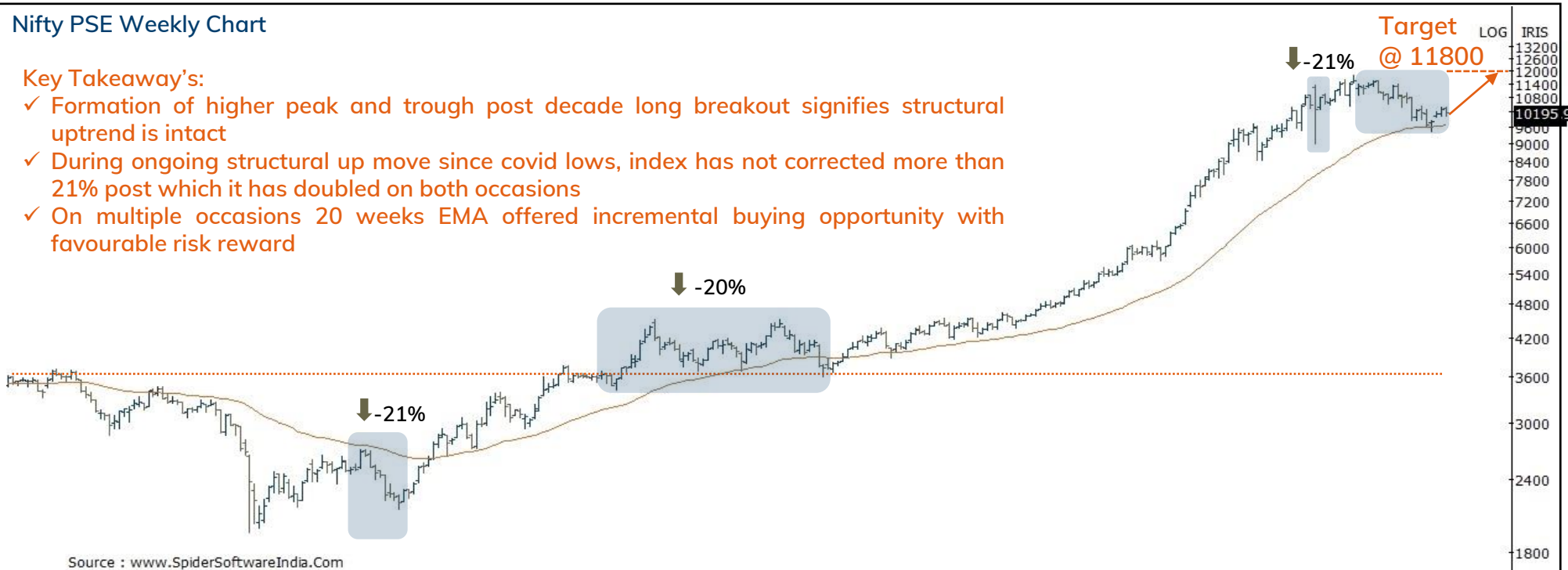


Source: Spider Software, ICICI Direct Research
December 17, 2024

Nifty PSE Weekly Chart

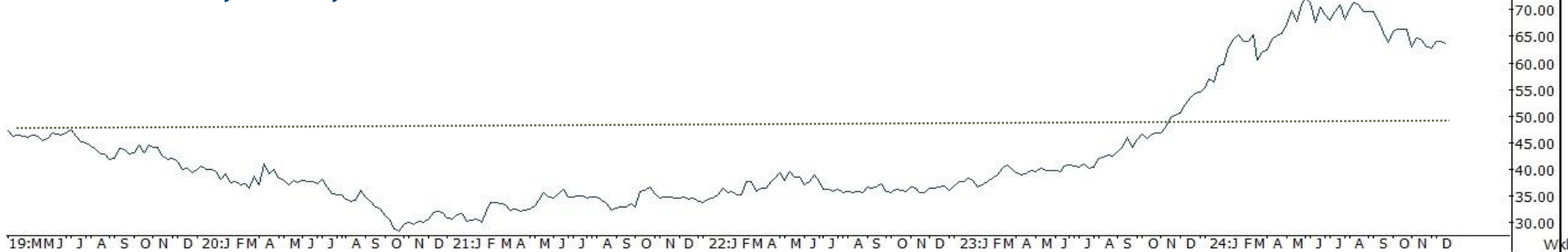
Key Takeaway's:

- ✓ Formation of higher peak and trough post decade long breakout signifies structural uptrend is intact
- ✓ During ongoing structural up move since covid lows, index has not corrected more than 21% post which it has doubled on both occasions
- ✓ On multiple occasions 20 weeks EMA offered incremental buying opportunity with favourable risk reward



Source : www.SpiderSoftwareIndia.Com

Ratio chart of Nifty PSE/Nifty



BSE Power : Buying demand at elevated support

BSE Power Weekly Chart

Key Takeaway's:

- ✓ Post Multiyear breakout Index has followed the sequence of higher peak and trough suggesting buying demand at elevated support base
- ✓ Currently ratio chart is forming higher base above resistance line, suggesting possibility of relative outperformance going ahead



Ratio chart of BSE Power/BSE Sensex



Oil&Gas: Base formation on cards

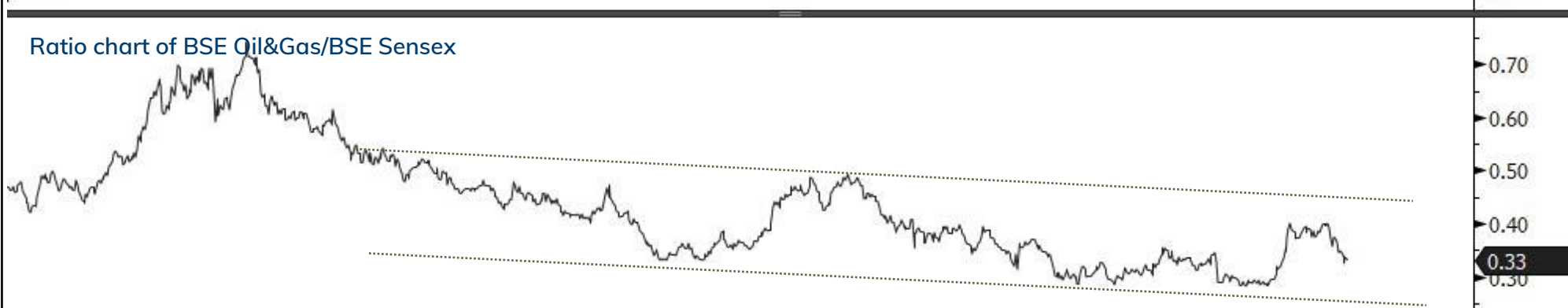
BSE Oil & Gas Weekly Chart

Key Takeaway's:

- ✓ Multi year consolidation breakout indicate structural turnaround
- ✓ Index has seen healthy correction as it has retraced October 2023-August 2024 up move by 50 percent
- ✓ We expect, index to undergo a higher base and gradually resolve higher



Ratio chart of BSE Oil&Gas/BSE Sensex



BSEOIL Index (BSE OIL & GAS) ratio Weekly 16DEC2014-13DEC2024

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