

WEEKLY COMPASS

Weekly Alerts You Can Use!

CORPORATE ACTIONS

Stocks	Ex-Date	Purpose	Amount (Rs)	Record Date
JSW Energy Ltd	30 May 2022	Dividend	2.00	-
STANDARD INDUSTRIES LTD.	30 May 2022	Interim Dividend	1.75	31 May 2022
HOUSING DEVELOPMENT FINANCE CORP. LTD.	31 May 2022	Dividend	30.00	01 Jun 2022
HDFC Life Insurance Company Ltd	31 May 2022	Final Dividend	1.70	01 Jun 2022
INFOSYS LTD.	31 May 2022	Final Dividend	16.00	01 Jun 2022
POWERGRID Infrastructure Investment Trust	31 May 2022	Income Distribution (InvIT)	13.00	01 Jun 2022
ADVANI HOTELS & RESORTS (INDIA) LTD.	01 Jun 2022	Interim Dividend	1.40	02 Jun 2022
Data Infrastructure Trust	01 Jun 2022	Income Distribution (InvIT)	-	02 Jun 2022
GTPL Hathway Ltd	01 Jun 2022	Final Dividend	4.00	-
IIFL Wealth Management Ltd	01 Jun 2022	Interim Dividend	20.00	02 Jun 2022
Linde India Limited	01 Jun 2022	Final Dividend	3.50	-
Linde India Limited	01 Jun 2022	Special Dividend	10.00	-
Svarnim Trade Udyog Ltd	01 Jun 2022	Consolidation of Shares	0.25	02 Jun 2022
Zydu Lifesciences Ltd	01 Jun 2022	Buy Back of Shares	-	02 Jun 2022
ASAHI SONGWON COLORS LTD.	02 Jun 2022	Buy Back of Shares	-	03 Jun 2022
CASTROL INDIA LTD.	02 Jun 2022	Final Dividend	3.00	-
Imagicaaworld Entertainment Ltd	02 Jun 2022	E.G.M.	22.00	-
Kallam Textiles Ltd	02 Jun 2022	Right Issue of Equity Shares	-	03 Jun 2022
Mishtann Foods Ltd	02 Jun 2022	Bonus issue 1:1	-	03 Jun 2022
PAGE INDUSTRIES LTD.	02 Jun 2022	Interim Dividend	70.00	03 Jun 2022
RO Jewels Ltd	02 Jun 2022	Bonus issue 82:32	-	03 Jun 2022
SM Auto Stamping Ltd	02 Jun 2022	Interim Dividend	1.25	03 Jun 2022
TATA COFFEE LTD.	02 Jun 2022	Dividend	2.00	-
TATA INVESTMENT CORPORATION LTD.	02 Jun 2022	Final Dividend	55.00	-
AYOKI MERCANTILE LTD.	03 Jun 2022	E.G.M.	-	-
TORRENT PHARMACEUTICALS LTD.	03 Jun 2022	Final Dividend	8.00	06 Jun 2022
TORRENT PHARMACEUTICALS LTD.	03 Jun 2022	Special Dividend	15.00	06 Jun 2022

OFFER TO BUY

Company name	Start Date	Close Date	Offer Price (Rs.)	Proposed Acquisition (No. of shares)	CMP (Rs.)
CHITRADURGA SPINTEX LTD	03-Jun-22	16-Jun-22	15.00	9,25,868	-
INDERGIRI FINANCE LTD	25-May-22	07-Jun-22	10.30	13,15,860	-
GAIL (INDIA) LTD	25-May-22	07-Jun-22	190.00	5,69,85,463	142.8
BUTTERFLY GANDHIMATHI APPLIANCES LTD	23-May-22	03-Jun-22	1433.90	46,48,684	1416.80
INDSOYA LTD	17-May-22	30-May-22	28.00	1,04,000	-

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	16352	15775	16701	16918	17261	15951-16701	Buy between 16275-16290 zone. Targets at 16701/17001/17251. Stop at 15775.
BANK NIFTY	35613	33751	37001	35768	36851	34701-36851	Buy at CMP. Targets at 36851/37201/37551. Stop at 33751.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
MARUTI	7942	6777	8575	7604	7563	Positive	Incorporated in 1981, Maruti Suzuki is a subsidiary of the Japanese automaker, Suzuki Motor Corporation (56.37% stake) and is India's largest domestic passenger vehicle (PV) manufacturer with market share of about 50%. Interestingly, Maruti's market share was mere 38.5% in FY12. The firm now commands a market cap of Rs 239,900 Crore. The demand environment for the PV industry remains resilient as Maruti reported a 58% rise in net profit in the fourth quarter of FY22 also on backdrop of price hikes and lower sales promotion costs. Look to buy at CMP, and on any corrective dips between 7250-7300 zone, targeting 8575/9051 and then aggressive bigger 12-15 months targets at 10,000 mark. Stop at 6777.

Incorporated in 1981, **Maruti Suzuki** is a subsidiary of the Japanese automaker, Suzuki Motor Corporation (56.37% stake) and is India's largest domestic passenger vehicle (PV) manufacturer with market share of about 48%. Interestingly, Maruti's market share was mere 38.5% in FY12. The firm now commands a market cap of Rs 239,900 Crore.

- Maruti 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. The firms' market share passenger car sub-segment is pegged at 62%, SUVs are pegged at 22% & vans at 97%.
- With low inventory and a large order book, we expect MSIL to come back strongly in terms of profitability along with volume recovery. 200k pending order with the company.
- In the medium to long run, margins to be supported by strong demand, softening commodity inflation, and improving chip shortage issue.
- The government's export duty hike on steel and plastic bodes well for the auto sector due to elevated commodity inflation. Additionally, the decline in metal prices, especially steel, will help keep raw material costs under check for the auto sector. Also, the reduction in fuel prices should help building in optimism from both demand as well as cost perspective.
- The demand continues to be robust as Maruti is best positioned to benefit immensely of demand recovery in the post-COVID and post lockdown as people look for affordable cars. Share of CNG continues to grow. It has reached ~15% versus ~12% earlier.
- Maruti is initiating an investment of Rs 11,000 crore in the first phase of a new facility to be set up at Sonipat in Haryana. The new plant's first phase with a manufacturing capacity of 2.5 lakh units per annum is expected to be commissioned by 2025.
- Maruti Suzuki has 3,598 sales outlets across 1,861 cities in India. Maruti's dealership network is larger than that of enough known companies combined. Service is also a major revenue generator of the company. Dealer inventory at 60K units; order backlog at 200K units.
- Maruti reported a 58% rise in net profit in the fourth quarter of FY22 as price hikes and lower sales promotion costs. Capex for FY22 INR67bn. ~INR 15bn has been incurred 1H.
- Recently industry has demanded and the Govt is favorably considering a cut in GST rates on small cars from 28%. which would result in lower cost of ownership and higher demand. Maruti being the leader in the entry level segment would be a major beneficiary of this demand.
- Over the last 20 years, India's focus has shifted to roads, connecting villages by proper planned road infrastructure which could raise demand of cars in rural area. Maruti being the leader in the entry level segment would be a major beneficiary of this demand.
- Strategic moves like Toyota and Maruti Suzuki's partnership is expected to produce a few new vehicles soon, including some rebadged models and some brand new ones. This move shall benefit Maruti immensely.

Look to buy at CMP, and on any corrective dips between 7250-7300 zone, targeting 8575/9051 and then aggressive bigger 12-15 months targets at 10,000 mark. Stop at 6777.

Daily Chart of MARUTI:

