

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	20192	19951	20500	19588	18449	19965-20475	Buy at CMP. Targets at 20475/20751/21000. Stop at 19881.
BANK NIFTY	46232	44751	47351	44938	43048	44951-47351	Buy at CMP. Targets at 47351/48001/48451. Stop at 44751.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
EICHER MOTORS	3427	3021	3537	3349	3313	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 3150-3200, targeting 3537/3751 mark and then at 4000 mark. Stop below 3021. Holding Period: 5-8 Months. Aggressive 15-months targets are placed at 4250 mark.

CMP	3427
Target Price	3537
52 Week H/L	3889.65/2836
P/E	31.74
EPS	107.99
ROE	22.24%
Book Value	502.01
Market Cap (INR)	93,819.41 crores

Daily Chart of EICHER MOTORS :



BUY EICHER MOTORS (CMP 3427): 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.

Eicher Motors is known for its unwavering commitment to quality, innovation, and global expansion. The company's advanced manufacturing facilities adhere to international safety and emission standards. With a customer-centric approach and a passion for creating vehicles that inspire adventure, Eicher Motors remains a leader in India's automotive industry, symbolizing heritage, style, and open-road freedom through its iconic Royal Enfield brand.

Meanwhile, Eicher Motors Q1 earnings did beat street estimates as revenue increased by 17.3% YoY in 1QFY24, to INR 3,986.37cr as compared to INR 3,397.46cr in the corresponding quarter last year, driven by higher volume growth. EBITDA for the quarter stood at INR 1,021cr, doubling as compared to the last year (INR 831cr), 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.

In 1Q FY24 the market share for Royal Enfield in >125CC segment stood at 32.9% slightly lower as compared to the previous quarter of 33.5%. In the overall domestic motorcycle market the share stood at 8.2% at the end of the quarter as compared to 7.8% at the end of FY23

Management continues to expand its domestic network and has added 10 dealerships during the quarter taking the total count to 1,090 stores at the end of 1Q FY24.

The company has some new products in its pipeline and has a dedicated team of ~ 400 working on building a strong product pipeline. The company launched the new Bullet 350 on 1st September.

Changing economic conditions and favorable changing customers will support the increased volume growth even more.

Technically, brace yourselves for a rebound play on the daily and weekly time frames. The recent sequence of higher high/low is intact in monthly 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 3313 zone. The level of 3313-3325 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 3150-3200, targeting 3537/3751 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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