

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	17859	17421	18267	18303	17258	17525-18201	Sell only below 17721. Targets at 17565/17421/16931. Stop at 18151.
BANK NIFTY	42189	40819	43137	42641	38308	41251-42901	Sell at CMP. Targets at 40819/40351/39675. Stop at 43141.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
ASHOK LEYLAND	148	118	157	146	142	Positive	Ashok Leyland (AL) is the second-largest Commercial Vehicle (CV) manufacturer in India. The firm has a strong presence in the truck segment with a market share of 29% as of FY22 and now commands a market cap of Rs 42,104 Crore. We remain bullish on Ashok Leyland amidst recent softening in metal prices, firms' new launches, gaining on market share (Avtar, Bada Dost, Partner) and most importantly, on expectation of improvement in core economic activities, higher influx of infra projects, especially, the Govt. reform action to support growth momentum. Look to buy at CMP, and on any corrective dips between 125-130 zone, targeting 157/171 zone and then aggressive bigger 9-12 months targets at 200 mark. Stop at 118.

CMP	148
Target Price	157
52 Week H/L	169.45/93.20
P/E	227.91
EPS	0.85
P/BV	5.08
Book Value	29.12
Market Cap (in ₹ crores)	43,381

Daily Chart of BALRAMPUR CHINI :



Incorporated in 1948, **Ashok Leyland (AL)** is the flagship company of the Hinduja group and the second-largest Commercial Vehicle (CV) manufacturer in India. The firm has a strong presence in the truck segment with a market share of 29% as of FY22 and now commands a market cap of Rs 42,105 Crore.

We remain bullish on Ashok Leyland amidst recent softening in metal prices, firms' new launches, gaining on market share (Avtar, Bada Dost, Partner) and most importantly, on expectation of improvement in core economic activities, higher influx of infra projects, especially, the Govt. reform action to support growth momentum, a 24% CAGR in volume growth over FY22-24E quite likely. Also, helping growth dynamics in near and in long term are reports of AL's robust capex plan in Electric vehicle under the UK Subsidiary 'Switch' and to use India as export hub. Also note, with covid pandemic almost behind, the overall CV, bus, CNG and tipper segments demand should shoot up from hereon.

The appointment of Shenu Agarwal as Ashok Lelyand's new managing director and CFO is also seen as big positive catalyst. Mr. Agarwal is likely to drive the technology development, growth, and future strategy for the company towards achieving its vision to be among the top 10 Commercial Vehicle players globally.

Ashok Leyland Q2 FY23 Highlights (YoY)

- # Revenue rose 73% to Rs 9,600 crore.
- # Operating profit rose 77% to Rs 1,020 crore.
- # Operating margin stood at 10.6% versus 10.4% last year.

The company's total sales rose 64.5% to 45,295 units over the quarter, as the government's focus on infrastructure development and a revival in replacement demand for commercial vehicles continued to improve sales.

Technically, brace yourselves for a major breakout play from a probable classic 'flag pattern' breakout on the monthly charts. An impulse uptrend is seen forming on the quarterly time scale, with positive SAR series, with recent sequence of higher high/low intact on long term-time frames.

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 142 zone. The level of Rs 140-142.50 zone will act as a strong support zone and should be used as an opportunity to initiate aggressive long positions.

Look to buy at CMP, and on any corrective dips between 125-130 zone, targeting 157/171 zone and then aggressive bigger 9-12 months targets at 200 mark. Stop at 118.

Mehta Equities

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