

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	18069	17775	18501	17525	17695	17891-18375	Buy only above 18121. Targets at 18351/18501/18888. Stop at 17771.
BANK NIFTY	42661	40990	43651	41035	40707	41501-43351	Buy between 41851-41935 zone. Targets at 43101/44120. Stop at 40870.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
MARUTI SUZUKI	8949	8021	9500	8553	8733	Positive	<b>MARUTI SUZUKI</b> now commands a market capitalization of Rs 258514 cores and is a subsidiary of the Japanese automaker, Suzuki Motor Corporation which holds 56.37% stake and is India's largest domestic passenger vehicle manufacturer and aims to target 2m volumes in FY23 and regain 50% market share. Interestingly, Maruti's market share was mere 38.5% in FY12. Suzuki Motor Corporation (Suzuki) of Japan holds a 56% stake in the company. Maruti Suzuki reported over two-fold increase in sales at 1,76,306 units in September 2022. <b>Simply buy at CMP and on dips between 8400-8500 zone, targeting 9500 and then at 10000 mark. Aggressive targets placed at 10750 mark. Stop below 8021. Holding Period: 9-12 Months.</b>

CMP	8949
Target Price	9500
52 Week H/L	97697062
P/E	32.92
EPS	271.82
P/BV	4.89
Book Value	1831.75
Market Cap (in crores)	2,70,320

Daily Chart of MARUTI :



#### MARUTI SUZUKI: (CMP 8949)

Incorporated in the year 1981, **Maruti Suzuki (MSIL)** now commands a market capitalization of Rs 269671 cores and is a subsidiary of the Japanese automaker, Suzuki Motor Corporation which holds 56.37% stake and is India's largest domestic passenger vehicle manufacturer and aims to target 2m volumes in FY23 and regain 50% market share. Interestingly, Maruti's market share was mere 38.5% in FY12. Popular models include Alto, WagonR, Swift, Brezza, Baleno, Ertiga, etc., among others. Interestingly, Maruti's market share was mere 38.5% in FY12.

- # Suzuki Motor Corporation (Suzuki) of Japan holds a 56% stake in the company.
- # MSIL's net sales grew 21% y-o-y at Rs 30,822 crore, aiding a 20% jump in the revenue from operations at Rs 32,048 crore in the January-March period.
- # MSIL sold a total of 514,927 vehicles during the quarter, higher by 5.3 percent compared to the same period previous year
- # MSIL's standalone net profit jumped 43% year-on-year (YoY) to Rs 2,624 crore for the fourth quarter ended March 2023. It was Rs 1,839 crore in the same period last year.
- # The average selling price (ASP) of Maruti's vehicles increased 15% y-o-y at Rs 5,98,566 in Q4 FY23 from Rs 5,21,940 in Q4 FY22. It was Rs 5,97,736 in Q3 FY23 and Rs 5,51,667 in Q2 FY23.
- # MSIL has addressed previous chip shortage and higher commodity prices issues as the company recorded its highest-ever annual sales volume. The annual turnover of the company surpassed Rs 1,00,000 crore mark.
- # At present, Maruti has an annual installed production capacity of 800,000 units at its Manesar plant and 700,000 units at its Gurugram plant. Suzuki Motor Gujarat (SMG) plant has a capacity of 750,000 units. In April 2022, Maruti approved the expansion of capacity at its Manesar plant by 100,000 units and this would be completed by April 2024 with an investment of Rs 161 crore.
- # We believe Maruti is well poised to capitalize on the PV industry turnaround in the Indian market as has the widest product range in passenger cars in India and enjoys success in the executive segment like, Ciaz and Brezza. New launches expected to have boost market share are Jimny, Wagon R electric, XL 5, Swift Hybrid, Grand Vitara, Celerio 2021.
- # MSIL's order book currently stands at about 4.12 lakh units, up from 3.63 lakh units in the third quarter of FY23. CNG models make up a third of MSIL's total pending order book.
- # In the order book, the bulk of the orders are for the bigger cars. The management is of the view that the rise in ASP is led by a higher share of SUVs. Also, at the moment, discount offered is lower in premium cars while demand-pull for small cars is lesser than for big cars.
- # With low inventory and a large order book, we expect Maruti Suzuki to come back strongly in terms of profitability along with volume recovery – especially, with numerous launches lined up over the next few years:

Technically, brace yourselves for a major 'higher consolidation' breakout play on monthly charts. An impulse uptrend quite likely with positive SAR series, major confirmation above its October 2022 highs at 9769 mark.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 8733 zone. The stock price has just pierced the level of Rs. 8733 zone and moving above the congestion zone – indicating an opportunity to initiate aggressive long positions.

**Simply buy (CMP 8949) and on dips between 8400-8500 zone, targeting 9500 and then at 10000 mark. Aggressive targets placed at 10750 mark. Stop below 8021. Holding Period: 9-12 Months.**

## Mehta Equities

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