

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

| Indices | CMP | Support | Resistance | 50 DMA | 200 DMA | Range | Preferred Trade |
|------------|-------|---------|------------|--------|---------|-------------|--|
| NIFTY | 25049 | 24722 | 25489 | 25925 | 25143 | 24766-25322 | Sell at CMP. Targets at 24722/24456. Aggressive targets at 24100. Stop at 25565. |
| BANK NIFTY | 58473 | 56900 | 60000 | 59311 | 56610 | 57200-59600 | Sell at CMP. Targets at 56900/55200. Aggressive targets at 54000. Stop at 60000. |

Medium Term Pick:

| Stocks | CMP | Support | Resistance | 50 DMA | 200 DMA | Bias | Preferred Trade |
|--------------------|------|---------|------------|--------|---------|----------|---|
| PERSISTENT SYSTEMS | 6128 | 5759 | 6569 | 6317 | 5694 | Negative | Persistent Systems is a leading global digital engineering and IT services company, focused on cloud, data & AI, software engineering, digital transformation and enterprise modernization. The company serves clients across BFSI, healthcare & life sciences, hi-tech, telecom and industrial sectors. Persistent operates with a strong presence in North America, which contributes the bulk of its revenues, and is widely regarded as one of the fastest-growing mid-cap IT services companies in India. US-India trade deal risk: Any adverse clauses in the trade agreement (on data localisation, digital tax, or services) could hurt Indian IT companies' operating flexibility and pricing power. The technical landscape remains in extremely overbought conditions with 200-DMA placed at 5693. Preferred Strategy: Look to sell at CMP, and on strength between 6325-6350 zone, targeting 5900/5759 mark and then at 5491 mark. Stop above 6569. Holding Period: 1-3 Months. |

Persistent Systems

| | |
|---------------------------------------|-----------------------------|
| Persistent Systems | SELL |
| CMP | 6155 |
| Target Price | 5900/5491 |
| Stop | 6439 |
| 52 Week H/L | 6597/4163 |
| P/E | 54 |
| EPS (TTM) | 78 |
| romoter Holding/FIIs/DIIs/FIIs/Public | 30.29%/22.79%/29.80%/16.21% |
| Book Value | 453 |
| Market Cap (INR) | 97095 |

Persistent Systems is a leading global digital engineering and IT services company, focused on cloud, data & AI, software engineering, digital transformation and enterprise modernization. The company serves clients across BFSI, healthcare & life sciences, hi-tech, telecom and industrial sectors.

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Business Strengths

- 1) Digital-first business model with strong exposure to cloud, AI, data analytics and platform engineering.
- 2) High-quality client base, including several Fortune 500 companies.
- 3) Strong deal pipeline driven by digital transformation, cloud migration and GenAI adoption.
- 4) Healthy order book and execution track record.
- 5) One of the best growth profiles in Indian mid-cap IT over the last 5 years.

Key Risk:

- 1) US macro slowdown: Any sharp cut in IT spending by US clients can impact growth momentum.
- 2) Client concentration: Dependence on large enterprise clients increases revenue sensitivity.
- 3) Valuation risk: Persistent trades at a premium to most IT peers, limiting near-term upside during market corrections.
- 4) Currency volatility: Rupee appreciation could pressure margins.
- 5) Talent costs: Wage inflation and high attrition can impact profitability.

Additional Macro Risks (India-US Trade & Visa)

- 1) US-India trade deal risk: Any adverse clauses in the trade agreement (on data localisation, digital tax, or services) could hurt Indian IT companies' operating flexibility and pricing power.
- 2) Visa & immigration issues: Stricter US visa norms (H-1B, L1) can increase onsite costs, delay project execution, and pressure margins for IT firms.
- 3) Protectionist policies: Rising US focus on local hiring and reshoring could limit outsourcing opportunities over the medium term.

Q3FY26: Persistent Systems reported a 23rd consecutive quarter of revenue growth in Q3 FY26, with revenue rising 5.5% QoQ to ₹3,778.2 crore. The company's net profit slipped 6.7% QoQ to ₹439.4 crore, while the EBITDA margin stood at 14.4%, reflecting a one-time impact of ₹89 crore from the new labour codes.

The technical landscape remains in extremely overbought conditions with 200-DMA placed at 5693.

Preferred Strategy: Look to sell at CMP, and on strength between 6325-6350 zone, targeting 5900/5759 mark and then at 5491 mark. Stop above 6569. Holding Period: 1-3 Months.

Daily Chart of PERSISTENT :

