

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	19646	19303	19992	19011	18167	19475-19901	Buy only above 19901. Targets at 20251/20561. Stop at 19651.
BANK NIFTY	45468	44777	47001	44531	42444	45351-46551	Buy only above 46001. Targets at 46551/47001/47551. Stop at 44561.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
EICHER MOTORS	3355	3021	3507	3493	3347	Positive	Incorporated in 1982, Eicher Motors Limited is a leading player of the Indian automobile industry. Eicher Motors owns the iconic Royal Enfield brand and also has a joint venture with AB Volvo – Volvo Eicher Commercial Vehicles (VECV). The positive catalyst for Eicher Motors continues to be volume growth led by multiple new launches, including the Hunter 350 and Super Meteor 650. Eicher Motors intends to invest over Rs 1,000 crore in FY24. Establish buy position at CMP, and on dips between 3100-3150, targeting 3507/3751 mark and then at 4000 mark. Stop below 3021. Holding Period: 5-8 Months. Aggressive 15-months targets are placed at 4250 mark

CMP	3355
Target Price	3507
52 Week H/L	3889.65/2836
P/E	35.01
EPS	95.83
ROE	15.57%
Book Value	470.91
Market Cap (INR)	91817.89 crores

Daily Chart of EICHER MOTORS :



BUY EICHER MOTORS (CMP 3355): Targets at 3750.

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.

Meanwhile, Eicher Motors Q4 earnings did 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 daily and weekly time frames. The recent sequence of higher high/low is intact on intraday/daily time-frames after the stock tanked hard in the 1st week of July 2023. An impulse bargain hunting uptrend is seen forming on the daily time scale, 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 3303 zone. The level of 3303-3325 zone will act as a strong support zone and offer opportunities to initiate aggressive long positions.

Establish buy position at CMP, and on dips between 3100-3150, targeting 3507/3751 mark and then at 4000 mark. Stop below 3021. Holding Period: 5-8 Months. Aggressive 15-months targets are placed at 4250 mark.

Mehta Equities

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