

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	26329	25901	26651	25953	24970	26022-26622	Buy only above 26440. Targets at 26651/ 26820. Aggressive targets at 27000. Stop at 26011.
BANK NIFTY	60151	59000	60889	58880	55980	59100-60800	Buy at CMP. Targets at 60889/62000. Aggressive targets at 62700. Stop at 59000.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
ESCORTS KUBOTA	3847	3263	4181	3692	3481	Positive	Escorts Kubota Limited (EKL) is a well-known engineering conglomerate with operations in agricultural machinery, construction & material handling equipment, and railway equipment. The company entered a strategic partnership with Japan's Kubota Corporation as the fundamentals of India's agri-mechanisation drive, infrastructure expansion and manufacturing localisation favour the company. Escorts Kubota reported a strong uptick in tractor sales for December 2025, underscoring robust rural demand and positive industry dynamics. Continued focus on domestic volumes, export growth, and positive demand drivers could support further sales momentum into early 2026. Apr-Dec FY26 total tractor sales: ~101,413 units, up ~14% YoY. Look to buy at CMP, and on dips between 3600-3650 zone, targeting 3921/4181, and then aggressive targets at 4550-4750 zone. Stop below 3263. Holding Period 9-12 Months.

Escorts Kubota Limited (EKL)	BUY
CMP	3847
Target Price	4500
Stop	3263
52 Week H/L	4171/2829
P/E	36.10
EPS (TTM)	209
Promoter Holding/FIIs/DIIs/FIIs/Public	68.04%/5.27%/11.80%/13.22%
Book Value	1062
Market Cap (INR)	43040

Escorts Kubota Ltd is a leading Indian engineering and machinery company primarily engaged in the design, manufacture, and marketing of agricultural tractors, farm mechanisation equipment, construction machinery, engines and allied products. The company operates across segments like tractor & farm equipment, construction equipment, material handling, and spare parts, with a strong brand presence domestically and significant export reach. Founded in 1944, it is a major player in India's agri-machinery space and listed on both the NSE and BSE.

Positive Catalysts / Strengths

Robust Sector Demand: Continued strong demand for tractors backed by healthy rural income, supportive government policies, good reservoir levels, and reduced GST on agricultural machinery.

Q2 FY26 Revenue Growth: Reported consolidated revenue of ~₹2,790-2,792 cr, up ~22-23% YoY, reflecting healthy topline momentum.

Margin Expansion: Operating margins expanded, reflecting cost efficiency and strong sales execution.

Market Position: Strong brand in farm and construction equipment with established distribution and aftermarket network.

Market Cap & Returns: Market cap of ~₹43,000 cr and stock has delivered solid cumulative returns relative to broader indices over the medium term, demonstrating investor confidence and market performance.

Export Potential: Export markets and Kubota global network participation offer additional growth avenues.

Q2 FY26 (Sept 2025) Highlights

Revenue: ₹2,791-2,792 cr, up ~22-23% YoY.

Profit After Tax (PAT): ₹318-₹321 cr (~1.8-1.9% YoY decline), primarily due to base effects and exceptional items in prior year comparisons.

Profit Before Tax (PBT): ₹427 cr, up ~55% YoY, showing strong operating leverage.

Sales Trends: Tractor and other equipment sales continue to trend positive with volume growth in recent

Escorts Kubota — December 2025 Sales Update

Escorts Kubota reported a strong uptick in tractor sales for December 2025, underscoring robust rural demand and positive industry dynamics. Business Standard

Key December 2025 Highlights

Total tractor sales: 7,577 units in December 2025 — up ~38.5-39% YoY from ~5,472 units in December 2024.

Domestic sales: ~6,828 units — up ~36.1% YoY.

Exports: ~749 units — up ~64.3% YoY, reflecting strong overseas demand.

The robust growth in tractor volumes was driven by supportive government policies, lower GST rates, ongoing state subsidies, enhanced water availability, and positive rural sentiment, which helped boost farm equipment demand during the season.

Key Risks

Profit Variability: While revenue grew strongly, PAT saw a slight decline YoY in Q2, indicating margin pressure or timing of exceptional items.

Valuation Stretch: Some valuation models suggest the stock may be trading at a premium to intrinsic value, which could temper near-term upside.

Industry Cyclical: The tractor and construction equipment sectors are cyclical and linked to macro conditions (rural demand, rainfall, commodity prices)

Seasonality: Sales and profitability may show seasonal patterns, as seen in historical month-specific performance

Technical Outlook (1-4 Weeks)

Current Structure: Escorts Kubota has been showing **medium-term uptrend characteristics**, trading well above key moving averages and recent support levels, reflecting bullish technical momentum.

Support Levels: Near recent swing lows and moving average clusters at around 3500-3550 zone serve as key intra-week supports.

Resistance: 52-week highs at 4171 and psychological round figures at around 4500 could act as hurdles in the medium term.

Preferred Trade: Look to buy at CMP, and on dips between 3600-3650 zone, targeting 3921/4181, and then aggressive targets at 4550-4750 zone. Stop below 3263. Holding Period 9-12 Months.

Daily Chart of ESCORTS :

