

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	24005	23690	24375	24132	23890	23822-24333	Buy between 23922-23966 zone. Targets at 24370/24655. Stop at 23688.
BANK NIFTY	50989	49555	52251	51831	50672	50222-52221	Buy at CMP. Targets at 52251/53700. Stop 49551.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
ASHOKLEY	234	181	281	223	222	Positive	Incorporated in 1948, Ashok Leyland (AL) , the flagship company of the Hinduja Group is the second-largest Commercial Vehicle (CV) manufacturer in India, the 4th largest manufacturer of buses in the world, and 19th largest manufacturers of trucks, 9 manufacturing plants across the globe, a footprint that extends across 50 countries and commanding a market cap of Rs 68,110 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. Defence, power solutions and aftermarket businesses continue to perform well and are expected to post good growth in FY25. Look to buy at CMP, and on any corrective dips between 205-215 zone, targeting 255-260 zone and then at 281 mark. Aggressive bigger 12-15 months targets at 305 mark. Stop at 181.

BUY ASHOKLEY at CMP 234, Target 281

CMP	234
Target Price	281
52 Week H/L	264.70/157.65
P/E	24.75
EPS (TTM)	9.45
Promoter Holding/DIIs/FIIs	51.52/36.8/24.4
Book Value	34.36
Market Cap (INR)	68,714.74 crores

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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. An investment of Rs 662 crore was made into Optare PLC / Switch, as prospects of electric light commercial vehicles and eBuses continue to strengthen.

Also note, the overall CV, bus, CNG and tipper segments demand should further shoot up from hereon amidst strong macroeconomic fundamentals, supported by resumption of government spending in capex and good monsoons.

The CV industry is likely to remain buoyant on backdrop of favourable macroeconomic factors and a healthy demand from the end-user industries. This trend is expected to continue alongside M&HCV growth in core sectors such as construction & mining, agriculture, increased capital outlay for infrastructure projects and pent-up replacement demand. Meanwhile, the bus demand is likely to show significant improvement primarily aided by the replacement of the existing fleet of buses, increasing demand for school and staff transportation and then public transport impetus.

Ashok Leyland reported a decent a 34% rise in its profit after tax (PAT) during the second quarter of the current financial year (Q2FY25) to Rs 705.64 crore compared to Q2FY24, due to its cost-control measures, benign steel prices, and reduced material costs. The company said its electric vehicle (EV) subsidiary Switch Mobility is expected to achieve earnings before interest, taxes, depreciation and amortisation (Ebitda) breakeven during the current fiscal, driven by increasing demand and a healthy order book of 2,000 vehicles. In the month of October, the company's subsidiary, OHM Global Mobility, bagged an order for 500 12-m ultra-low floor electric buses from the Chennai's Metropolitan Transport Corporation.

Ashok Leyland's total sales jumped by 5% year-on-year (YoY) to 16,957 units in December, whereas medium and heavy commercial vehicles sales rose by 8% YoY to 11,474 units led by the truck segment.

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

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 218-220 zone. The level of Rs 218-220 zone will act as a strong support zone.

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Daily Chart of ASHOKLEY :

