



# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	25471	25000	25807	25772	25293	25000-25722	Sell at CMP. Targets at 25000/24700. Aggressive targets at 24300. Stop at 25808.
BANK NIFTY	60187	58200	61700	59545	57105	58900-61200	Buy only above 60500. Targets at 61500/62300. Aggressive targets at 63000. Stop at 58200.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
CUMMINS INDIA	4412	3611	5100	4283	3852	Positive	<p><b>Cummins India Limited</b> is a leading manufacturer of diesel and natural gas engines, power generation systems, and related technologies in India. Headquartered in Pune, the company has been operating in the country since 1962 and is the largest Indian entity of the global Cummins Inc. group.</p> <p><b>Preferred Strategy:</b> Look to buy at CMP, and on dips between 3750-3800 zone, targeting 4615/5000, and then aggressive targets at 5300-5500 zone. Stop below 3611. Holding Period 12-15 Months.</p>

CUMMINS INDIA	BUY
CMP 4412	
Target Price	5100
Stop 3611	
52 Week H/L	4615/2595
P/E52.50	
EPS (TTM)	60.61
Promoter Holding/FIIs/DIIs/Public	51%/19.42%/20.8%/8.87%
Book Value	285
Market Cap (INR)	122312

#### CUMMINS INDIA

##### Cummins India — Post-Budget & India-US Trade Deal Theme

# **Cummins India Limited** is a leading manufacturer of diesel and natural gas engines, power generation systems, and related technologies in India. Headquartered in Pune, the company has been operating in the country since 1962 and is the largest Indian entity of the global Cummins Inc. group.

Cummins India's products are widely used across power generation, automotive, industrial, infrastructure, mining, transportation and commercial markets, making it a backbone supplier for critical power and mobility needs.

#### Daily Chart of CUMMINS :



#### # Business & Operations

**Cummins India is organised into multiple key business segments that collectively deliver integrated power solutions:**

- ✓ **Engine Business:** Designs and manufactures diesel and natural gas engines for heavy-duty commercial vehicles, industrial applications, construction equipment and more.
- ✓ **Power Systems:** Provides high-horsepower engines and complete power generation solutions, including generator sets from ~7.5 kVA up to 3750 kVA for use across sectors such as industrial, mining, defence, marine, and rail.
- ✓ **Components:** Produces critical sub-systems and technologies including filtration systems, turbochargers, emission solutions and fuel systems to support engine performance.
- ✓ **Distribution & Aftermarket:** Via an extensive dealer and service network (21 authorised dealerships, 200+ branches and 450+ service points), the company provides parts, maintenance, and 24x7 support across India, Nepal and Bhutan.

#### # Cummins India Q3 FY26 Results & View

Cummins India's Q3 FY26 (ended Dec 2025) results showed a 12% YoY dip in net profit to ₹453 crore, missing estimates, while revenue remained flat at ₹3,055 crore. Despite a 1% revenue slip, strong operational performance, driven by a 20-quarter high gross margin, pushed PBT (before exceptionals) up by 7% YoY.

#### # Why Cummins India Matters in This Context

Cummins India Ltd. is a key provider of power solutions (ENGINES & GEN-SETS), industrial equipment, and related components, with a significant footprint in manufacturing and exports — particularly in the engineering and power generation segments.

The company's performance and outlook have been impacted by tariff uncertainty and global economic conditions:

In recent periods, Cummins India's parent withdrew full-year guidance citing tariff-related economic uncertainty, and its shares experienced pressure amid growing concerns around trade barriers.

Export demand — a material part of Cummins India's growth story — showed 43% y-o-y export growth in engine sales in prior quarters but has faced volatility due to tariffs and policy uncertainty.

#### # Post-Deal Trade Dynamics — Implications for Cummins India

##### 1) Improved Export Economics

With the tariff reset to 18%, Indian engineering goods and components regain some cost competitiveness in the U.S. market compared to the punitive ~50% duty regime — which had materially weighed on export economics and sentiment.

Engineering goods exports from India to the U.S. have shown resilience despite headwinds, with overall engineering shipments growing year-on-year in recent months.

For Cummins India — whose products are part of the U.S. import basket of high-value industrial equipment — this tariff relief should help restore demand pull and improve order visibility once implementation details become clear.

##### 2) Stronger Bilateral Investment & Supply Chain Ties

The trade deal isn't just about tariffs — it's also being framed as a boost to Make in India for the world, deeper supply chain integration, and technology collaboration.

Cummins India, benefitting from a long-standing global business network and engineering expertise, could see increased participation from U.S. partners in joint technology and product development — especially around clean energy solutions, power generation technologies, and emissions-compliant engines.

##### 3) Near-Term Implementation Uncertainties

Market experts caution that the trade deal's benefits won't be instantaneous: The deal still requires formal regulatory implementation and clarity on product categories covered.

In the interim, macroeconomic volatility and sector-specific tariff exposure could continue to influence Cummins India's earnings trajectory and market valuation.

##### 4) Strategic Takeaways

###### Bullish Themes:

- ✓ Tariff reduction to 18% improves U.S. market access economics.
- ✓ Rebalanced trade ties are likely to support engineering/industrial exports.
- ✓ Potential for enhanced technology flow and investment from U.S. partners.

# **Risks/Watchpoints:** Final tariff implementation timelines and product-specific duties.

**Bottom Line:** The India-U.S. trade deal — resetting tariffs to 18% — is a positive structural catalyst for Cummins India's export and engineering segments, reversing some of the headwinds from the prior punitive tariff regime. While benefits will materialize gradually, the company's long-standing global positioning and diversified portfolio position it well to capitalize on improved bilateral trade dynamics, deeper supply chain integration, and reinvented demand across industrial markets.

# **Preferred Strategy:** Look to buy at CMP, and on dips between 3750-3800 zone, targeting 4615/5000, and then aggressive targets at 5300-5500 zone. Stop below 3611. Holding Period 12-15 Months.

## Mehta Equities

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

**Disclosures and Disclaimer :** This report must be read with the disclosures in the Disclosure appendix, and with the Disclaimer, which forms part of it. This document does not contain any investment views or opinions.

Rewarding Relationships

www.mehtagroup.in