



# Lighting a path forward in Equities & Commodities...

**SENSEX**

**NIFTY**

**GOLD**

**SILVER**

**CRUDE OIL**

**USD / INR**

## Price Forecast

INSTRUMENT	31st Dec 2024	1 Month	2 Month	3 Month	1 year
SENSEX	78139	76000	72750	82300	89500
NIFTY	23645	23000	21900	25000	27000
USD \$ / INR	85.56	85.9	86	86.5	85.5
GOLD	76786	76100	78.5	80500	83000
SILVER	87260	86300	93500	97000	99000
CRUDE OIL	6155	5900	6300	6000	6500



**Dear Valued Reader,**

First, we would like to wish you a very HAPPY NEW YEAR 2025 filled with success and prosperity!

Yes, it is time to ring the New Year with new beginnings, fresh starts, reaffirmations of love, hope and promises for a brighter future — all to come in New Year 2025.

Now with 2024 in the rearview mirror and the initial trading days of 2025 rapidly approaching momentum, Dalal Street investors are turning their attention to key catalysts that the New Year will bring for the stock market.

Agreed, that New Years are time of celebration and cheer, but Dalal Street is seen facing difficult circumstance this time — primarily on backdrop of extremely technical overbought conditions.

So, expect volatility to rule the roost and choppiness will prevail at Dalal Street this January 2025 primarily as investors brace for a tug of war battle between the bulls and the bears.

The battle going forward will be between deteriorating technical conditions, vanishing liquidity from FII's camp, and rising US bond yields while on the other hand are positive global cues, a government committed to reforms and bring back the economy on track on backdrop of fading geopolitical tensions.

**But the good news is that the street is unanimously bullish and hope to repeat 2024's performance.**



Corrective declines could be the preferred theme at Dalal Street and not any major sell-off. **As Peter Lynch once said, “Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves.”**

**Happy New Year 2025.**

Now, before we get into detail and start a brand new-innings of trading this January 2025, let’s review how the major indices listed at Dalal Street fared in December, November and October 2024 and also their performance in the year 2024.

Yes, we are ready with our Jan - Feb – Mar 2025 forecast but before that, we wish great health and good luck to all our clients.

Once again, thanks for reading **and here’s wishing to you and your loved ones the best for the new year 2025.**

**Happy Investing!!**



## Market recap:

Instruments	Prices as on 31st Dec 2024	Dec 2024 % Change	Nov 2024 % Change	Oct 2024 % Change	2024 % Change
Sensex	78139	-2.09%	+0.52%	-5.83%	+15.47%
Nifty	23645	-2.01%	-0.86%	-5.70%	+7.92%
BSE Auto Index	51663	-2.33%	-1.20%	-12.30%	+30.5%
BSE Bankex Index	57742	-2.62%	+0.70%	-3.91%	+7.58%
BSE Capital Goods Index	67780	-4.13%	+1.61%	-5.47%	+20.34%
BSE Consumer Durables	64309	+2.95%	+2.99%	-10.35%	+26.63%
BSE FMCG	20772	+1.18%	-5.23%	-8.92%	+4.26%
BSE Healthcare	45277	+3.69%	-0.57%	-0.73%	+37.37%
BSE Metal	28892	-5.39%	-2.38%	-9.62%	+8.46%
BSE Mid-Cap	46445	+0.81%	-0.46%	-4.85%	+25.58%
BSE Small-Cap	55163	-0.07%	+0.39%	-3.76%	+1.52%
BSE Power	6966	-7%	-4.33%	-9.51%	+84.64%
BSE Realty	8234	+3.44%	+1.93%	-8.44%	+35.79%
BSE Oil/gas	26065	-2.79%	-2.35%	-15.94%	+13.02%
BSE IT	43188	+0.1%	+11.33%	-4.58%	+27.65%



## Now before we get into detail, a flashback on 2024's key themes...

Indices	CMP	2024 % move
S&P 500	6016	+26.15%
Dow Jones	43170	+14.44%
Nasdaq	21736	+29.24%
German DAX	19932	+18.99%
Japanese Nikkei	40245	+20.18%
China Shanghai	3400	+14.29%
Hong Kong	20090	+20.85%
Brazil Bovespa	121078	(-9.77%)
Nifty	23813	+8.94%

Energy	CMP	YTD%
Crude Oil	70.23	(-1.88%)
Coal	125	(-14.62%)
Natural Gas	3.42	+47.22%

Precious metals		
Gold	2624	+27.33%
Silver	29.47	+24.38%

Industrial metals		
Copper	4.07	+4.76%
Iron-Ore	104.08	(-23.51%)
Aluminium	2545	+6.80%
Zinc	3030	+13.96%
Nickel	15310	(-6.50%)
Tin	28818	+13.39%

• Prices are as on December 27th 2024.



## The Back Story: Nifty losing streak continued for 3rd straight month.

# The benchmark Nifty stayed cautious amidst negative catalysts like:

- 1) Record exodus from the Foreign Institutional Investors. FII exodus did cross Rs 16983 crore in December month. FII's fleeing Indian equities by selling shares worth Rs. 306000/- crores in CY 2024.
- 2) Trump tariff threats. (US President-elect Donald Trump has doubled down on his threats to raise tariffs, particularly on China, Mexico and Canada, fueling concerns over global trade tensions).
- 3) Stubborn US inflation pressures. (The US PCE index, the Fed's preferred inflation gauge clouded the picture for rate policy in the year ahead).
- 4) Solid US economic momentum and improving US consumer prospects.
- 5) Nifty's technical picture still highlights a lack of buyer interest.
- 6) Uninspiring corporate India's Q2 earnings.

# **Bottom-line:** The long and short of trading theme at Dalal Street was that any sharp bullish move at Dalal Street was prone to sharp selling.

# **Long story short:** Nifty's downside risk and its biggest support continues to be at its psychological 23000 mark on closing basis.

# Key catalysts for the month ended:

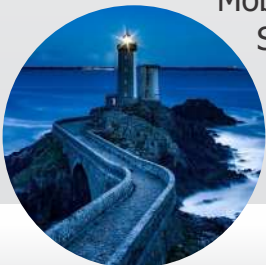
- 1) The backward-looking minutes from the November FOMC meeting showed that inflation is subsiding and the labor market remains robust, supporting the possibility of further interest rate cuts from the Federal Reserve, though at a measured pace.



- 2) Sentiments also got boost from the nomination of Scott Bessent as US Treasury Secretary.
- 3) The CPI Inflation in the US came in-line with expectations, reinforcing bets that the Federal Reserve will deliver another 25bps rate cut in the fed funds rate next week
- 4) Nasdaq nabbed the psychological 20,000 levels fueled by investor enthusiasm for artificial intelligence.
- 5) Sentiments were also buoyed after Revenue Secretary Sanjay Malhotra was named RBI Governor for three years. Sanjay Malhotra, age 56, took over from Shaktikanta Das on December 11 as the 26th Governor of RBI.

Malhotra, who has, in the past, worked as chairman and managing director of state-run REC, has been instrumental towards achieving the recent buoyancy in tax collections. In his first address, RBI Governor Sanjay Malhotra emphasized for continuity and stability in policy decision.

- 6) Adani Group stocks were in limelight and gaining traction after FBI Director Chris Wray announced he would step down from his position early next year. Under Chris Wray, FBI indicted Adani Group and charged them with Bribery/Corruption cases
- 7) The Federal Reserve lowered its benchmark interest rate by 25 basis points to 4.25%-4.55%, marking the third consecutive reduction this year. The Fed delivered its expected quarter-point interest rate cut but trimmed projections for follow-on moves in 2025 to only two additional cuts, compared to a full percentage point in the last projection from September.
- 8) Weak Indian Rupee is a concern after the rupee hit a record low of ₹85.56 against the dollar, making Indian markets less attractive to foreign investors and raising inflation fears.
- 9) Vishal Mega Mart, Sai Life Sciences and One Mobikwik Systems have witnessed bumper market debuts. Interestingly, Vishal Mega Mart had crossed the Rs 50,000 crore market capitalisation, while Sai Life Sciences m-cap stands at Rs 15,917 crore, and Mobikwik's current m-cap is Rs 4,120 crore. (At intramonth peak, Mobikwik shares had ringed 89% gains; Vishal Mega Mart, Sai Life had rallied around 40%).





- 10) Aurobindo Pharma Ltd gained after announcing that its wholly-owned subsidiary, CuraTeQ Biologics Private Ltd, has received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) for Zefylti (Bp13), a filgrastim biosimilar.
- 11) Wockhardt's stock price is in limelight and at its 52-Week-High After Company's Antibiotic 'Zaynich' Successfully Treated 73-Year Old Cancer Patient.
- 12) China plans to increase its budget deficit to 4% in 2025, which could restrict foreign inflows into India.
- 13) The street was also apprehensive on the theme that Trump will impose tariffs next year.
- 14) This CY24, FIIs have already net sold over Rs. 3 lakh crores.
- 15) ITC has set January 1, 2025 as the appointed date and the effective date for the demerger of the hotel business of the company.
- 16) Reliance Industries was in limelight after its wholly owned subsidiary, Reliance Digital Health entered into definitive agreements to acquire a 45% equity stake on a fully diluted basis in Health Alliance Group Inc. (HAGI) for an aggregate consideration of \$10 million
- 17) COMEX Gold futures remained subdued below \$2650 mark in November after claiming fresh highs in October.
- 18) WTI Crude oil too witnessed a rebound upto at \$ 72 per barrel for the month ended amidst escalating geo-political tensions and rising US Dollar.



## Gainers over 1-Month

Stocks	LTP (31st Dec 2024)	Change %	52 Week H/L
DRREDDYS	1388.5	13.65%	1421.49/1104.13
TRENT	7123.35	4.67%	8345/2940.75
SUNPHARMA	1886.35	4.30%	1960.35/1252.5
WIPRO	301.85	3.28%	320/208.50
APOLLO HOSP	7296.35	3.26%	7545/5640.00

## Stocks at 52 Week High

Stocks	LTP (31st Dec 2024)	52 Week High
LAURUSLABS	602.9	604.7
LUPIN	2349.90	2373.9
MUTHOOTFIN	2140.0	2161.75
-	-	-
-	-	-
-	-	-

## Losers over 1-Month

Stocks	LTP (31st Dec 2024)	Change %	52 Week H/L
HEROMOTOCORP	4160.60	-12.38%	6246.25/3929.85
GRASIM	2442.70	-9.31%	2877.75/2016.55
HINDALCO	602.45	-9.08%	772.65/496.35
JSWSTEEL	901.50	-8.92%	1063/761.75
COALINDIA	384.15	-8.90%	543.55/368.00

## Stocks at 52 Week Low

Stocks	LTP (31st Dec 2024)	52 Week Low
ALLCARGO	50.10	48.00
KKCL	589	563.85
-	-	-
-	-	-

## FII / DII - monthly break up and compared to November 2024.

FII (Dec) Rs. In Cr.	FII (Nov) Rs. In Cr.	DII (Dec) Rs. in Cr.	DII (Nov) Rs. In Cr.
-16,982.48	-45973.2	+34,194.73	+44483.86



**# Looking Ahead:** The investment landscape is full of opportunity but that said, traders are advised to brace for wild rollercoaster ride.

**The Gyan Mantra: Stay committed to long-term value creation.**

**Sensex: 78,139.**

**Nifty: 23,645.**

## **# Beware of flash crashes...**

Be careful as many a land mines are likely to be here and there — and some of them are likely to be planted by President-elect Donald Trump — that could derail any excessive 2025 rally.

Trump's policies are likely to determine how the US economy will shape up and Wall Street's trading theme shall hinge on the same.

The street however remains unsure on how serious Trump's threats are.

That said, one thing is certain as of now: Uncertainty, uncertainty and uncertainty.

Trump's proposed trade tariff could not only rock the U.S. economy but other nations throughout the world.

Trump is talking about 25% tariffs on goods from Canada and Mexico. China will bear the brunt as he is also talking about a 10% charge on Chinese products.

**Long story short: Donald Trump is the wild card out there as his tariff plan shall lead to a sharp slowdown later in the year...**



## How Wall Street and Dalal Street performed during Trump's First Term...

Trump had defeated Hillary Rodham Clinton on November 8th 2016 and here are the gains witnessed by stock markets in his 1st term.

Time	Dow Jones total returns	Nifty's total return
January 20th 2017 to January 19th 2021	+56%	+73%

The Dow Jones had gained 56% during the Trump presidency. This represents an annualized gain of 11.8%, which is the best performance for any Republican president since Calvin Coolidge during the roaring 1920's.

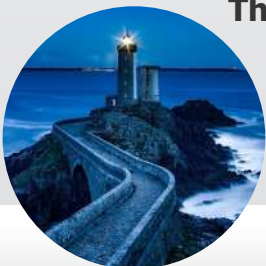
Interestingly, the Dow Jones had surged 31% during Trump's first year in office.

### All eyes on Trump 2.0; January 20th 2025

- 1) The US growth shall get a boost and forecast GDP growth of 2.8% this year, 2.3% next and 1.5% for 2026.
- 2) But that said, the inflation is likely to spike to 2.9% in 2024, 2.8% in 2025 and 3.2% in 2026.
- 3) Amidst this backdrop, the Fed's easing space is likely to slow down. A pause quite likely but could resume again in the second half if growth slows again.

**# Long Story Short:** The message is very clear — trade selectively and stay nimble.

**The most probable bullish scenario could be that the benchmarks hold their ground.**



Technically, the ice likely to crack on this bull market only any move below Nifty’s psychological 23000 mark with aggressive downside targets at 21163 mark.

Alternatively, if Nifty holds above 23000 mark then there is bright chance that Nifty moves above its biggest hurdles at 24357 and then at 26277 and finally psychological 27000+

<p><b>Preferred Trade on Nifty:</b></p>	<p><b>CMP</b> 23645</p>	<p>Technically speaking, from a chartist standpoint, still extremely overbought technical conditions prevail on the long term charts. The near-term price action for Nifty is suggesting that we are likely to see an 22500- 24500 range in near term with slight negative bias. Please note, Nifty’s 200DMA at 23874 mark.</p> <p><b>Buying on dips between 23000-23100 zone should be the preferred strategy. Targets at 24000/24357 mark and then at 25000-25500 zone with strict stop at 21101.</b></p>
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<p><b>Bullish looking stocks</b></p>	<p><b>Bearish looking stocks</b></p>
<p><b>SYNGENE, SUN PHARMA, M&amp;M, DIVIS LAB, NTPC, TATA POWER, POWERGRID, ITC, TEJAS NETWORK, TVS SUPPLY, GREAVES COTTON, NAUKRI, BOB.</b></p>	<p><b>SAIL, BHARAT FORGE, INDUSIND BANK, RBL BANK, BAJAJ FIANANCE</b></p>



## The single-most conviction idea for January 2025.

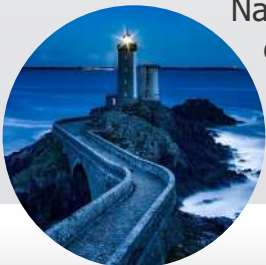
### ITC Limited

CMP	484
Target Price	600
Stop	389
52 Week H/L	529/399
P/E	29
EPS (TTM)	16.46
Promoter Holding/DIIs/FIIs	40.53%/44.59%/0.04%
Book Value	60.2
Market Cap (INR)	6,03,050

### Theme:

ITC is one of India's foremost private sector companies and a diversified conglomerate with businesses spanning **Fast Moving Consumer Goods, Hotels, Paperboards and Packaging, Agri Business and Information Technology**. The Company is acknowledged as one of India's most valuable business corporations with a Gross Revenue of Rs 69,446 crores and Net Profit of Rs 20,422 crores (as on 31.03.2024). ITC was ranked as India's most admired company, according to a survey conducted by Fortune India, in association with Hay Group.

Over the last decade, ITC's new Consumer Goods Businesses have established a vibrant portfolio of **25+ world-class Indian brands** that create and retain value in India. ITC's world class FMCG brands including Aashirvaad, Sunfeast, Yippee!, Bingo!, B Natural, ITC Master Chef, Fabelle, Sunbean, Fiana, Engage, Vivel, Savlon, Classmate, Paperkraft, Mangaldeep, Aim and others have garnered encouraging consumer franchise within a short span of time. While several of these brands are market leaders in their segments, others are making appreciable progress.



### ITC Q2 2025 Earnings Highlights:

ITC reported a healthy set of Q2FY25 results (September quarter). The company's consolidated profit for the period came in at Rs 5,054.4 crore, up 1.8% year-on-year (Y-o-Y), from Rs 4,964.5 crore in the same quarter a year ago (Q2FY24).

ITC's revenue from operations (less excise duty) surged 16.7% Y-o-Y to Rs 20,735.9 crore in Q2FY25, from Rs 17,774.5 crore in Q2FY24.

The positive takeaway was that ITC posted a stable cigarette volumes growth trajectory at around 3% despite calibrated price hikes to navigate cost inflation, and a lower EBIT growth of 5%.

### ITC Demerger:

The demerger of ITC Hotels Ltd. from cigarette maker ITC Ltd. will be effective Jan. 1, 2025, and the stock will go ex-demerger on Jan. 6, 2025. Investor looking to own ITC Hotel shares should have ITC shares in their account on Jan. 6, 2025 — the record date for the demerger.

Every investor will receive one share of ITC Hotels for every 10 ITC shares they hold.

**Technical Outlook:** The stock at the moment is witnessing massive corrective bullish consolidation on the long-term charts and that's on backdrop of one way up move since February 2024 low at Rs 399.

Major supports are placed at 440-450 zone. The stock has already made a higher high-low pattern on the long term charts, now above 529 mark, momentum buying quite likely,

**Preferred Strategy: Look to accumulate at CMP, and on dips between 420-430 zone, targeting 529 and then aggressive targets at 600 with stop below 387. Holding Period: 12 months.**





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