December 22, 2023

Yearly Technical Outlook 2024

Research Analyst:

Dharmesh Shah
dharmesh.shah@icicisecurities.com

Nitin Kunte, CMT
nitin.kunte@icicisecurities.com

Ninad Tamhanekar, CMT
ninad.tamhanekar@icicisecurities.com

Vinayak Parmar
vinayak.parmar@icicisecurities.com

Nifty @ 24700 : Shifting orbit on election thrust…

ICICI direct Research

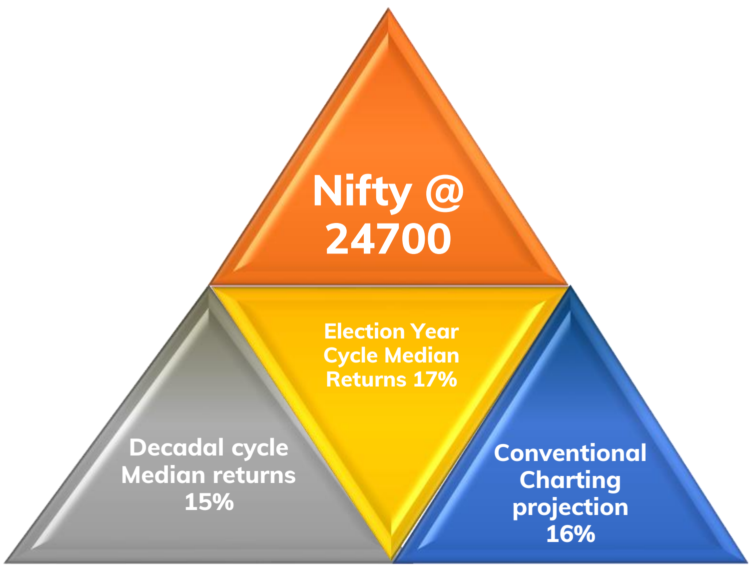
Technical Outlook: Nifty CMP - 21350

Indian equities are poised to enter CY24 on a buoyant note. As we enter election year, we present our prognosis for CY24 and reiterate our **CY30 target of 50000** presented in CY23 edition.

Our prognosis is a culmination of triangulation model which projects Nifty **CY24 target of 24700** while key support is placed at 18900. Sectoral leadership and our bottom up stock analysis indicate glaring resemblance with CY04-CY07 bull run.

Key themes:

- ✓ Historically, equity returns in General Election Year has been positive on nine out of eleven occasions (Median 17%)
- ✓ Empirically (since past four decades) Fourth year of a Decade has always been rewarding with Median 15% returns
- ✓ Large caps, which have been laggards, to catchup post couple of years underperformance
- ✓ Capital Goods & Infra, PSU, Metal, Energy turning to be leaders after decadal underperformance, while BFSI and IT would maintain their upward trajectory
- ✓ Technically, global market setups becomes more supportive as US and European indices are coming out of two years of hiatus



Source: ICICI Direct Research

*CY23 Performance - Recommendations: 9 Strike rate: 89%   Average gain: 21%

Top Picks CY24

Scrip	I-Direct Code	Market Cap (Rs. Crore)	Buying Range	Target	Support	Upside (in %)
Reliance Industries	RELIND	17,35,330	2500-2575	3,030	2,220	18
Hindalco	HINDAL	1,27,496	545-575	675	456	19
TechMahindra	TECMAH	1,23,343	1220-1285	1,500	1,095	18
PNB	PUNBAN	99,176	85-92	112	78	26
Glaxo Pharma	GLAPHA	29,742	1690-1770	2,180	1,540	25
LIC Housing Financ	LICHF	28,658	490-525	670	450	30
CESC	CESC	15,811	115-123	160	101	36
Tega Industries	TEGIND	7,290	1050-1120	1,350	905	24
Arvind Fashion	ARVFAS	5,430	390-420	525	335	29

* Market cap as per BSE as on 22nd December 2023

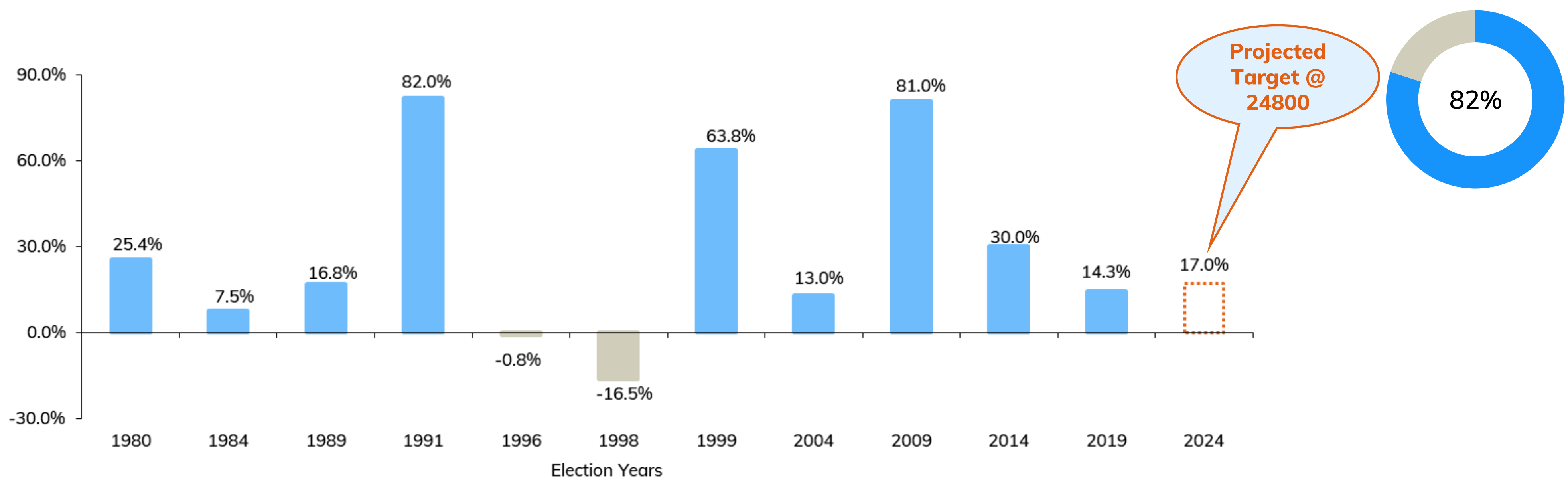
Nifty shines in an “Election year”…

Union election cycle

General Election cycle is a major phenomena in the equity markets. It is divided into four parts - election year, post- election year, midterm years and pre-e1lection year. Indian equity markets have exhibit certain characteristics depending upon the election cycle that is currently prevalent.

CY24 being an Union Election year will have a significant bearing on sentiments in equity markets. It has been observed that benchmark indices have performed well in election years despite spikes in volatility

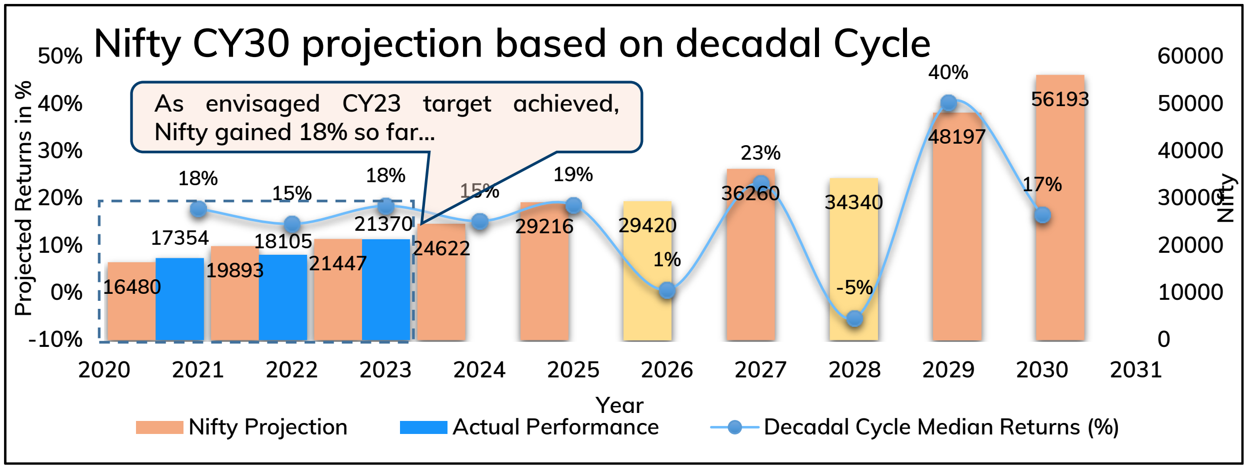
Going by four decade history, median returns in election year has been 17%. Therefore, one should use volatility during election year as a buying opportunity

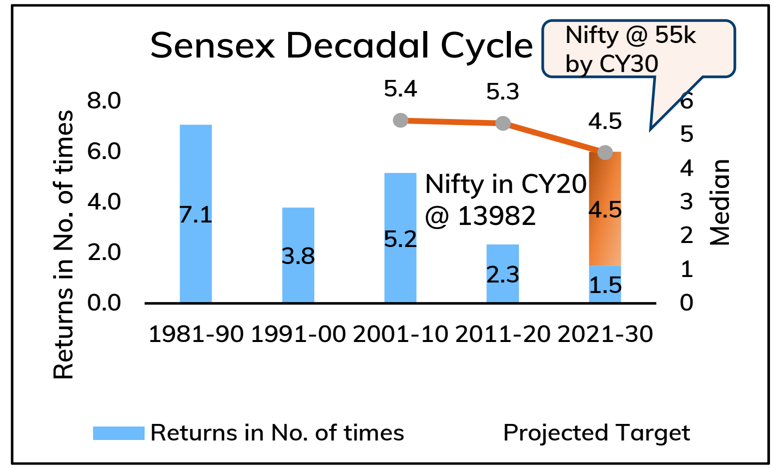


Source: Bloomberg, ICICI Direct Research

…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, fourth year of the decade has always been positive with acceleration in returns to higher teens (median values)
- It is worth noting that such returns do not come in a linear fashion and corrections of around 15% along the way have always been a buying opportunity



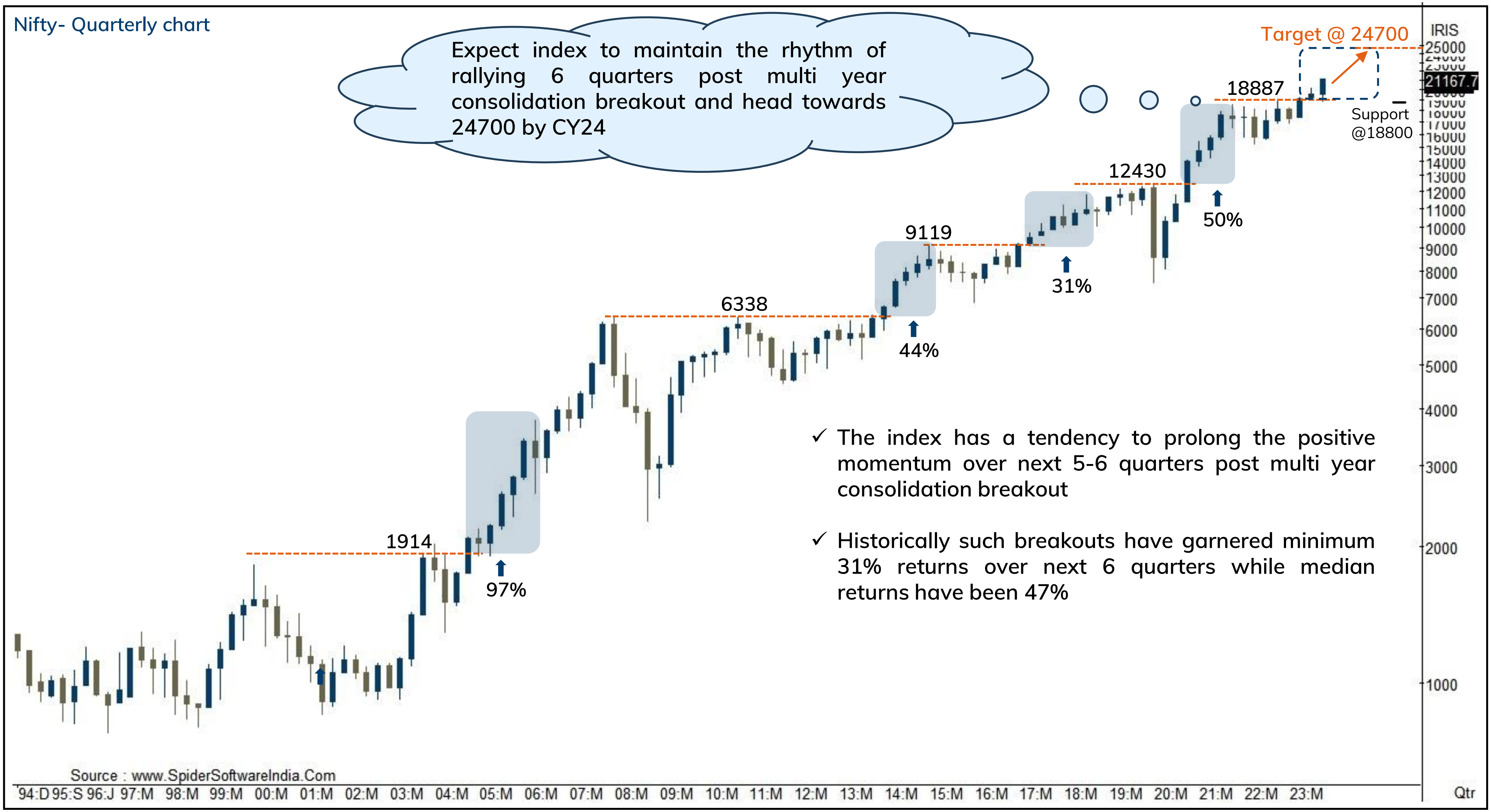


Decade / Year	1	2	3	4	5	6	7	8	9	10
1981-1990	54%	4%	7%	7%	94%	-1%	-16%	51%	17%	35%
1991-2000	82%	37%	28%	17%	-21%	-1%	19%	-16%	64%	-21%
2001-2010	-18%	4%	73%	13%	42%	47%	47%	-52%	81%	17%
2011-2020	-25%	26%	9%	30%	-5%	2%	28%	6%	14%	16%
Positive Instances	2	4	4	4	2	2	3	2	4	3
2021-2030	2021	2022	2023							
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)

Source: Bloomberg, ICICI Direct Research

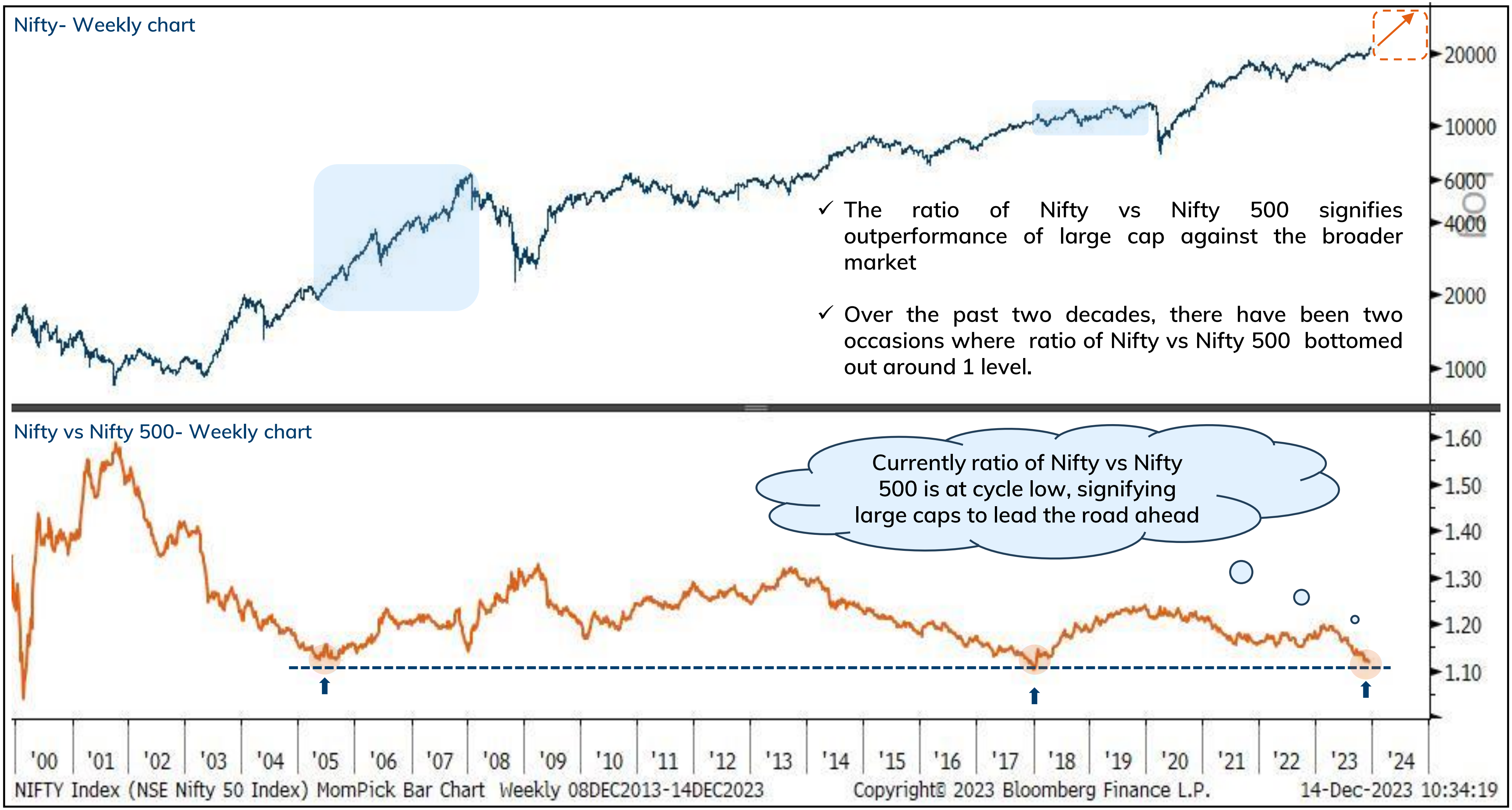
Conventional charts projecting 24700...



- ✓ The index has a tendency to prolong the positive momentum over next 5-6 quarters post multi year consolidation breakout
- ✓ Historically such breakouts have garnered minimum 31% returns over next 6 quarters while median returns have been 47%

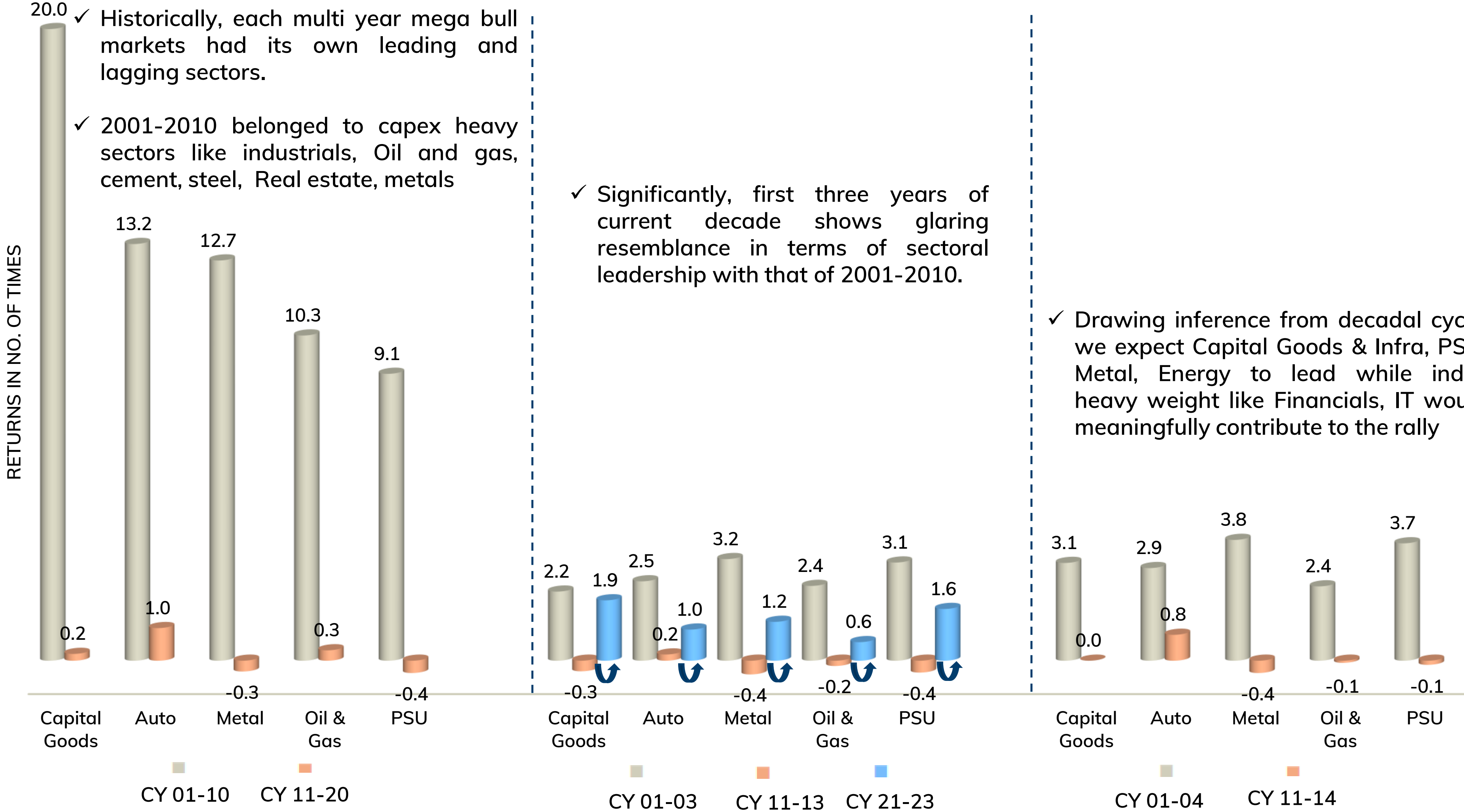
Source: SpiderSoftware, ICICI Direct Research

Large caps to glide on along with midcaps and smallcaps



Source: Bloomberg, ICICI Direct Research

Sectors: Yesterday's laggards…this decade's leader



✓ Historically, each multi year mega bull markets had its own leading and lagging sectors.

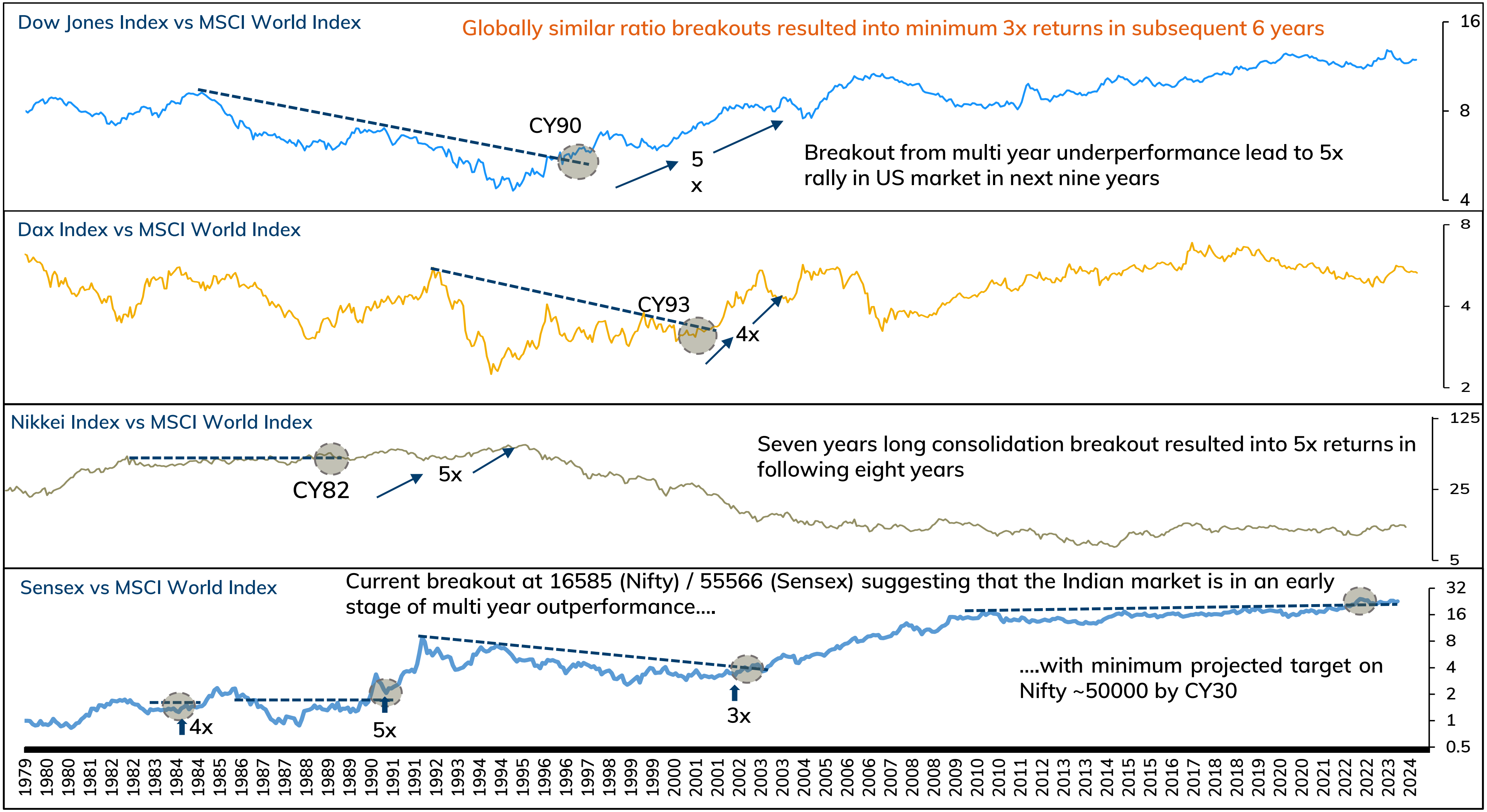
✓ 2001-2010 belonged to capex heavy sectors like industrials, Oil and gas, cement, steel, Real estate, metals

✓ Significantly, first three years of current decade shows glaring resemblance in terms of sectoral leadership with that of 2001-2010.

✓ Drawing inference from decadal cycle, we expect Capital Goods & Infra, PSU, Metal, Energy to lead while index heavy weight like Financials, IT would meaningfully contribute to the rally

Source: Bloomberg, ICICI Direct Research

History of mega bull trends: Global



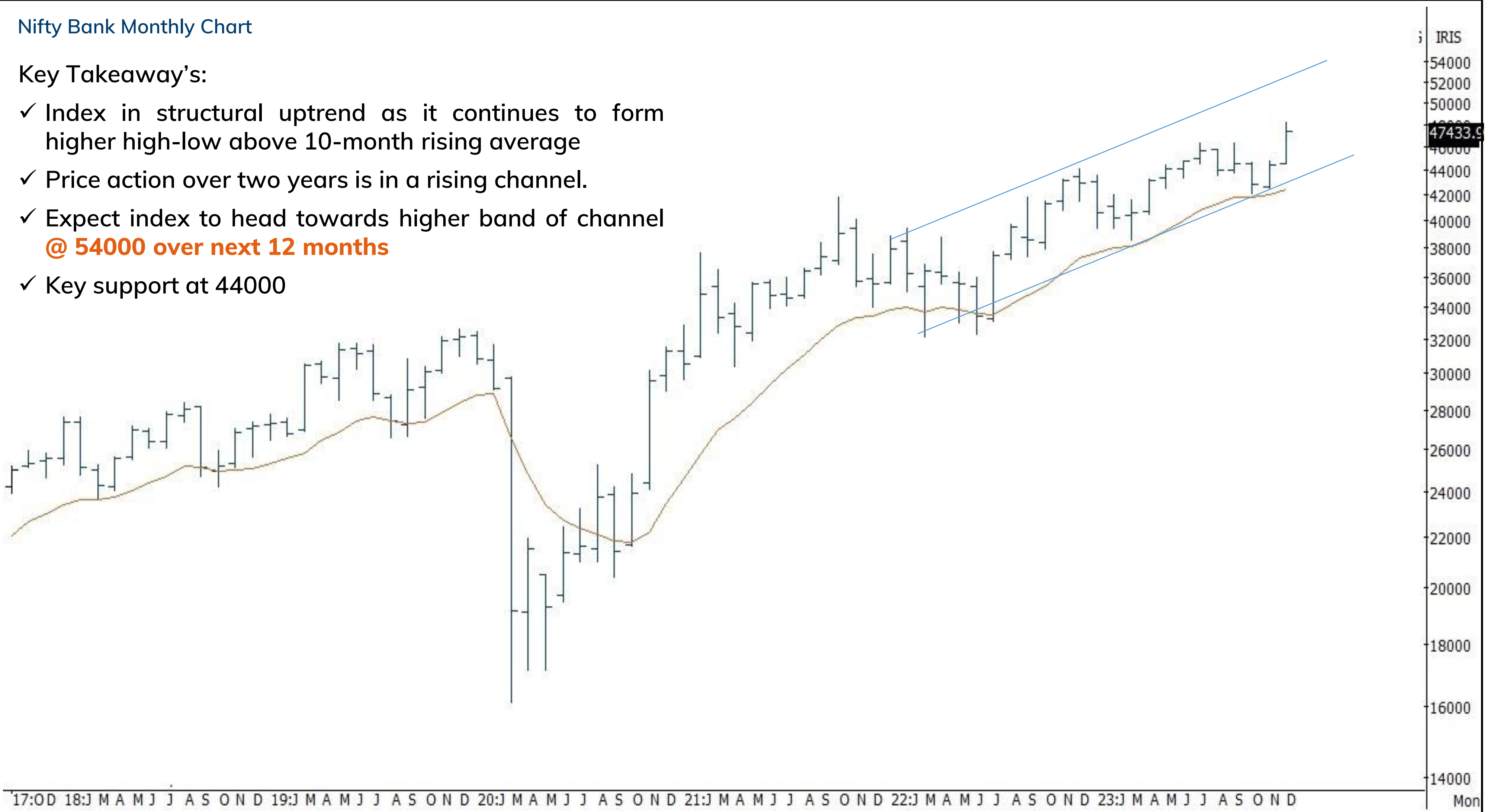
Source: Bloomberg, ICICI Direct Research

Banknifty: Structural uptrend to bolster

Nifty Bank Monthly Chart

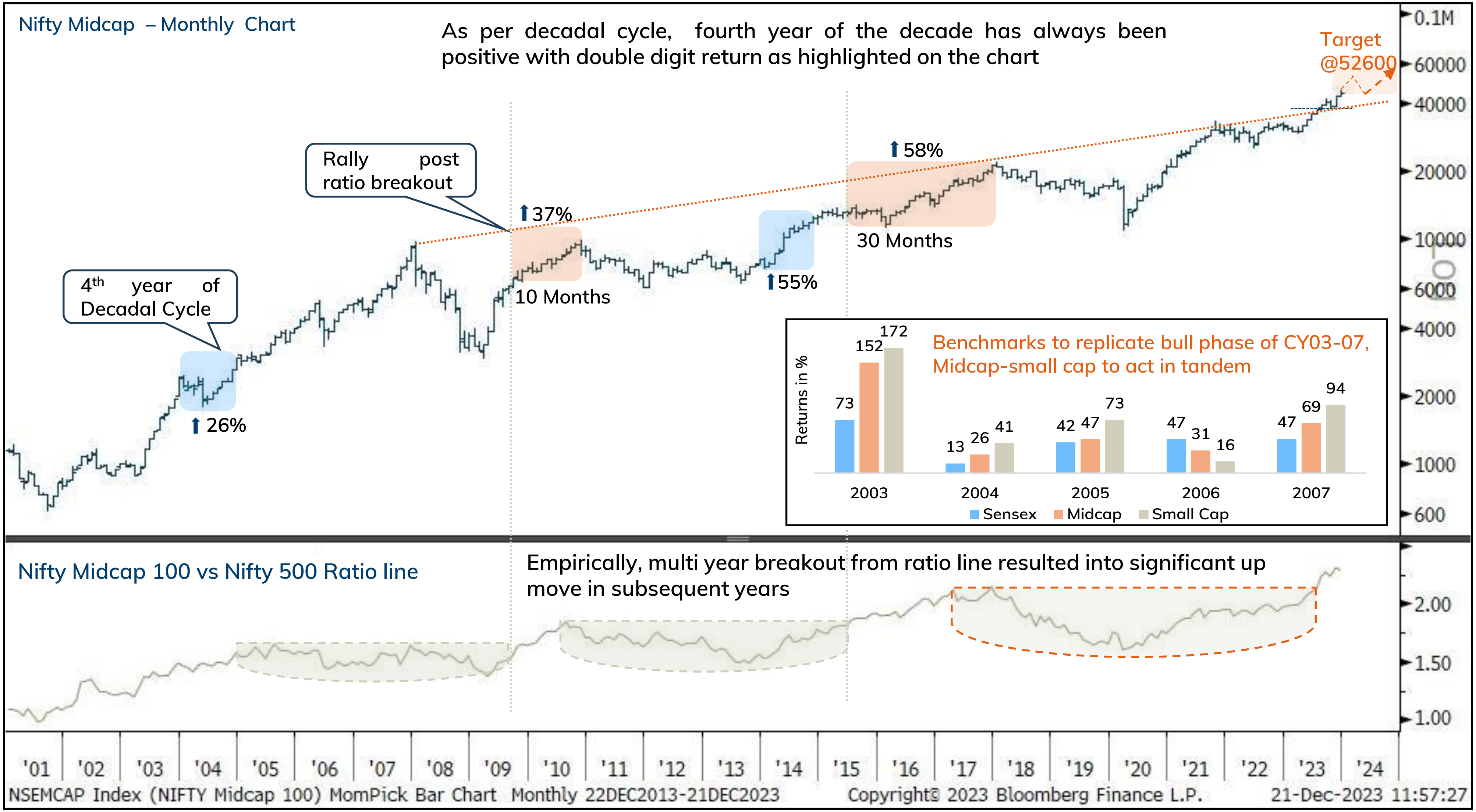
Key Takeaway's:

- ✓ Index in structural uptrend as it continues to form higher high-low above 10-month rising average
- ✓ Price action over two years is in a rising channel.
- ✓ Expect index to head towards higher band of channel **@ 54000 over next 12 months**
- ✓ Key support at 44000



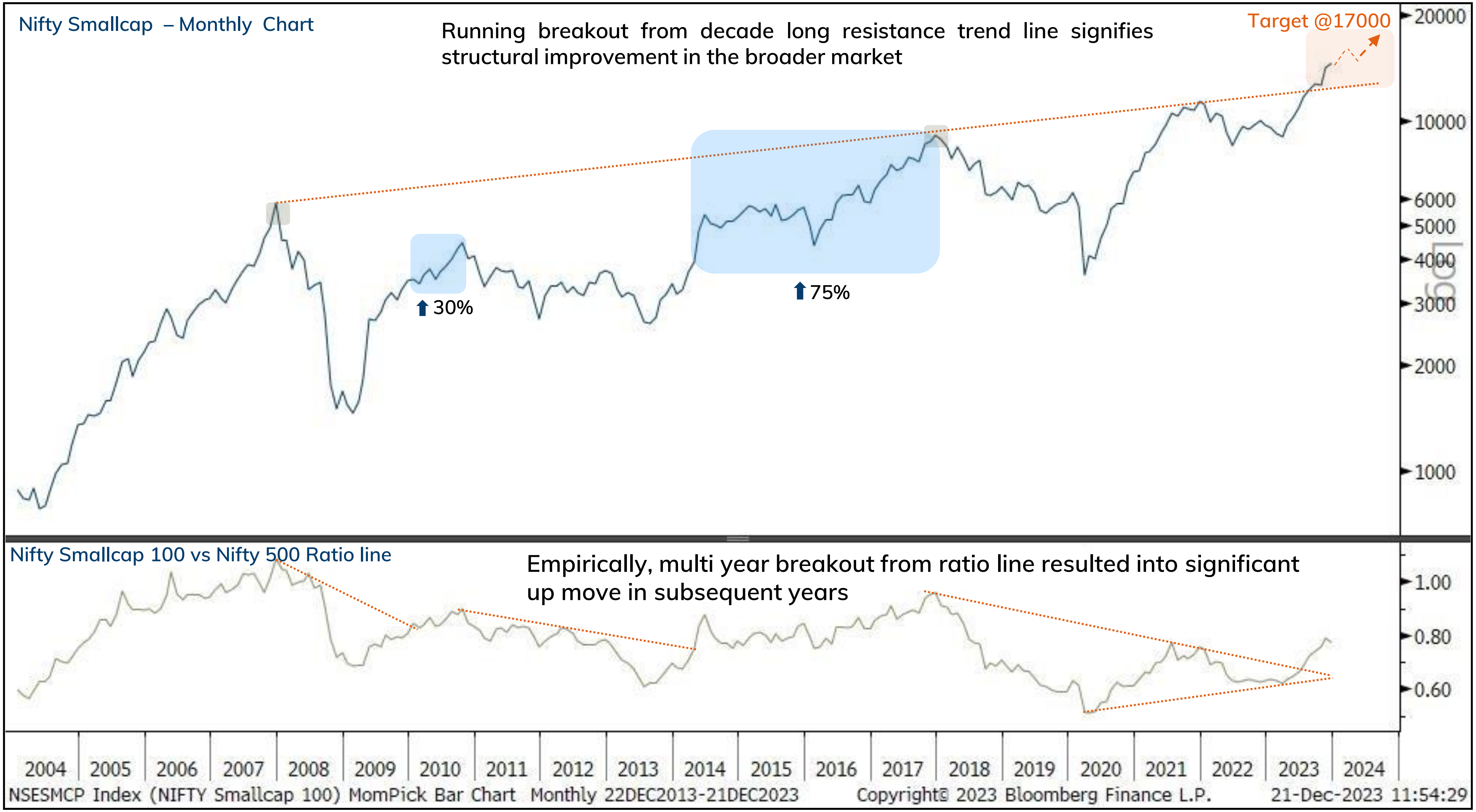
Source: Spider Software, ICICI Direct Research

Midcaps to perform in tandem with the benchmark



Source: Bloomberg, ICICI Direct Research

Smallcaps: Endure its momentum…



Source: Bloomberg, ICICI Direct Research

Top Picks for CY24

(All stock charts are as of 21st December 2023

Reliance Industries (RELIND): Emergence of new uptrend

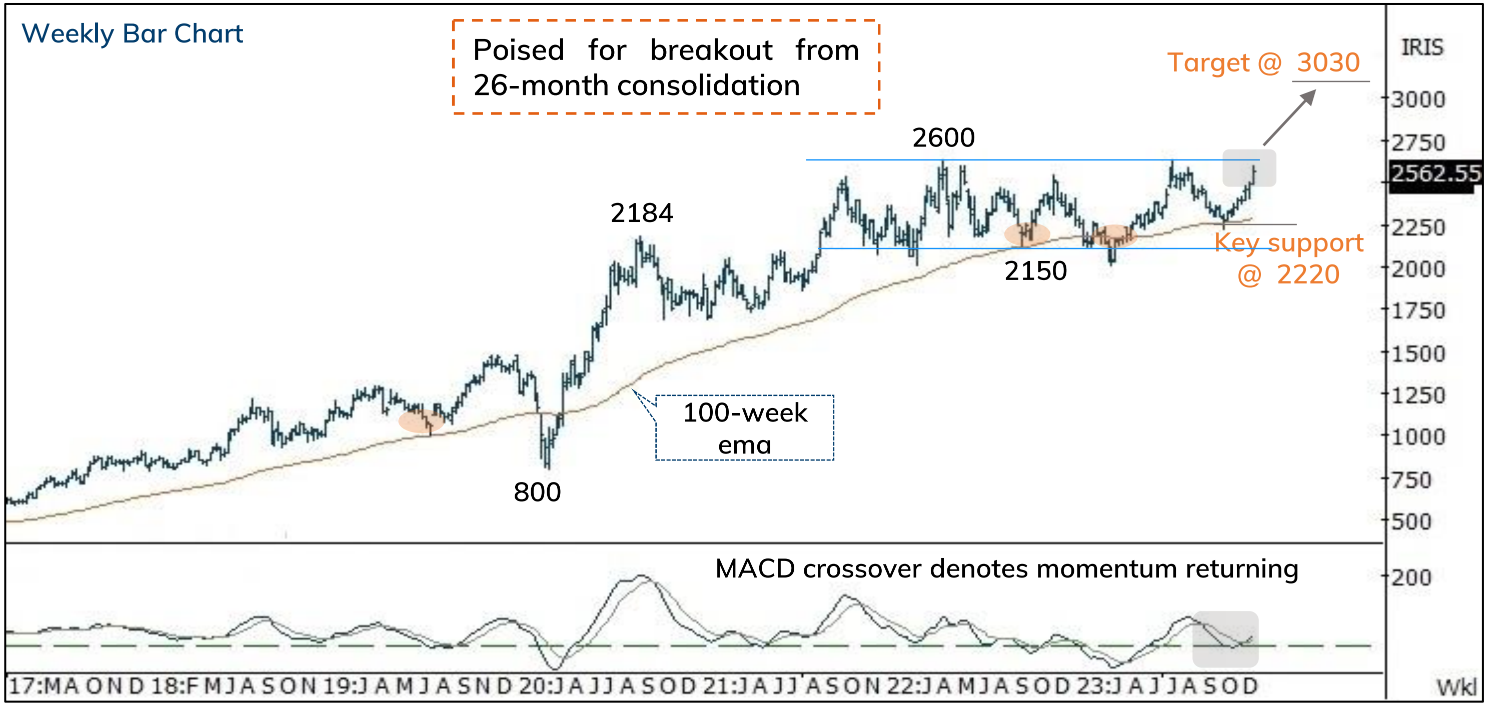
ICICI direct Research

Recommended on Iclick-2-gain on 22nd December 2023 at 14:39

Rec. Price	2500-2575	Target	3030	Upside	18%	Time frame	12 Months

Technical Outlook

- Stock has been out of limelight for over two years as it digested strong rally during CY20-21. Stock is now poised to conclude this consolidation and expected to lead Nifty in CY24
- Structurally, the corrective phase over past two years has retraced preceding 18 month rally by just 38% over past 26 months, indicating robust price structure. Meanwhile, stock digested multiple headwinds, making a strong base in the vicinity of rising 100-week ema (2235) that is held since CY17 except COVID fall
- We Expect stock to head towards Rs 3050 from medium term perspective being measuring implication of March22-July 23 range (2600-2150=450 points) added to 2600.



Fundamental Outlook

- Reliance Industries saw a strong 31%/27% YoY growth to Rs 40970 crore/ Rs 17390 crore in EBITDA/PAT in Q2FY24, driven by a 36% YoY jump in OTC segment EBITDA to Rs 16280 crore, and continued momentum in Upstream, retail and digital services
- We expect strong momentum to continue in Q3, with higher premiums to Singapore GRMs and decent petchem spreads. Other verticals (Jio, Upstream, retail and digital) are too expected to lift consolidated profitability, in addition to the strong performance from the O2C vertical.

Source: Spider Software, ICICI Direct Research

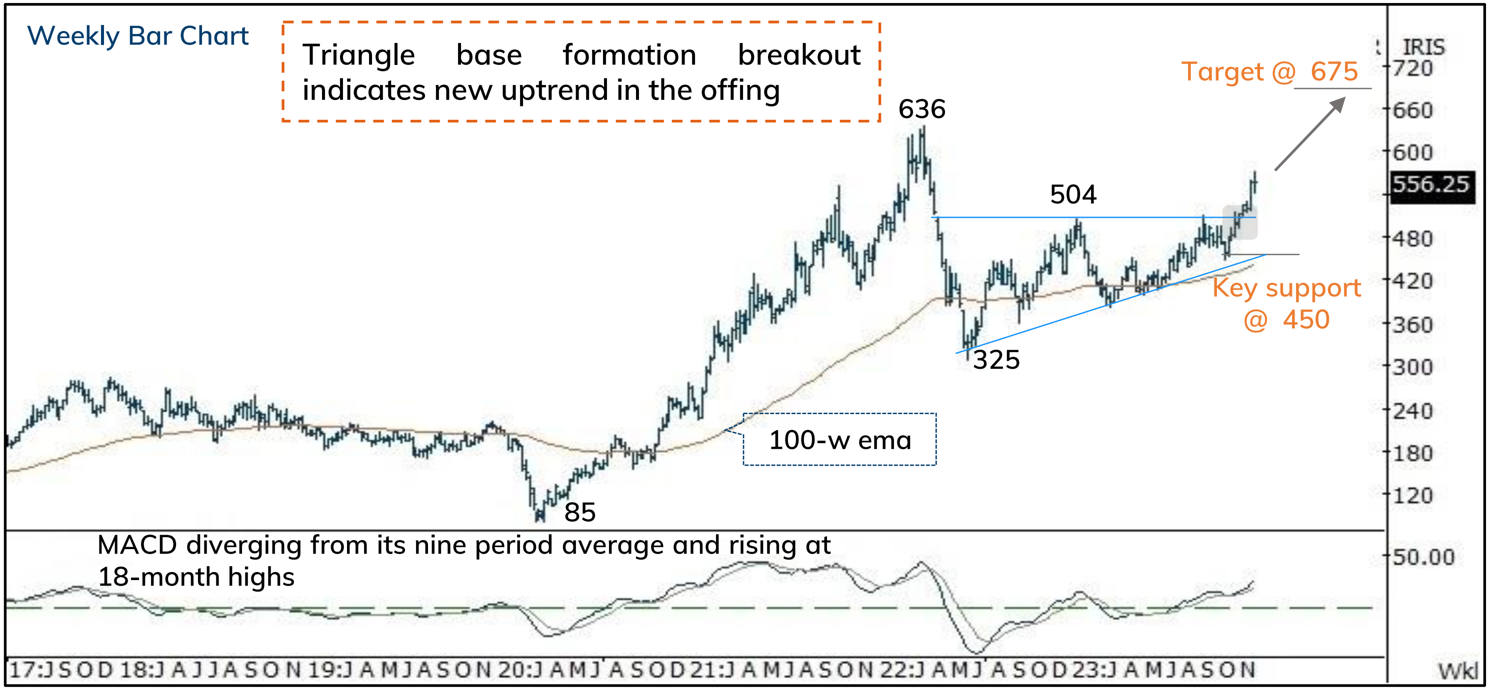
Hindalco(HINDAL): Breakout from 18 month triangle

Recommended on Iclick-2-gain on 22nd December 2023 at 14:41

Rec. Price	545-575	Target	675	Upside	19%	Time frame	12 Months

Technical Outlook

- Metal sector has undergone notable price/time correction over past two years while absorbing impact of rising dollar, slower Chinese growth etc.. Sector with its inverse relationship with US dollar gave a breakout while US dollar peaked amid expectations of lower rates
- In large caps Hindalco is seen coming out of two years triangle indicating resumption of primary up trend
- Structurally, stock has formed strong base at 100 week EMA that also coincides with 50% retracement of CY20-22 rally
- Going ahead, we expect stock to head towards Rs 675 in CY24 as it is the projection of 18 month range (500-325) that also



Fundamental Outlook

- Hindalco is the largest fully integrated aluminium manufacturing company in India and is one of Asia's largest producers of primary aluminium (excluding China). It also operates one of the largest custom copper smelters at a single location in Asia with its wholly owned subsidiary i.e. Novelis being one of largest rolled aluminium producer and recycler
- With lightweighting application of Aluminium, the metal is gaining prominence in mobility space which includes both automobile as well as railway domain, which makes us long term positive on the stock
- The company is also working on value added products, the case in point being the recent announcement of significant expansion of its manufacturing capacity of fine-quality aluminium foil that is used in rechargeable batteries to serve the sunrise sector of electric vehicles (EVs) and energy storage systems

Source: Spider Software, ICICI Direct Research

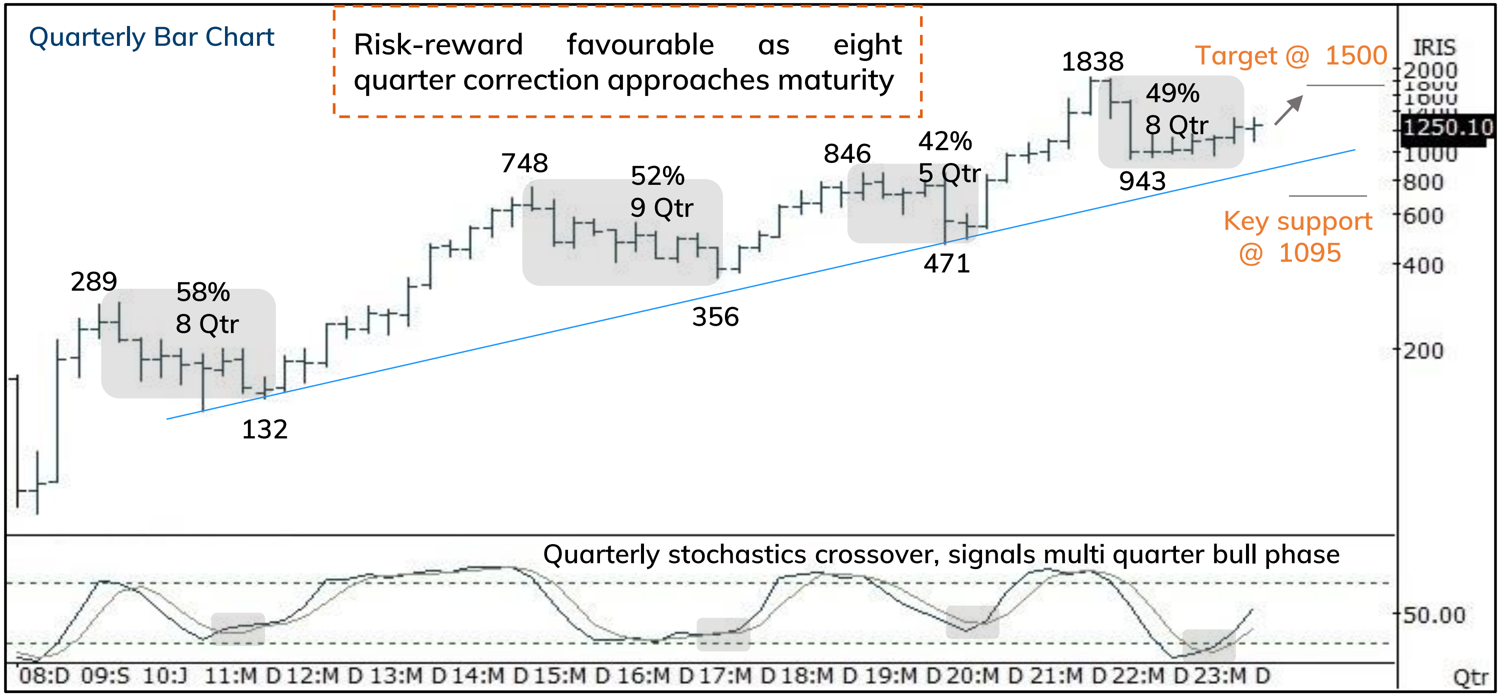
Tech Mahindra(TECMAH): Price/Time wise correction approaches maturity

Recommended on Iclick-2-gain on 22nd December 2023 at 14:42

Rec. Price	1220-1285	Target	1500	Upside	18%	Time frame	12 Months

Technical Outlook

- Nifty IT Index has undergone significant price/time correction and showing signs of emergence of new uptrend. Within large cap IT stocks we expect Tech Mahindra to catchup in CY24, thus presenting extremely favourable risk-reward proposition
- Historically, Tech Mahindra has a tendency to bottom out after ~50% pricewise and 8-9 quarters of time correction, followed by new highs over next few quarters. In current context stock has seen 49% correction from highs and 8 quarters time correction
- We believe that the stock has bottomed out and expect it to head towards Rs 1500 which is 61.8% retracement of decline (1838-943)



Fundamental Outlook

- Tech Mahindra (TechM) has ~1.5 lakh employees across 90 countries serving 1000+ clients with higher exposure to telecom (40% of revenues). Apart from telecom, the company caters to BFSI, manufacturing & retail. TechM has grown organically and inorganically (dollar revenue CAGR of ~7% over the past five years)
- Appointment of Mohit Joshi as CEO brings in a new leadership team. Joshi has been Infosys veteran for 23 years with deep expertise in BFSI, a major vertical for all IT giants except TechM, and thus could also be a catalyst for much needed diversification. Further levers like pyramid rationalisation (reduce average resource cost) and lowering sub-contracting proportion (higher than peers) could drive margins expansion in medium to long term

Source: Spider Software, ICICI Direct Research

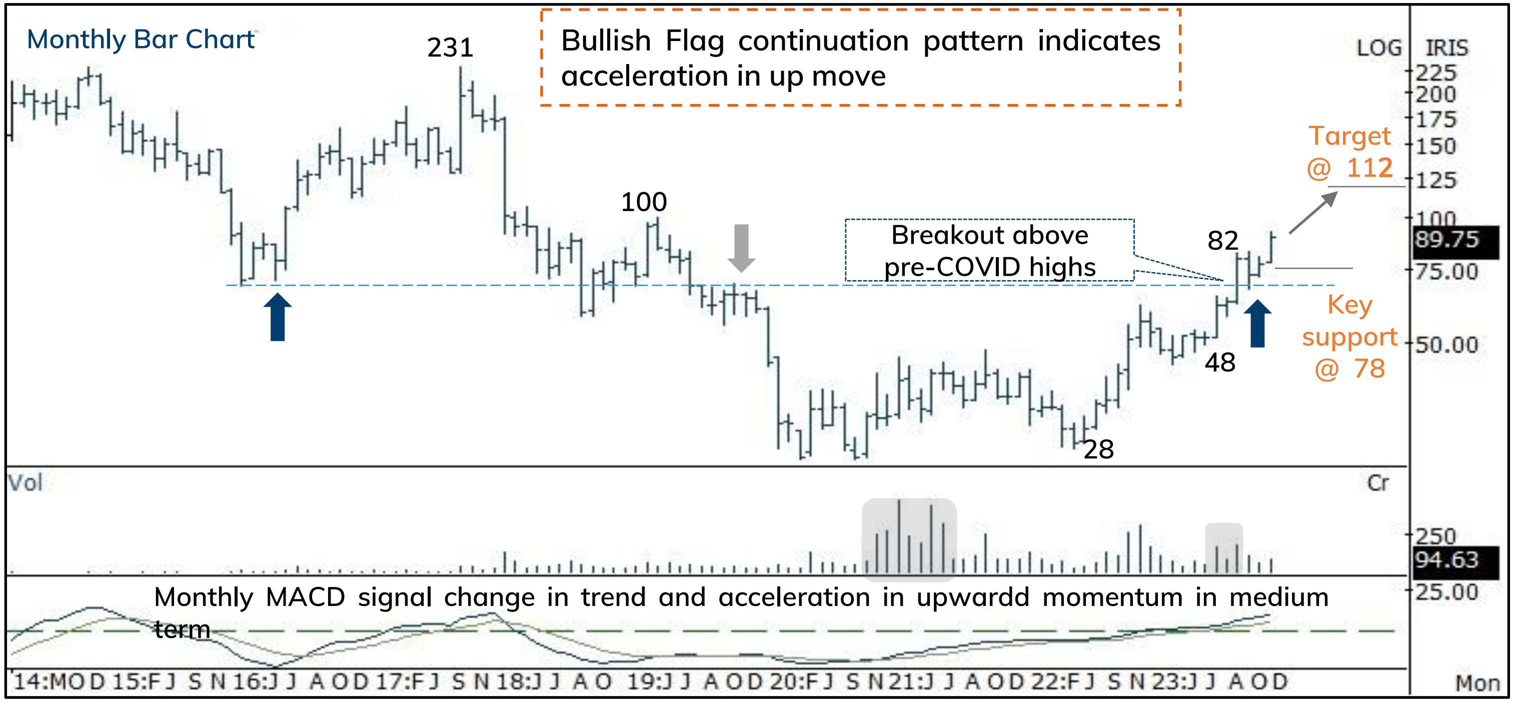
PNB(PUNBAN): To catchup with rest of the pack

Recommended on Iclick-2-gain on 22nd December 2023 at 14:42

Rec. Price	85-92	Target	112	Upside	27%	Time frame	12 Months

Technical Outlook

- Nifty PSUBank Index has given strong multiyear breakout indicating structural turnaround and outperformance ahead. Within large PSU banks, we prefer PNB as we expect stock to catchup other large PSU banks and provide decent risk-reward proposition as it breaks out of Bullish Flag continuation pattern
- Stock has given a strong breakout above pre-COVID highs after factoring in multiple negatives over past four years
- We expect stock to head towards Rs 116 over next few quarters as it is measuring implication of Flag pole (82-48) projected from 82



Fundamental Outlook

- PNB is a public sector bank with a wide distribution network comprising of ~10,000 branches and ~12645 ATMs. The bank caters across customer segment including corporate, retail and MSME sectors. As of Sep 2023, global deposit base stood at ₹~13 lakh crore and advances at ₹9.4 lakh crore.
- Post elevated delinquencies and provisioning impacting earnings in past fiscals, the bank is now well poised to benefit from sectoral tailwinds in terms of growth as well as earnings. Increased focus on retail segment is expected to enable the bank to deliver revival in credit off-take momentum. Moderation in slippages and gradual improvement in provision coverage is seen to aid margins trajectory as well as earnings
- Valuation below book offers comfort and provides a opportunity to participate in revival of RoA at 0.8-0.9% with recovery from earlier stressed exposure being a re-rating catalyst

Source: Spider Software, ICICI Direct Research

GlaxoSmithKline Pharmaceutical(GLAPHA): Rising out of nine year hibernation

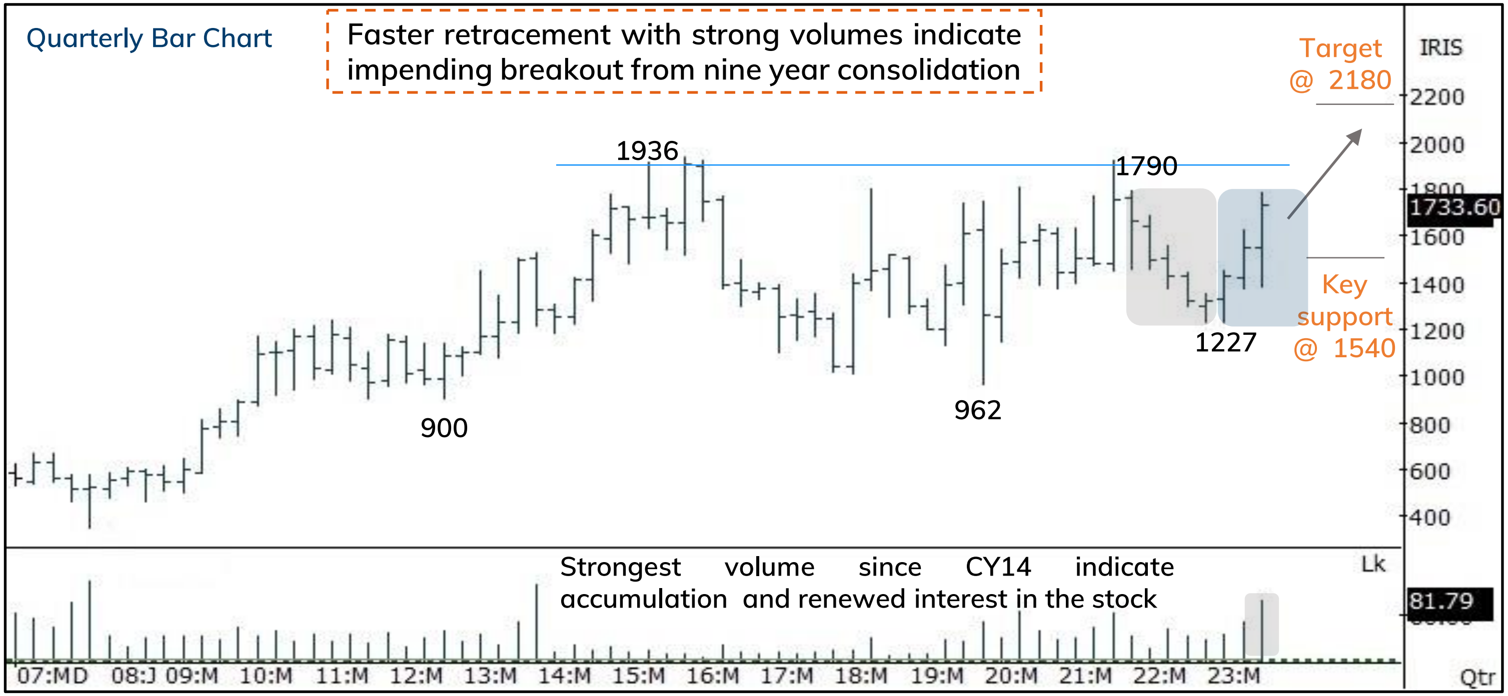
ICICI direct Research

Recommended on Iclick-2-gain on 22nd December 2023 at 14:43

Rec. Price	1690-1770	Target	2180.00	Upside	25%	Time frame	12 Months

Technical Outlook

- Pharma Index has witnessed breakout above eight year highs exhibiting strength and resumption of structural uptrend ahead.
- Within MNC Pharma companies Glaxo pharma has been in consolidation for over nine years and showing signs of turnaround with faster retracement on quarterly charts as it retraced preceding five quarter decline in just three quarters. Further current quarters volumes has been highest since March 2014 indicating large participation
- We expect stock to surpass its multi year highs around 1800-1830 band and accelerate the uptrend in CY24 towards 2180 being 138.2% retracement of CY21-23 decline



Fundamental Outlook

- GSK saw an overall recovery in Q2, with market share gains in several key promoted brands across all business units. It holds leadership position for its key brands in relevant therapy areas such as anti-infectives and dermatology. The management focus in the coming quarters will remain on strong volume led performance in General Medicines and Paediatric vaccines.

- GSK would also explore innovative solutions using omnichannel strategy to expand its reach and coverage to target segments. It will continue to drive the expansion of the adult immunisation category with Shingrix (Zoster Vaccine Recombinant, Adjuvanted)

Source: Spider Software, ICICI Direct Research

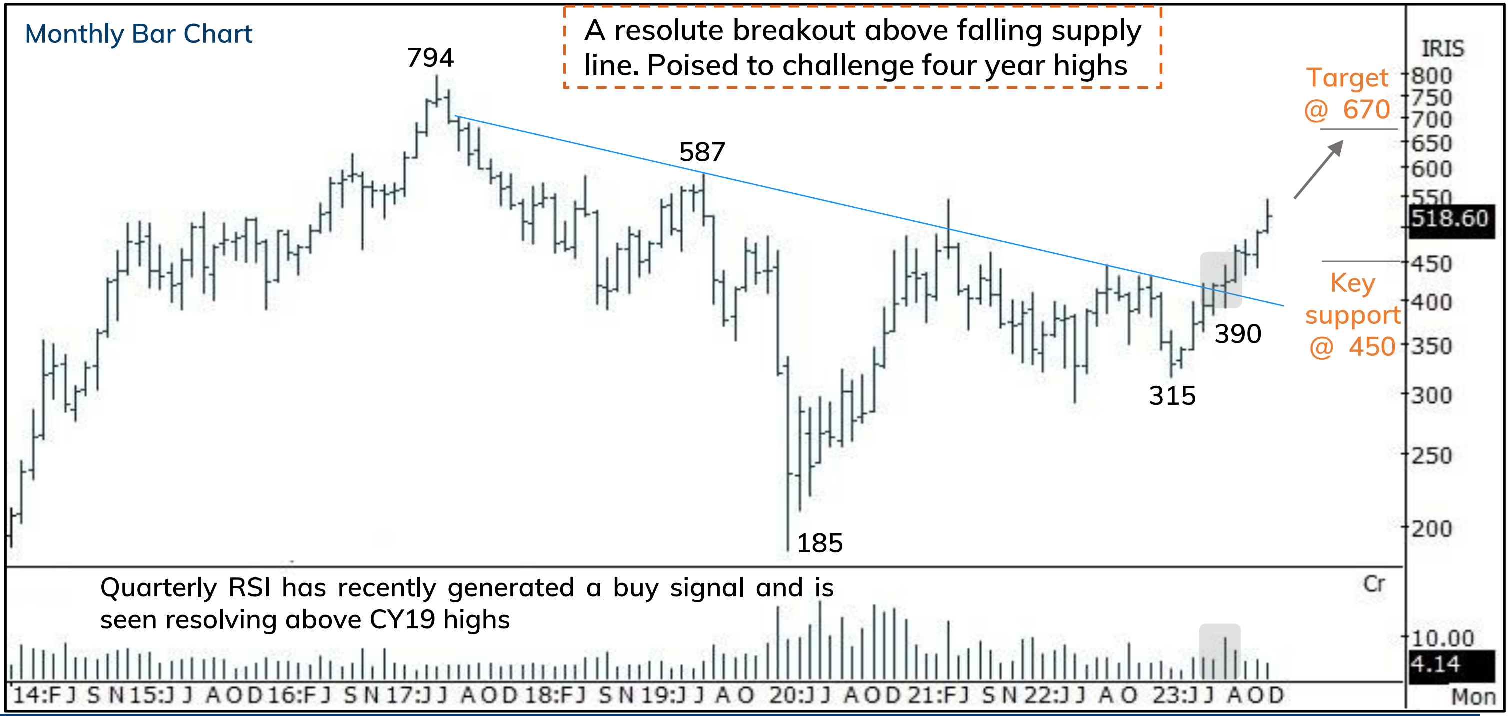
LIC Housing Finance(LICHF): Resumption of fresh up trend...

Recommended on Iclick-2-gain on 22nd December 2023 at 14:43

Rec. Price	490-525	Target	670	Upside	30%	Time frame	12 Months

Technical Outlook

- Housing finance companies have undergone significant price and time wise correction over past few years and within space LIC Housing finance is now signalling turnaround and remains our preferred proxy to play real estate and PSU themes and peak out of interest rate cycle
- Stock has surpassed pre-covid highs and in the process also given breakout above key down trend line drawn from CY17 peak indicating turnaround from long term perspective
- Going into CY24 we expect stock to surpass four year highs and head towards towards Rs 670 being 80% retracement of Jun17 - Mar20 decline (794-185)



Fundamental Outlook

- LIC Housing Finance is amongst largest HFCs in India with strong parentage, wide distribution reach with 314 offices. Individual home loans remain primary focus segment with proportion at ~84% of AUM which stood at ₹2,77,987 crore
- Elevated delinquencies in developer book, followed by volatility in margins and credit cost has marred valuation in the past. However, tailwinds from margins (currently highest at ~3.1%), steady asset quality and healthy disbursement which will translate in AUM growth to act as turning point for the business. Benign multiple at below forward book aids valuation comfort with attractive upside opportunity

Source: Spider Software, ICICI Direct Research

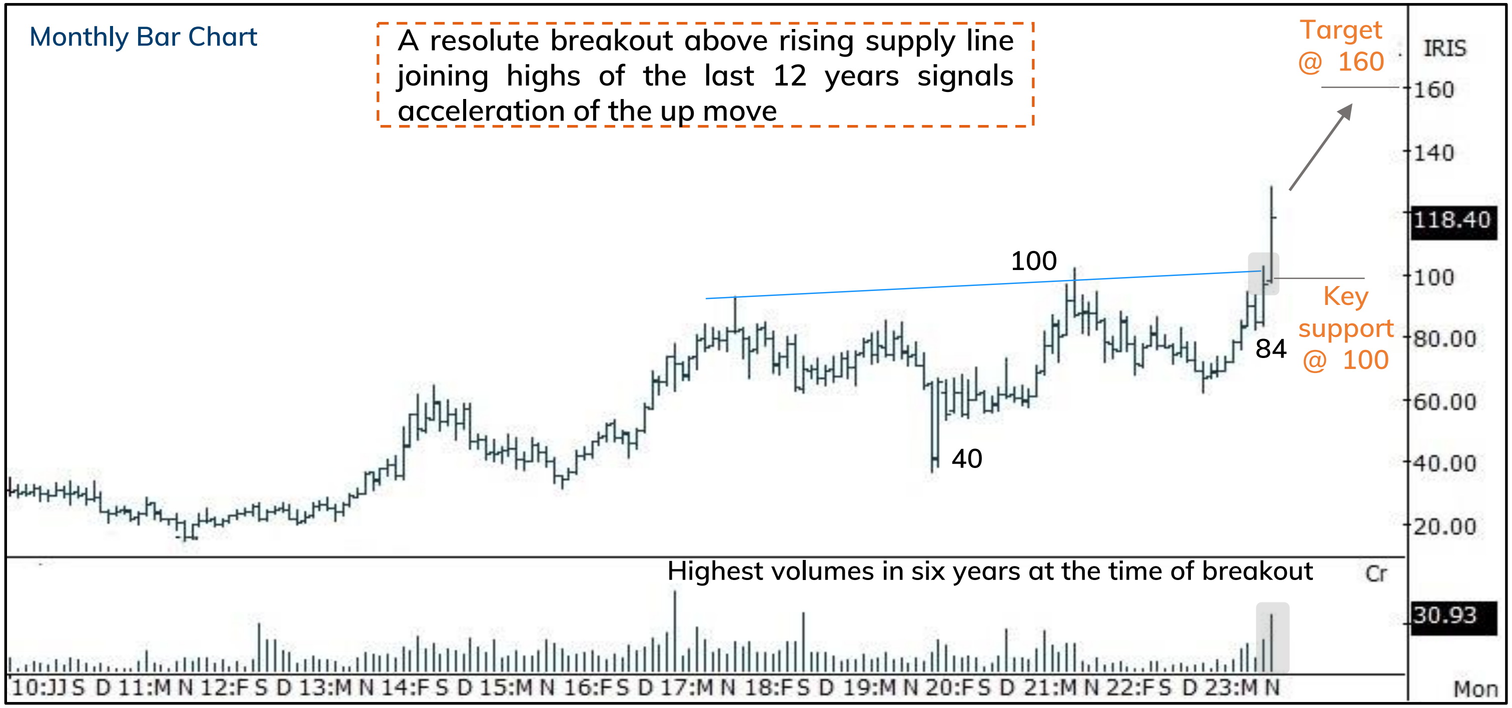
CESC(CESC): Five year consolidation breakout

Recommended on Iclick-2-gain on 22nd December 2023 at 14:43

Rec. Price	115-123	Target	160	Upside	36%	Time frame	12 Months

Technical Outlook

- BSE Power Index has given breakout above 15 year consolidation backed by improving fundamentals indicating structural uptrend. Within private power generators CESC has given a breakout above five year consolidation with strong volumes indicating structural turn around
- Historically, such large breakouts are followed by significant rallies over following few years. Thus, we expect Power sector and CESC to perform well in CY24
- We expect stock to head towards Rs 160 over next 12-15 months being measuring implication of range breakout (100-40=60) added to breakout level of 100



Fundamental Outlook

- CESC is a fully integrated electrical utility company (since 1899) with business interest in generation & distribution of power. The company has 2,140 MW generating stations meeting bulk of the power requirements for Kolkata and NPCL license area. It serves 4 million+ customers across 6 locations in India
- Over the last few years, the company has also been adding new distribution franchisees in Rajasthan (Kota,Bharatpur, Bikaner) and Maharashtra (Malegaon)
- Going ahead, the company plans to foray into the renewable space and will be adding 4-5Gw of capacity over the next 3-5 years. This we believe will add to missing growth prospects and can lead to strong rerating of the company

Source: Spider Software, ICICI Direct Research

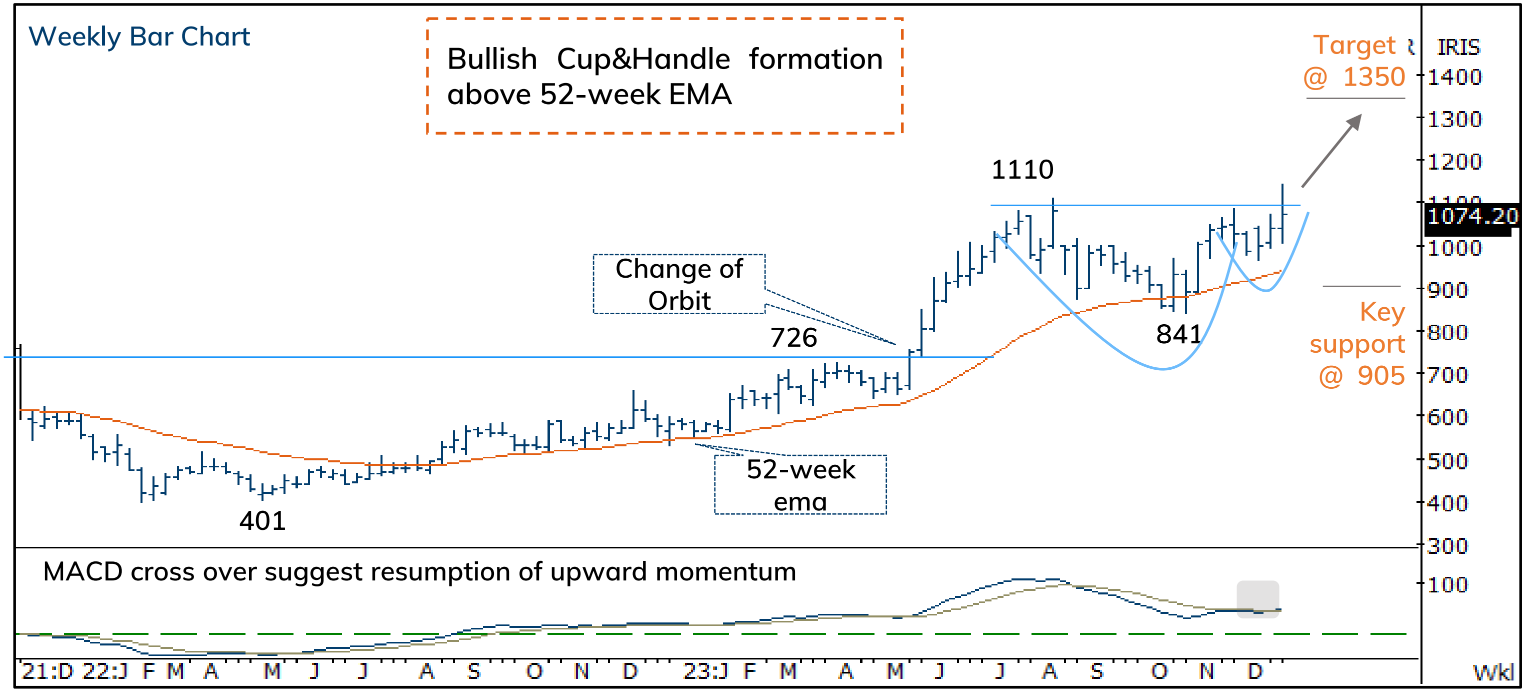
Tega Industries(TEGIND): Cup & Handle breakout

Recommended on Iclick-2-gain on 22nd December 2023 at 14:44

Rec. Price	1050-1120	Target	1350	Upside	24%	Time frame	12 Months

Technical Outlook

- Capital goods sector has been in limelight and key outperformer over past two years and remains in structural uptrend
- Within space Tega industries which is a proxy play on mining industry is our preferred peak with favourable risk-reward proposition
- Stock is in clear uptrend on multiple time frame since it breached its CY21 listing highs in May23. Currently stock is poised to accelerate further and poised for a Cup&Handle continuation pattern breakout
- We expect stock to head towards Rs 1350 being measuring implication of pattern range (1100-840) projected from 1100



Fundamental Outlook

- Tega is one of largest manufacturer globally in the mill liners market in a oligopolistic market (top 5 players control ~50% market share). It new product Dyna prime has found strong acceptance in the global mining market and is further likely to make inroads globally over the next 2-3 years. The composite liner is pitched as a suitable replacement for conventional steel liner. Tega is focused on a vast $900 mn addressable market with very limited competition. In FY23 sales from Dynaprime range accounted for ~25% of revenue and the management expect the growth rate in sales to be ~25%-30% over next five years
- Company plans to spend total capex of ~$30 mn in Chile and other plants by 2025 to enhance manufacturing capacity of which ~$20 mn will be spent on a greenfield expansion in Chile which will be funded with a combination of debt and internal accruals. In March 2023 Tega completed acquisition of MSEL which is now Tega Mcnally Minerals Ltd. (TMML), is one of the India's leading manufacturer of crushing, screening, grinding, material handling and mineral processing equipment's. This acquisition has widened the addressable market of the company beyond consumable products and will help the company to become a comprehensive solution provide

Source: Spider Software, ICICI Direct Research

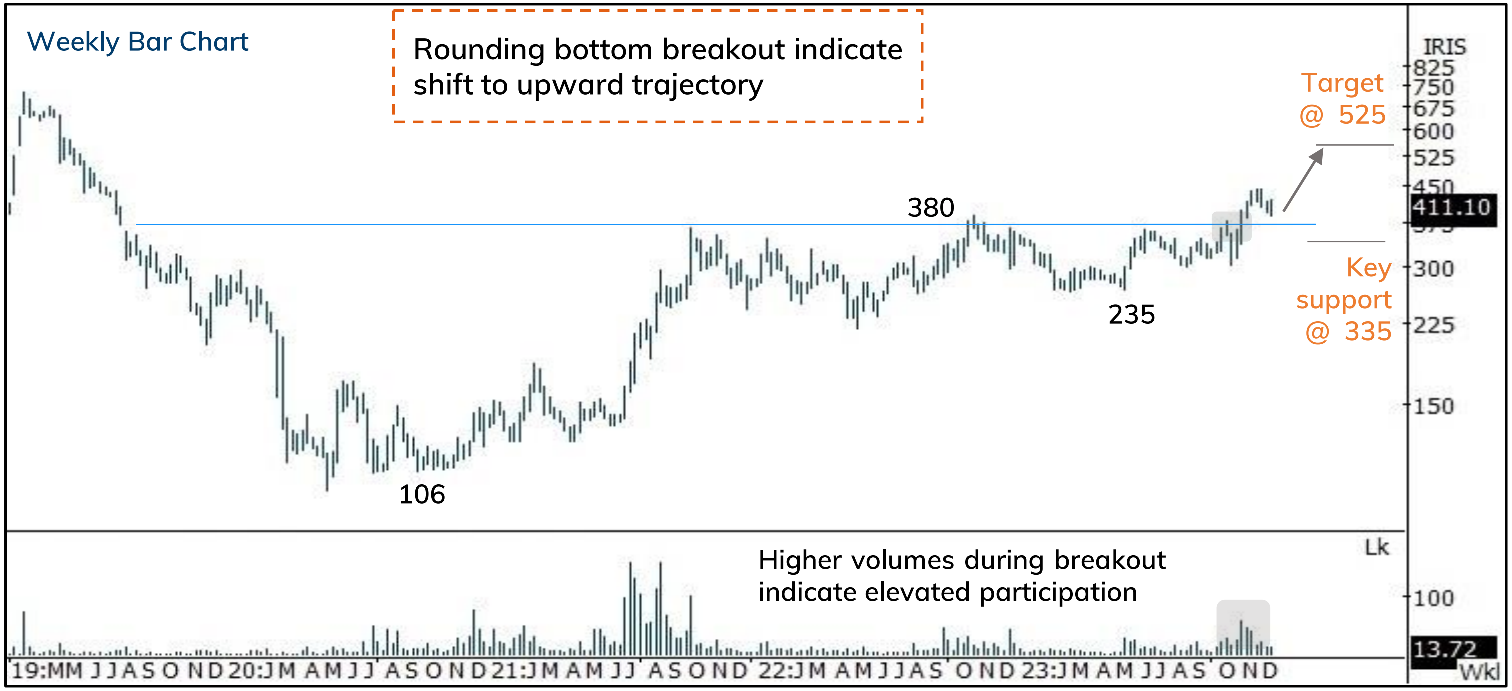
Arvind Fashion(ARVFAS): Laggard to turn leader

Recommended on Iclick-2-gain on 22nd December 2023 at 14:44

Rec. Price	390-420	Target	525	Upside	29%	Time frame	12 Months

Technical Outlook

- The retail sector has been tale of two extremes. While some stocks outperformed others lagged. Significantly. Arvind Fashion which has been under consolidation over past four years, now seems ready to catchup as it breaks out of huge four year rounding bottom formation post last quarter earnings, with strong volumes
- The pattern breakout points towards the beginning of uptrend while risk-reward remains favourable. Further stock is sustaining above key moving averages which are now turning up indicating positive momentum
- Target projection of Rs 525 is basis past two year range (380-235=145) projected from Rs 380



Fundamental Outlook

- Arvind Fashion operates in the branded apparels, beauty & footwear space. It has a portfolio of several owned & licensed global brands across different segments. Brands includes Calvin Klein, Tommy Hilfiger, US Polo Assn, Sephora, Arrow, Aeropostale, etc. The company has strong distribution network with 1249 exclusive brand outlet & more than 3700 key counters. The company discontinued several unprofitable brands with limited long-term potential.
- They also intend to open 150-200 exclusive brand store every year with almost 90% of them through franchisee route to make it an asset light model. They plan to increase the size of its stores for each of the brands by 25%
- The company aims to become debt free in next 2 years on the back of higher cash flows & focus on franchise-based expansion. They plan to grow by 12-15% annually & improve EBITDA margin by 100 bps

Source: Spider Software, ICICI Direct Research

Performance Scorecard

CY23 Performance

Rec. Date	Stock Name	Rec Price	Target	Profit/Loss (%)	Comment
19-Dec-22	Bosch Ltd	17090	22000	26.00	Book profit at 21550
19-Dec-22	Bajaj Electrical	1130	1440	10.00	Book profit at 1243.00
19-Dec-22	Techno Electric & Eng	312	410	20.00	Book profit at 374.00
19-Dec-22	Sundaram Finance	2355	2890	23.00	Book profit at 2870.00
19-Dec-22	Midhani	222	295	34.00	Target hit.Booked at 298.00
19-Dec-22	KEC International	473	598	23.00	Booked at 581
19-Dec-22	Federal Bank	136	168	16.00	Book profit at 158.00
19-Dec-22	Ambuja Cement	545	660	-8.00	Square off at 501.50
19-Dec-22	Larsen& Toubro	2148	2520	19.00	Book profit at 2565

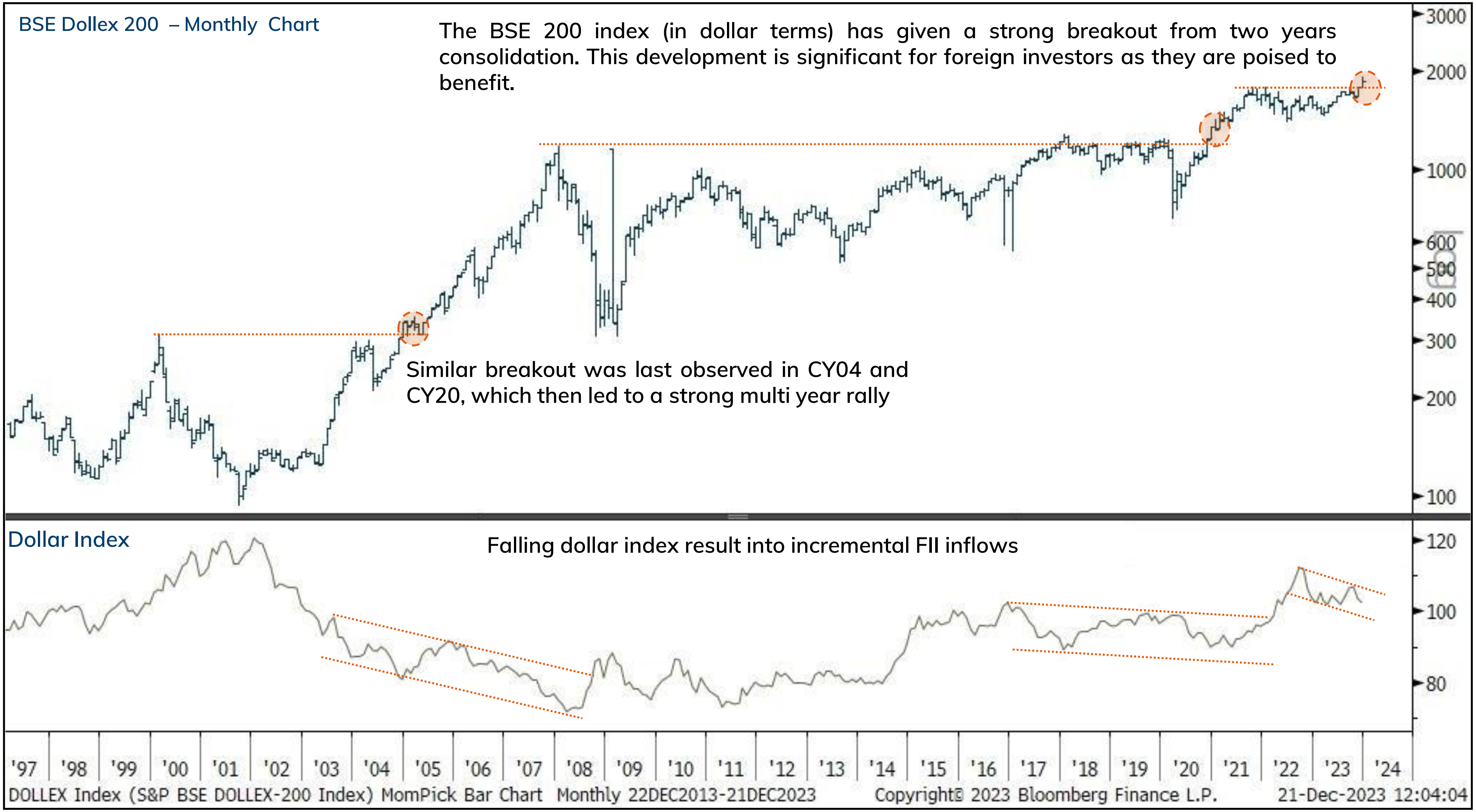
	Yearly Technical Performance Since 2013									
Year	CY23	CY22	CY21	CY20	CY19	CY18	CY17	CY16	CY15	CY14
Avg return on positive recom (in %)	21	22	25	3	18	26	28	25	33	27
Strike Rate	89%	89%	100%	14%	71%	57%	100%	50%	100%	100%
No of Recommendations	9	9	7	7	7	8	8	8	9	9

*Average Strike rate over past 10 years is 78%

Source: ICICI Direct Research

Appendix

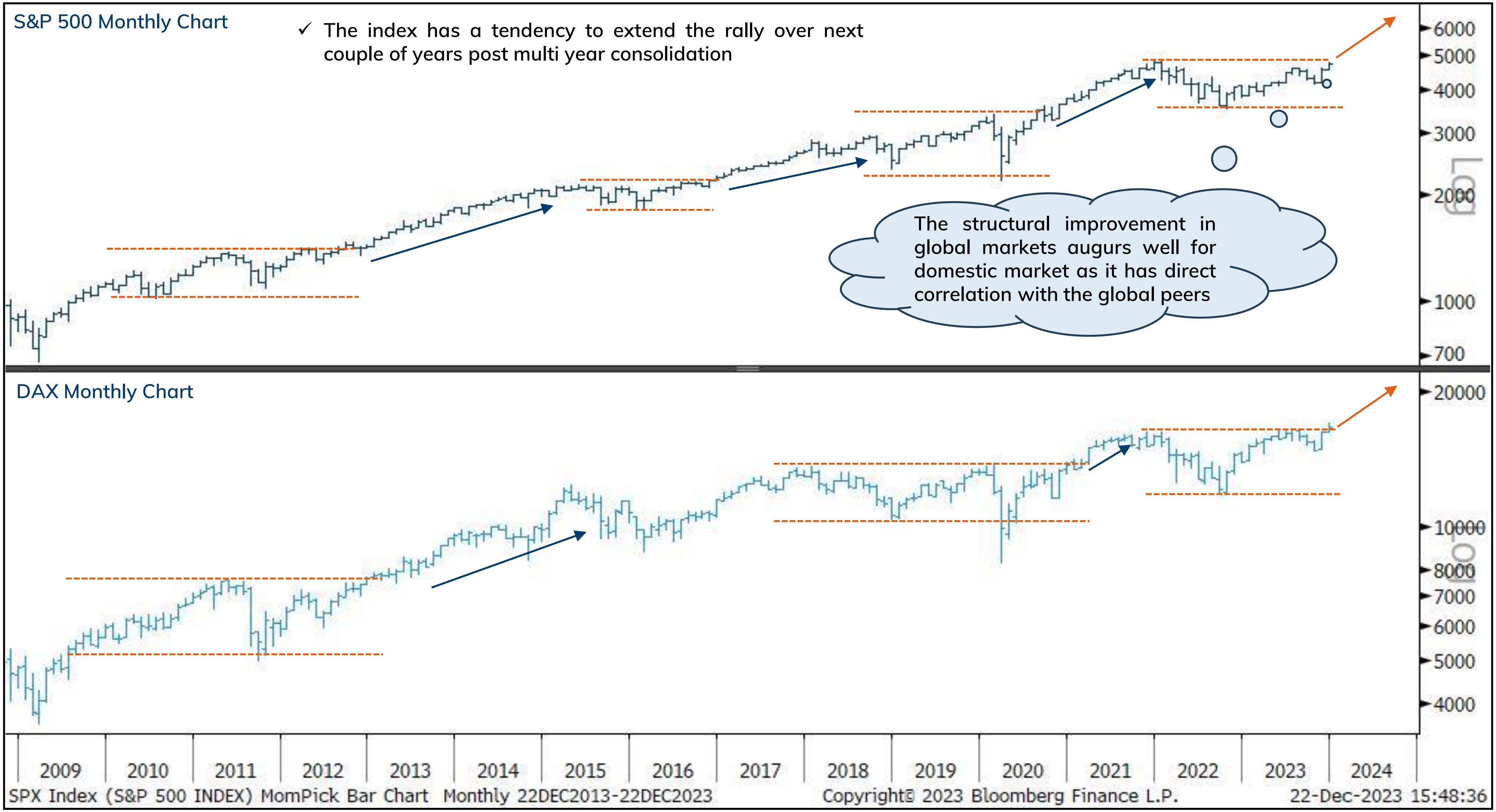
Dollex Breakout = Incremental FII's inflow



December 22, 2023

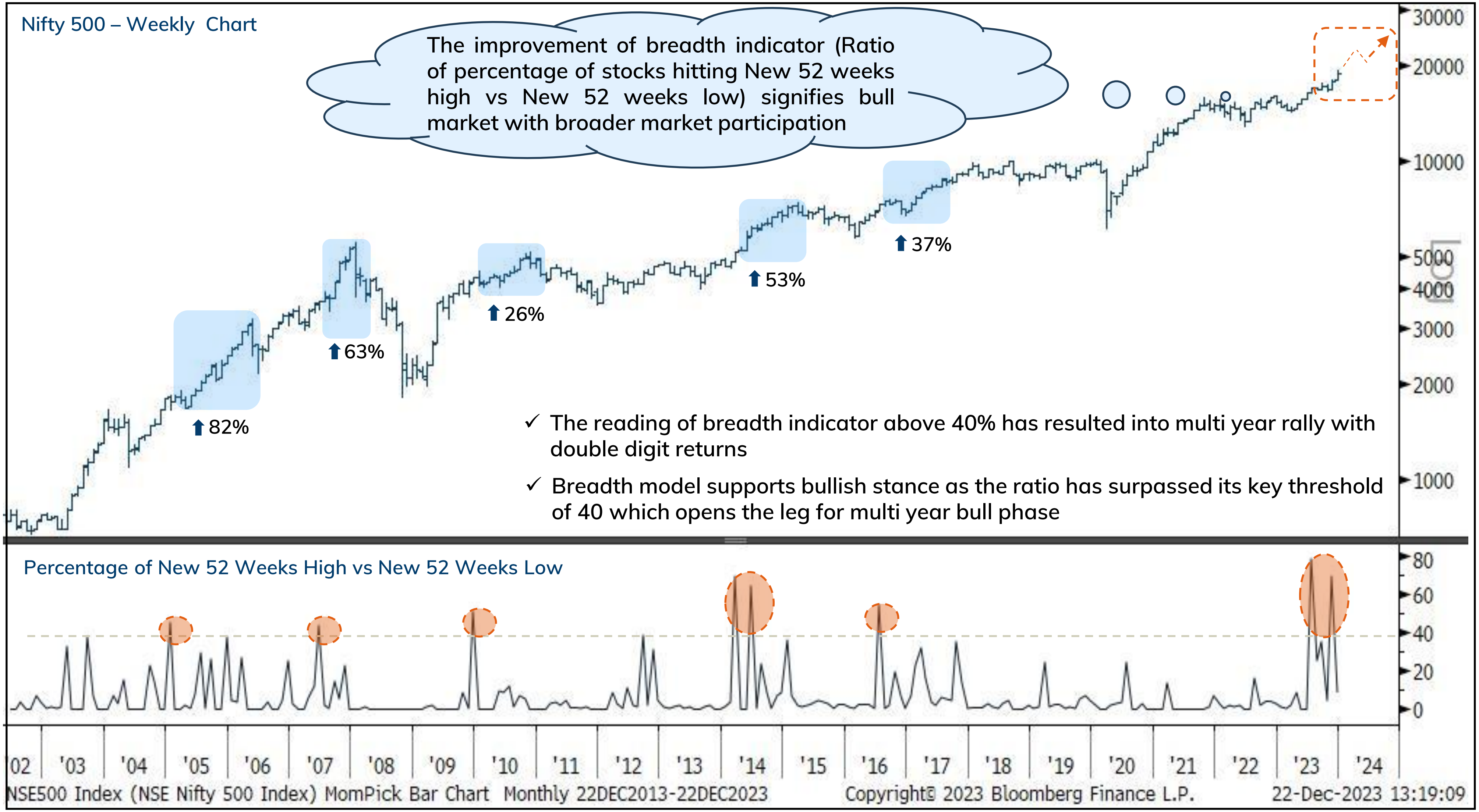
Source: Bloomberg, ICICI Direct Research

Structural improvement in global markets...



Source: SpiderSoftware, ICICI Direct Research

Rare occurrence of market breadth bodes well for durable up move…



Source: Bloomberg, ICICI Direct Research

Election Year: Cyclicals tend to outperform

ICICI direct Research

In each of four election years since CY04, Indian equities delivered positive returns with Nifty gaining minimum 11% (Median: 22%)

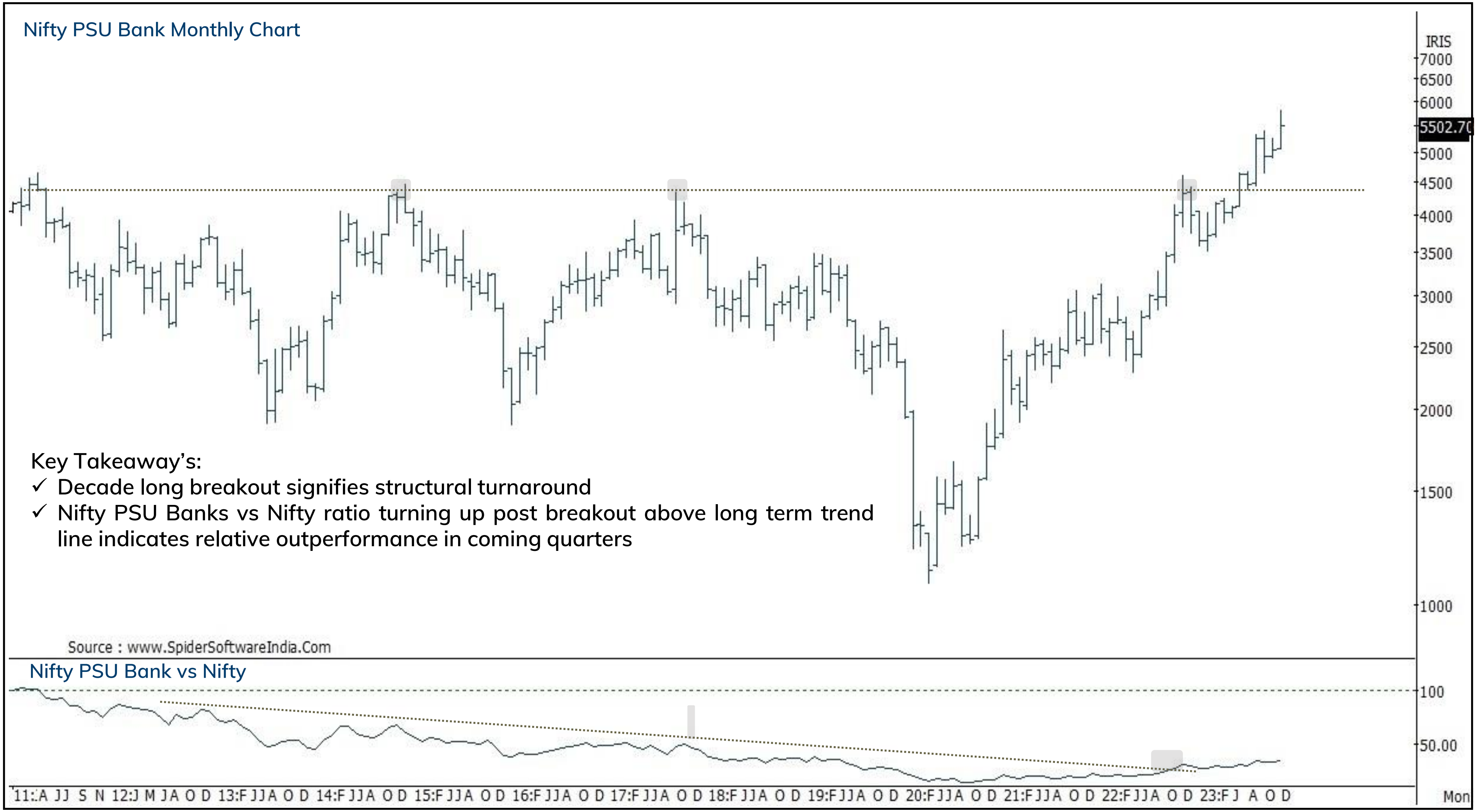
Cyclicals remain in focus:
BFSI, a key heavyweight sector has delivered double digit returns in three out of four election years, while Auto, Power, Construction & Infra have been in limelight on atleast three occasions

Sector's Nature	Sectors	2004		2009		2014		2019	
		5 Months Pre - Election	7 Months Post - Election	5 Months Pre - Election	7 Months Post - Election	5 Months Pre - Election	7 Months Post - Election	5 Months Pre - Election	7 Months Post - Election
Index	Nifty	-8	22	26	43	13	15	5	2
Index	Nifty 500	-6	26	23	53	14	21	7	6
Cyclical	Auto & Components	-12	45	16	120	28	80	-13	1
Cyclical	BFSI	0	46	5	70	20	43	-6	-6
Cyclical	Capital Goods	-12	67	6	89	23	44	-4	-4
Cyclical	Cement	-2	67	10	69	33	53	9	-7
Cyclical	Construction and Infra	-8	63	37	112	38	28	-12	-27
Cyclical	Energy	-11	36	52	58	22	14	2	4
Cyclical	Metals	-25	77	34	123	17	-1	-17	-1
Cyclical	Power	-14	52	37	45	13	16	-11	-10
Defensive	Consumer discretionary	-20	83	-5	106	20	36	-4	7
Defensive	FMCG	-5	51	38	82	7	27	-2	-4
Defensive	IT	-27	55	9	119	8	34	3	-8
Defensive	Pharmaceuticals	1	39	28	89	11	31	-6	6

Among defensives, Consumption, pharma and IT have relatively been steady performers in each of past four election years

Source: Bloomberg, ICICI Direct Research

PSU Bank: Decade long breakout in the offing



Key Takeaway's:

- ✓ Decade long breakout signifies structural turnaround
- ✓ Nifty PSU Banks vs Nifty ratio turning up post breakout above long term trend line indicates relative outperformance in coming quarters

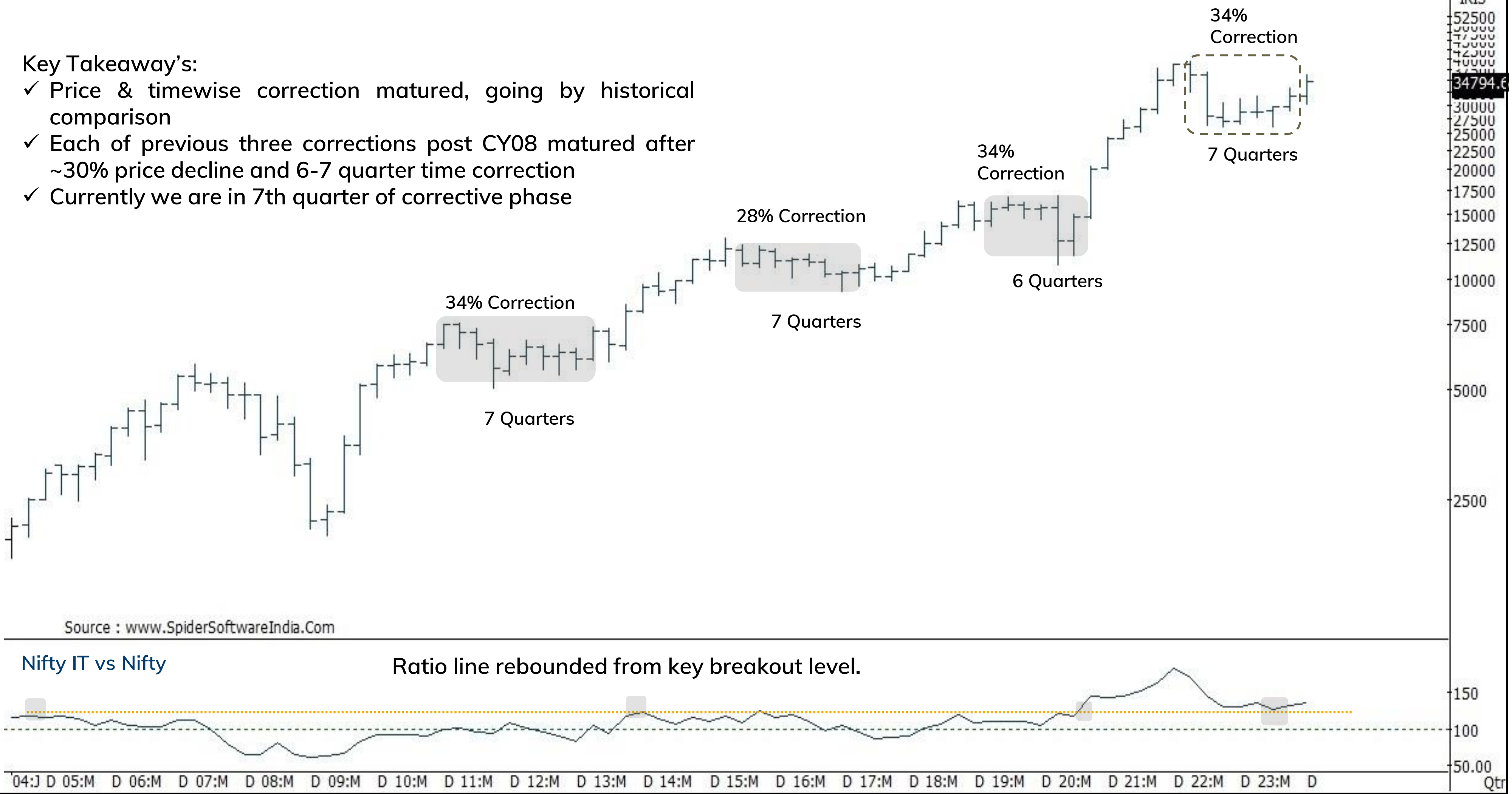
Source: Spider Software, ICICI Direct Research

IT: Ignore the noise, time to buy...

Nifty IT Quarterly Chart

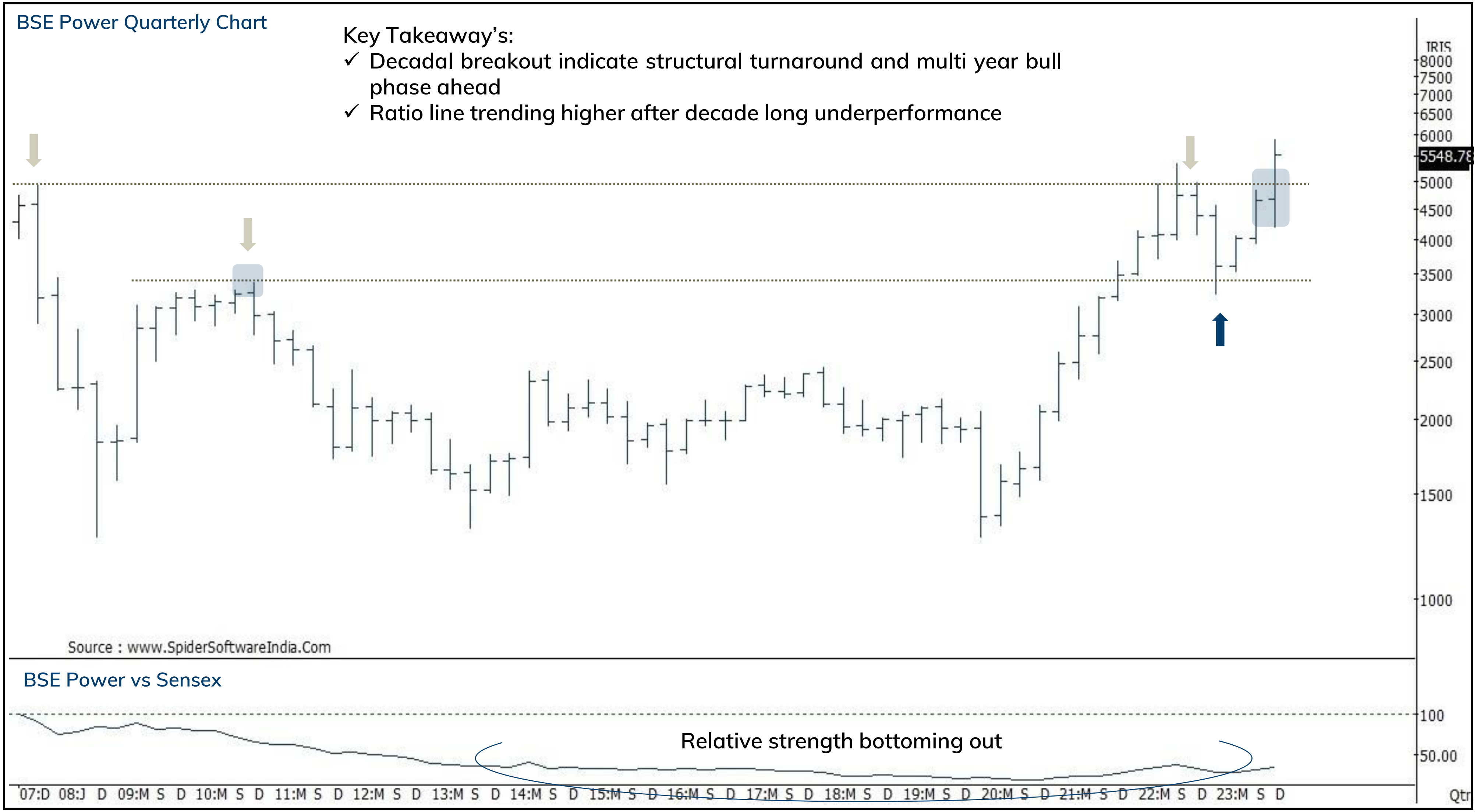
Key Takeaway's:

- ✓ Price & timewise correction matured, going by historical comparison
- ✓ Each of previous three corrections post CY08 matured after ~30% price decline and 6-7 quarter time correction
- ✓ Currently we are in 7th quarter of corrective phase



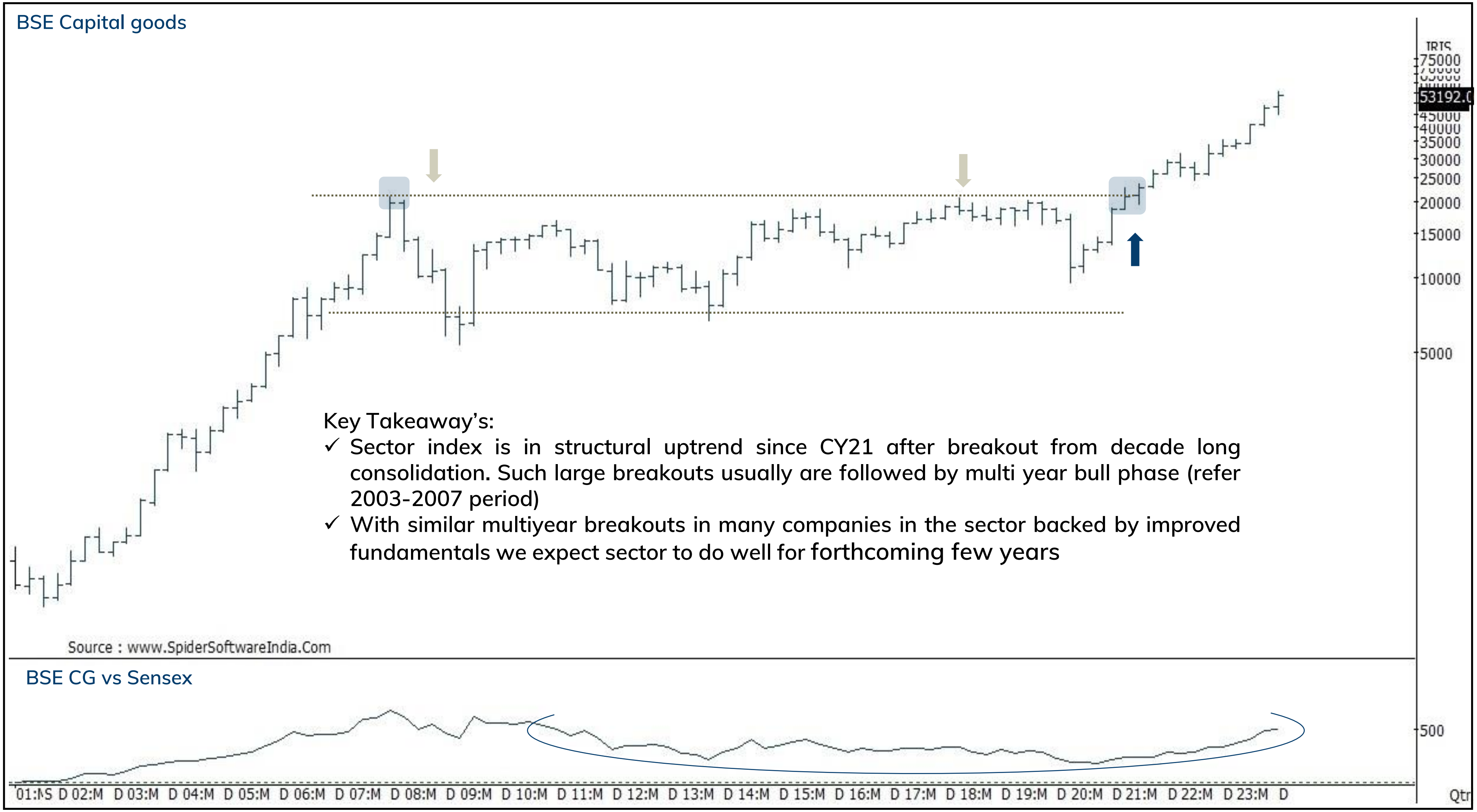
Source: Spider Software, ICICI Direct Research

Power: Energised for structural bull trend



Source: Spider Software, ICICI Direct Research

Capital goods: Multi year bull trend ahead

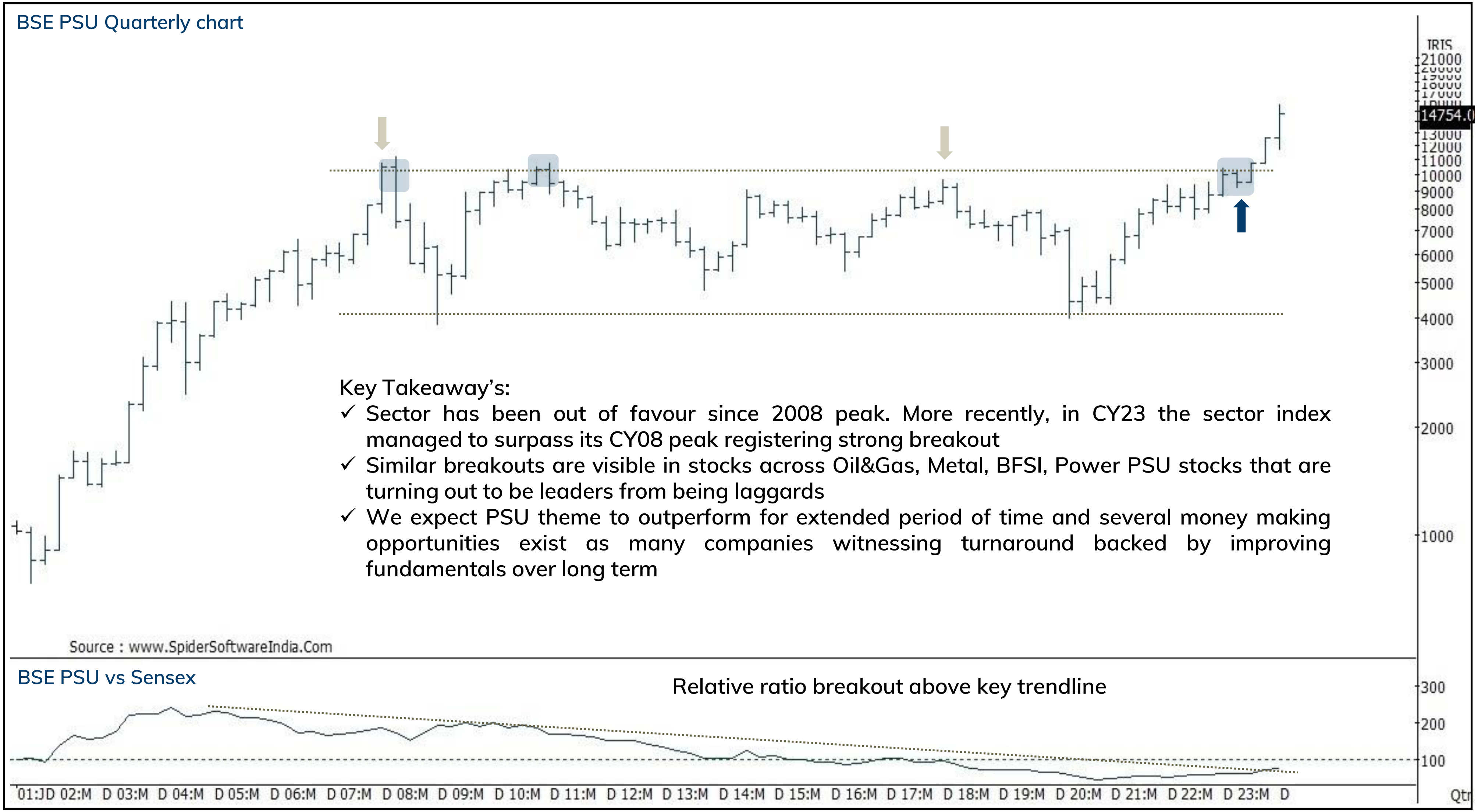


Key Takeaway's:

- ✓ Sector index is in structural uptrend since CY21 after breakout from decade long consolidation. Such large breakouts usually are followed by multi year bull phase (refer 2003-2007 period)
- ✓ With similar multiyear breakouts in many companies in the sector backed by improved fundamentals we expect sector to do well for forthcoming few years

Source: Spider Software, ICICI Direct Research

BSE PSU: Outperformance to accelerate

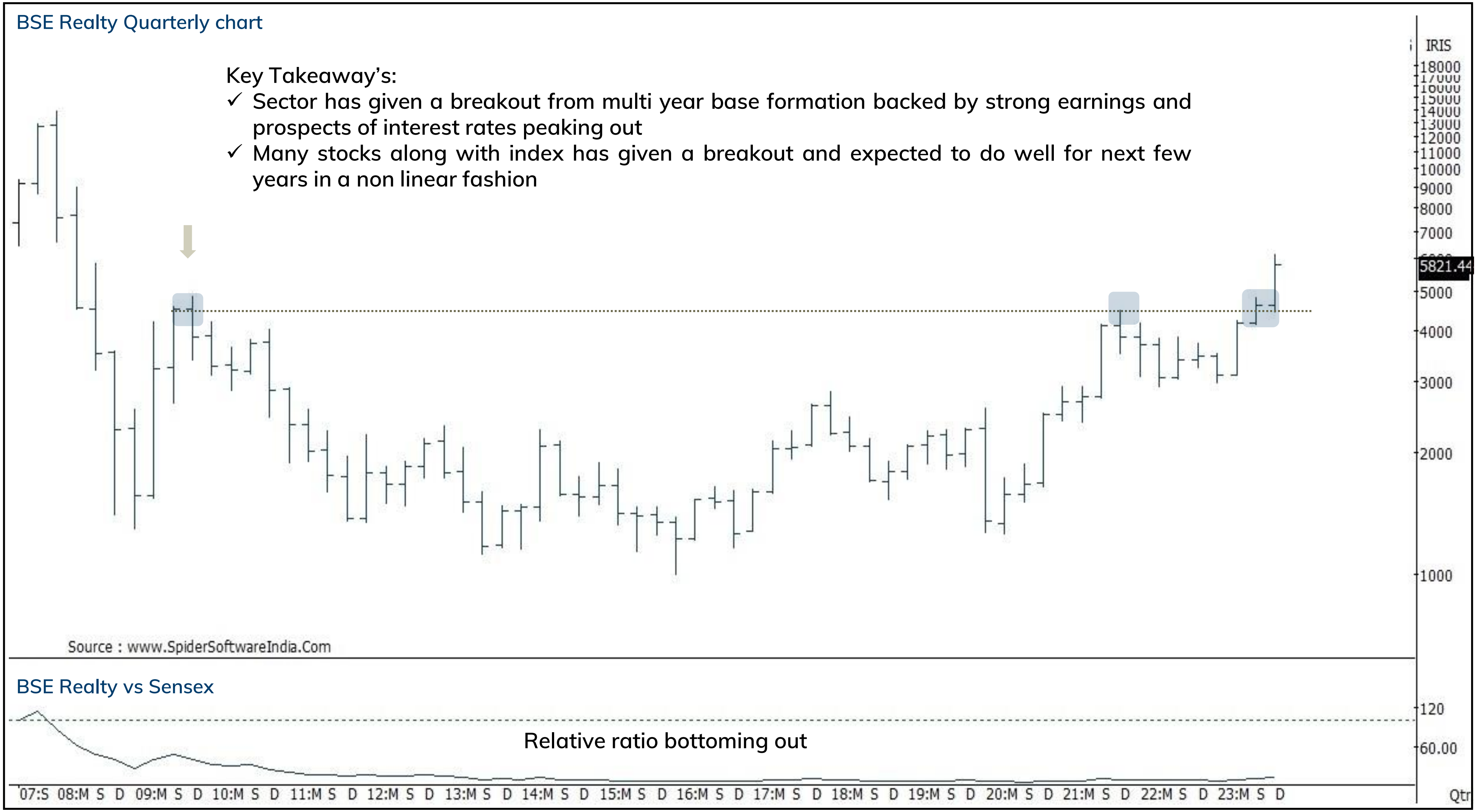


Key Takeaway's:

- ✓ Sector has been out of favour since 2008 peak. More recently, in CY23 the sector index managed to surpass its CY08 peak registering strong breakout
- ✓ Similar breakouts are visible in stocks across Oil&Gas, Metal, BFSI, Power PSU stocks that are turning out to be leaders from being laggards
- ✓ We expect PSU theme to outperform for extended period of time and several money making opportunities exist as many companies witnessing turnaround backed by improving fundamentals over long term

Source: Spider Software, ICICI Direct Research

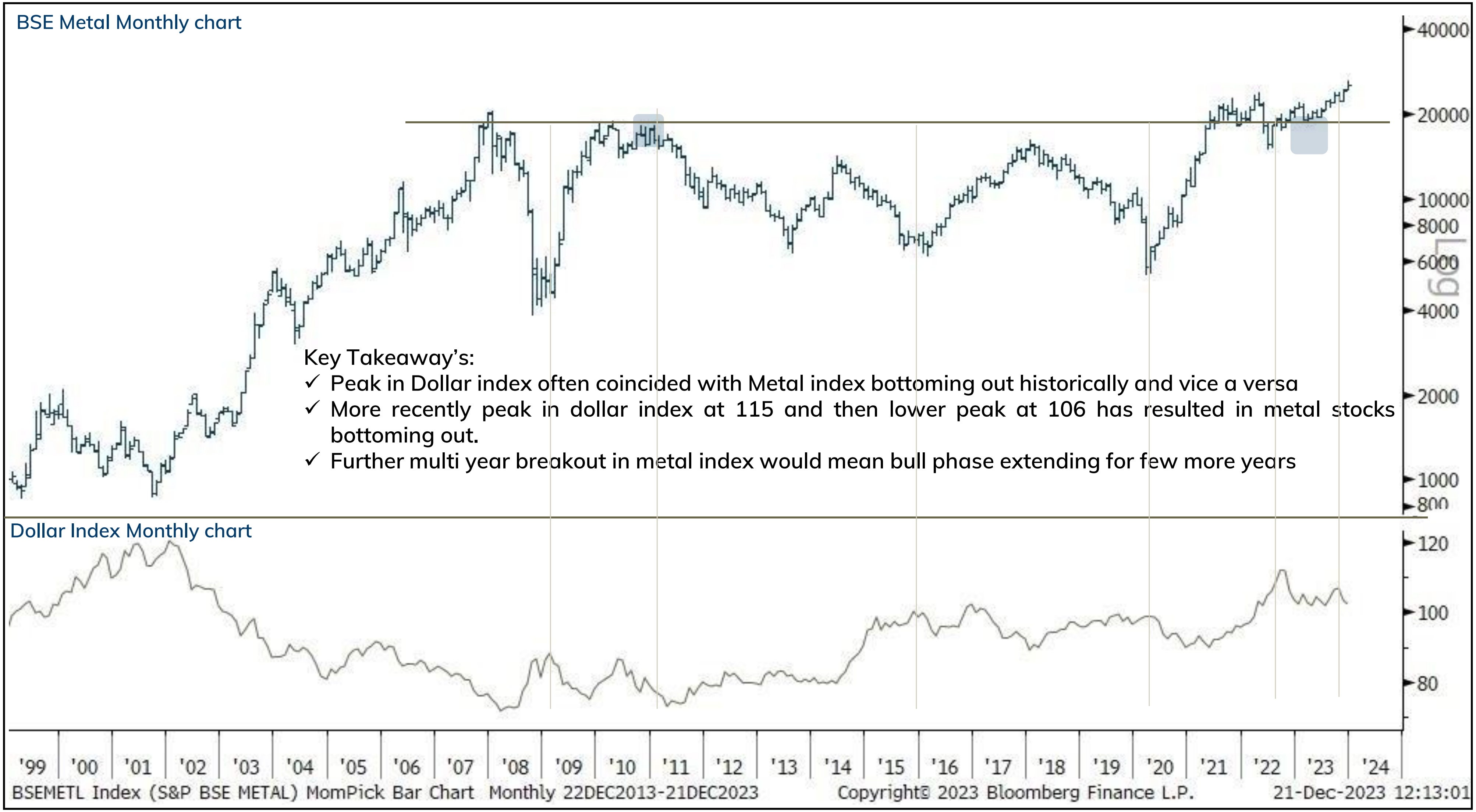
BSE Realty: rising high



Source: Spider Software, ICICI Direct Research

Dollar peaking out, boon for metals

ICICI direct Research



Key Takeaway's:

- ✓ Peak in Dollar index often coincided with Metal index bottoming out historically and vice a versa
- ✓ More recently peak in dollar index at 115 and then lower peak at 106 has resulted in metal stocks bottoming out.
- ✓ Further multi year breakout in metal index would mean bull phase extending for few more years

Source: Spider Software, ICICI Direct Research

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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