

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	22796	22355	23000	23439	24067	22421-22957	Sell at CMP. Targets at 22355/22001. Stop at 23021
BANK NIFTY	48981	47800	50377	49897	50934	47999-49851	Sell at CMP. Targets at 47800/46400/45880. Stop 50500.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
GRANULES	509	465	583	573	559	Negative	GRANULES technical landscape looks ugly. The momentum oscillators are again signaling weakness after the stock slipped below a higher consolidation zone on the monthly charts. Amidst deteriorating technical conditions, likely to stage massive corrective declines in near/medium term. Establishing short positions at CMP and on strength between 555-565 zone should be the preferred trading strategy, targeting 483/465 and then aggressive targets seen at 401-405 zone. Stop above 583. Holding Period: 1-2 Months.

SELL GRANULES at CMP 509, Target 465

CMP	509
Target Price	465
52 Week H/L	724.55/382.05
P/E	38.27
EPS (TTM)	13.30
Promoter Holding/DIIs/FIIs	38.85/35.4/15.9
Book Value	136.15
Market Cap (INR)	12,342.93 crores

Granules India is a vertically integrated, high-growth pharmaceutical product manufacturing company based in Hyderabad, India, commanding a market cap of Rs 12332 crore. The firm manufacture high-quality API, FD, PFI and Speciality Products with a focus on customer centricity and can accommodate large-scale Products with our industry-leading batch size of 24,640 TPA in PFIs.

Among the primary contributors, the North American market held 77 percent of its overall revenue for the quarter. It was at 66 percent in the corresponding period last year. Granules India has acquired Swiss CDMO firm Senn Chemicals AG for CHF 20 million, expanding into the peptide therapeutics segment. The acquisition, expected to complete by mid-2025, aims to leverage Senn's peptide synthesis expertise with Granules' large-scale manufacturing capabilities to deliver high-quality peptide-based solutions globally.

Granules India however reported a weak Q3 FY25 earnings. It registered a 6.4% year-on-year fall in net profit to Rs 118 crore. In the nine months ended December 31, 2024, the firm reported a net profit of Rs 117.6 crore in Q3 FY25, implying a decline of nearly 6.4% from the Rs 125.6 crore net profit reported in Q3 FY24. It reported a decline of 1.5% in revenue at Rs 1,137.6 crore, as against Rs 1,156 crore in the corresponding quarter of the previous financial year. The EBITDA stood 8% lower, at Rs 230.2 crore, compared to Rs 250.4 crore in the same quarter of previous financial year, while margin dropped to 20.2 percent in Q3 FY25 from 22 percent in Q3 FY24.

The PE ratio of Granules India stands at 25.7, while the PB ratio is 3.96. Promoter holding have gone down from 41.96 (31 Mar 2024) to 38.85 (31 Dec 2024). Foreign Institutional Investors holding have gone down from 19.57 (31 Mar 2024) to 15.87 (31 Dec 2024)

Technically, the landscape appears ugly for Granules India on all-time-frames. The technical landscape still suggests overbought technical conditions.

Granules India has been a market performer gave a 3-year return of 76.03% as compared to Nifty Midcap 100 which gave a return of 78.49%. IXON has been an underperformer in this Calendar Year 2025 as is down 14.14% as against Nifty's fall of 3.59%. The momentum oscillators are again signaling weakness after the stock's fall towards 28th January 2025 low at 502 - probable intermediate top on cards on the daily charts, confirmation below 500.

Technically speaking, the biggest negative catalyst is prevailing deteriorating technical conditions as the recent down trend in the stock price could trigger some more corrective declines and also on backdrop ugly looking charts, there is limited room for upside. The 200-DMA of the stock is around 559 levels. Also, the recent sequence of lower high low is intact on the daily time frames

Momentum oscillators signaling major weakness on backdrop of price approaching the lower end of the 'bearish Flag Pattern' formation on the weekly charts. Negative reverse divergences also appear on the daily and weekly time-frames. Amidst deteriorating technical conditions, the stock is likely to stage massive corrective declines in near/medium term.

Establishing short positions at CMP and on strength between 555-565 zone should be the preferred trading strategy, targeting 483/465 and then aggressive targets seen at 401-405 zone. Stop above 583. Holding Period: 1-2 Months.

Daily Chart of GRANULES :



Mehta Equities

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102