

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	25571	25324	25807	25742	25324	25430-26100	Buy at CMP. Targets at 26000/26150. Aggressive targets at 26350. Stop at 25500.
BANK NIFTY	61172	59500	62500	59727	57263	59700-62000	Buy at CMP Targets at 61500/62300. Aggressive targets at 63000. Stop at 59300.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
SCHAEFFLER INDIA	3889	3611	4405	3787	3968	Positive	Schaeffler India is one of India's leading manufacturers of high-precision bearings, automotive components, and industrial solutions, serving sectors such as automotive, industrial machinery, aerospace and aftermarket replacement parts. Headquartered in Pune, the company operates multiple manufacturing facilities across Gujarat, Maharashtra, and Tamil Nadu and sells products under well-established brands such as FAG, INA and LuK. The stock at the moment is signalling massive consolidation breakout on the upside, confirmation of strength above its biggest hurdles at 4400 levels. The stocks 200-DMA is placed at 3969 levels. Look to buy at CMP (3889), and on dips between 3425-3450 zone, targeting 4100/4405, and then aggressive targets at 4951 mark. Stop below 3611. Holding Period 12-15 Months.

SCHAEFFLER INDIA

SCHAEFFLER INDIA	BUY
CMP	3889
Target Price	4751
Stop	3389
52 Week H/L	4393/2851
P/E	54.40
EPS (TTM)	64.91
Promoter Holding/FIIs/DIIs/FIIs/Public	74.13%/4.45%/16.11%/5.3%
Book Value	352
Market Cap (INR)	60785

Daily Chart of SCHAEFFLER INDIA :



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Strategic Position & Business Strengths

- 1) Diverse product portfolio: Bearings, engine systems, transmission components, clutch systems and more — catering to both automotive and industrial sectors.
- 2) Manufacturing footprint: Multiple plants across India, supporting local production and export competitiveness.
- 3) Focus on localisation & innovation: Higher localisation levels and continued R&D investments help improve cost efficiency and product mix.
- 4) Aftermarket presence: Strong service and aftermarket network enhances customer reach and recurring revenue potential.

Market Outlook

- 1) Auto demand drivers: Continued growth in passenger and commercial vehicles, coupled with GST cuts and improving affordability, may support aftermarket and OEM business segments.
- 2) Industrial demand: Bearings and precision components remain critical inputs for infrastructure, railways, mining, and heavy machinery, providing diversification beyond auto cyclical trends.
- 3) Export potential: Intercompany exports and global supply chain integration add resilience against domestic slowdowns.

While Q3 FY26 detailed results will be out on FEB 24th, but for the second quarter of the fiscal year 2026 (Q2FY26), Schaeffler India reported a total income of ₹2463.04 crores. This reflects an increase of 2.8% from the previous quarter (Q1FY26), which recorded a total income of ₹2395.62 crores. Compared to the same period in the previous year (Q2FY25), there is a notable year-over-year growth of 14.9%, as the total income for Q2FY25 was ₹2143.92 crores. The consistent increase in revenue highlights the company's ability to maintain growth momentum.

Key Risks

- 1) Automotive Cyclical: A large portion of revenue comes from the automotive OEM segment. Any slowdown in passenger vehicles, commercial vehicles, or tractor demand can directly impact volumes and operating leverage.
- 2) EV Transition Risk: The shift toward electric vehicles reduces demand for certain traditional engine and transmission components. While Schaeffler is investing in EV solutions, product-mix transition risk remains.
- 3) Raw Material Volatility: Steel and alloy prices are critical inputs. Sharp fluctuations can compress margins if cost pass-through to OEMs is delayed.

Technical Outlook: The stock at the moment is signalling massive consolidation breakout on the upside, confirmation of strength above its biggest hurdles at 4400 levels. The stocks 200-DMA is placed at 3969 levels.

Preferred Strategy: Look to buy at CMP (3889), and on dips between 3425-3450 zone, targeting 4100/4405, and then aggressive targets at 4951 mark. Stop below 3375. Holding Period 12-15 Months.

Mehta Equities

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