

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	18315	18055	18888	17580	17750	18125-18692	Buy at CMP. Targets at 18501/18888/19001. Stop at 18001.
BANK NIFTY	43794	42201	45101	41327	40919	42571-44351	Buy at CMP. Targets at 44153/45101/45651. Stop at 41951.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
EICHER MOTORS	3626	3101	3751	3143	3313	Positive	<b>Eicher Motors</b> owns the iconic Royal Enfield brand and also has a joint venture with AB Volvo – Volvo Eicher Commercial Vehicles (VECV). Eicher Motors Q4 earnings beat street estimates, as its consolidated net profit rose by 48% to INR905 crore, while revenue from operations increased by 19% YoY to INR3,804 crore - the firm's highest-ever revenue and fifth consecutive quarter of record. <b>Establish buy position at CMP, and on dips between 3300-3350, targeting 3751/3890 mark and then at 4000 mark. Stop below 3101. Holding Period: 1-3 Months. Aggressive 1-year targets are placed at 4500 mark</b>

CMP	3626
Target Price	3751
52 Week H/L	3889.65/2332.15
P/E	37.87
EPS	95.75
P/BV	8.67
Book Value	418.31
Market Cap (in crores)	99,173

Daily Chart of EICHER :



#### EICHER MOTORS: (CMP 3626)

**Eicher Motors** owns the iconic Royal Enfield brand and also has a joint venture with AB Volvo – Volvo Eicher Commercial Vehicles (VECV). Eicher Motors Q4 earnings beat street estimates, as its consolidated net profit rose by 48% to INR905 crore, while revenue from operations increased by 19% YoY to INR3,804 crore - the firm's highest-ever revenue and fifth consecutive quarter of record

Incorporated in the year 1982, Eicher Motors is an Indian multinational company that manufactures commercial vehicles, motorcycles, and automotive components.

Eicher Motors is primarily known for its commercial vehicles division, which operates under the brand name "Eicher Trucks and Buses." The company also owns the Royal Enfield motorcycle brand, which is one of the oldest motorcycle brands in the world and is well-known for its retro-styled bikes.

So, Eicher Motors owns the iconic Royal Enfield brand and also has a joint venture with AB Volvo – Volvo Eicher Commercial Vehicles (VECV). Eicher Motors is a significant player in the Indian automobile industry and has a growing presence in international markets as well.

Eicher Motors Q4 earnings beat street estimates, as its consolidated net profit rose by 48% to INR905 crore, while revenue from operations increased by 19% YoY to INR3,804 crore - the firm's highest-ever revenue and fifth consecutive quarter of record.

During the quarter, Royal Enfield recorded sales of 214,685 motorcycles, up 17.9% from 182,125 motorcycles sold during the same period in FY 2021-22. The positive takeaway is that domestic demand for RE is quite resilient, supported by new strong line-up of launches for FY24. The newly launched Hunter 350 has already crossed the 1 lakh sales milestone and a majority of the buyers were non-Royal Enfield intenders, including women bikers.

VE Commercial Vehicles Ltd. (A Volvo Group and Eicher Motors joint venture) recorded sales of 6567 units in April 2023 as compared to 5525 units in April 2022 recording a growth of 18.9%. The firm expects double-digit growth in FY24 for the CV industry, driven by a) higher infrastructure spend, b) replacement demand (for >6 years old).

The company plans a capex of INR10b in FY24 for new products in ICE and EVs, as well as toward establishing EV manufacturing facilities. For EVs, focus is on creating disruptive product and developing a supply eco-system. It has put in place a strong capable team and investing in all enabling areas.

Technically, brace yourselves for a breakout play on the weekly and monthly time frames. The recent sequence of higher high/low is intact on daily time-frames. An impulse uptrend is seen forming on the monthly time scale too, with positive SAR series.

Add to that a bullish divergence and a rising stochastic signal (on daily 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 3313 zone. The level of 3313-3350 zone will act as a strong support zone and any sharp panic declines to these levels offer opportunities to initiate aggressive long positions.

**Establish buy position at CMP, and on dips between 3300-3350, targeting 3751/3890 mark and then at 4000 mark. Stop below 3101. Holding Period: 1-3 Months. Aggressive 1-year targets are placed at 4500 mark.**

### Mehta Equities

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