

## Maruti Suzuki India Ltd.

### BUY

<b>CMP</b>	Rs. 9004
<b>Target Price</b>	Rs. 10500
<b>Time Frame</b>	9-12 months
<b>Risk</b>	Low
<b>Sector</b>	Automobile.



### Price & Volume Analysis

% Change from previous Day	<b>2.73%</b>
% Change from previous Month	<b>2.00%</b>
52 Week High	<b>9450</b>
52 Week Low	<b>8597</b>
Weekly H/L	<b>8597/9015</b>
Deliverable	<b>23.86%</b>
Book Value / Share	<b>1790</b>
EPS	<b>143.61</b>
Market Cap (Rs. CR)	<b>2,72,006</b>

Incorporated in the year 1981, Maruti Suzuki now commands a market capitalization of INR 272006 cores and is a subsidiary of the Japanese automaker, Suzuki Motor Corporation which holds 56.37% stake and is India's largest domestic passenger vehicle manufacturer and aims to target 2m volumes in FY23 and regain 50% market share. Interestingly, Maruti's market share was mere 38.5% in FY12.

### Momentum Analysis

RSI (14, E9) Monthly	<b>62</b>
Smoothed RSI	<b>65.5</b>
Stochastic oscillator monthly (1,3,3)	<b>63</b>

The technical landscape of momentum oscillators is enticing as the 14-period RSI witnessed a positive reverse divergence when the prices were making higher lows suggesting a strength in up-move. The technical indicators head north almost vertically. Stochastics also gave a positive crossover after reversing from the Triple bottom levels.

### Support & Resistance Analysis

Support 1	<b>8301</b>
Support 2	<b>7351</b>
Resistance 1	<b>9997</b>
Resistance 2	<b>11001</b>

A classic breakout from a massive from a higher consolidation zone on the weekly and monthly charts with the recent sequence of higher high/low intact on all time frames.

The bullish takeaway is that Maruti Suzuki is signaling a massive breakout from a 6-year higher consolidation on the yearly charts. The clear bullish momentum on the monthly charts hints at a bullish breakout with aggressive targets 10500 mark.

### Trend Analysis

Moving Average - 50 Days	<b>8255</b>
Moving Average - 200 Days	<b>8267</b>
ADX (14d)	<b>12.94</b>
Bollinger Band Weekly	<b>461/325</b>
MACD Weekly	<b>-12</b>

The positive takeaway is that Maruti Suzuki is consistently taking supports at its 200-DMA and regathering momentum. The bounce is now resulting into a massive rebound on the upside on the monthly/weekly charts. ADX indicator too suggesting robust positive bias.

### CONCLUSION

The key positive catalyst in favor of Maruti Suzuki is its robust business profile with stable and healthy operating margins. Suzuki Motor Corporation (Suzuki) of Japan holds a 56% stake in the company.

- Maruti Suzuki reported over two-fold increase in sales at 1,76,306 units in September 2022. In the year-ago period, the company managed to dispatch only 86,380 units due to a massive shortage of electronic components.
- We believe Maruti is well poised to capitalize on the PV industry turnaround in the Indian market as has the widest product range in passenger cars in India and enjoys success in the executive segment like, Ciaz and Brezza. New launches expected to have boost market share are Jimny, Wagon R electric, XL 5, Swift Hybrid, Grand Vitara, Celerio 2021.
- With low inventory and a large order book, we expect Maruti Suzuki to come back strongly in terms of profitability along with volume recovery – especially, with numerous launches lined up over the next few years.

Simply buy at CMP 8820 and on dips between 8300-8400 zone, targeting 9500 and then at 10000 mark. Stop at 8100.

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Accumulate: 5% to 20% within the next 12 Months Sell : < -20% within the next 12 Months**

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