

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	21854	21407	22127	21246	19673	21565-22201	Buy between 21754-21775 zone. Targets 22131/22351/22551. Stop at 21491.
BANK NIFTY	45971	44351	47451	46653	44810	44901-46444	Buy at CMP. Targets at 46651/47451 /48651. Stop at 44275.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
InterGlobe Aviation Ltd. (IndiGo)	3127	2577	4000	2918	2560	Positive	InterGlobe Aviation Ltd. (IndiGo) is India's largest and amongst the fastest growing airlines in the world with fleet of over 358 aircraft, IndiGo operates well over 2,016 daily flights, connecting over 110+ destinations (of which 32 international), welcoming 85+ million customers on board last year. The positive takeaway is that IndiGo has an industry leading on-time performance and one of the highest customers NPS in the Indian market and most importantly, the airline amidst its market leadership position has the ability to leverage its network, cost efficient fleet, and healthy cash position. Healthy passenger volume, robust ticket prices, and moderation in ATF prices despite geopolitical tensions in middle east/an ease in fuel prices shall continue to support earnings momentum in the medium term. Simply buy at CMP, and on dips between 2750-2800 zone, targeting 3300/3505 mark and then aggressive targets at psychological 4000 mark. Stop at 2521. Holding Period: 12-15 months.

BUY InterGlobe Aviation Ltd. (IndiGo) at CMP 3127. Target 4000

CMP	3127
Target Price	4000
52 Week H/L	3150/1810.45
P/E	16.8
EPS (TTM)	186.29
Promoter Holding/DIIs/FIIs	63.12/18.70/14.65
Book Value -	77.5
Market Cap (INR)	120699 crores

Daily Chart of InterGlobe Aviation Ltd. (IndiGo) :



InterGlobe Aviation Ltd. (IndiGo) is India's largest and most preferred passenger airline and amongst the fastest growing airlines in the world with fleet of over 358 aircraft, IndiGo operates well over 2,016 daily flights, connecting over 110+ destinations (of which 32 international), welcoming 85+ million customers on board last year.

The positive takeaway is that IndiGo has an industry leading on-time performance and one of the highest customers NPS in the Indian market and most importantly, the airline amidst its market leadership position has the ability to leverage its network, cost efficient fleet, and healthy cash position. Healthy passenger volume, robust ticket prices, and moderation in ATF prices despite geopolitical tensions in middle east/an ease in fuel prices shall continue to support earnings momentum in the medium term.

Interestingly, IndiGo is looking forward to extend its scope, by spreading wings internationally, developing from a domestic carrier to a global aviation giant.

IndiGo managed to surpass market expectations with its Q3FY2024 results as it posted an 111% jump in net profit, helped led by continued demand for air travel and a fuel surcharge introduced in October. Net profit came in at Rs 2,998.12 crore against Rs 1,422.6 crore in the year-ago, Revenue surged 30 percent to Rs 19,452.15 crore.

The airline carried 243.10 lakh passengers, commanding a market share of 62.1% during the quarter. In the year-ago period, IndiGo carried 199.70 lakh passengers commanding a market share of 55.7%.

The point of concern is the company's total debt which rose 15.1% on-year to Rs 51,187.5 crore in the December quarter, while total cash rose by 47.9% to Rs 32,428 crore including free cash of Rs 19,199.6 crore.

"IndiGo had a total cash balance of Rs 324,280 million comprising Rs 191,996 million of free cash and Rs 132,285 million of restricted cash. The capitalised operating lease liability was Rs 445,565 million. The total debt (including the capitalised operating lease liability) was Rs 511,875 million,"

Technically, brace yourselves with the sequence of a higher high/low formation on the daily/weekly and monthly time frames + a classic Flag pattern breakout pattern which indicates the uptrend seems quite sustainable. The price is seen comfortably trading above its 21, 50 and 200-day moving average and most importantly is just signalling a massive breakout on the daily/weekly charts. The general rule is if a stock is trading above its 200-DMA, the trend is largely upward. An impulse uptrend is seen forming on the daily/weekly 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 signalling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 2560-2575 zone. The level of 2560-2575 zone will act as a strong support zone.

Simply buy at CMP, and on dips between 2750-2800 zone, targeting 3300/3505 mark and then aggressive targets at psychological 4000 mark. Stop at 2521. Holding Period: 12-15 months.

Mehta Equities

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102