

# WEALTH WEEKLY

## Weekly Alerts You Can Use!

### Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	25179	24800	25489	25694	25349	24950-25388	Sell at CMP. Targets at 24800/24400. Aggressive targets at 23900. Stop at 25500.
BANK NIFTY	60529	59000	61700	59908	57423	59300-61300	Sell at CMP Targets at 59000/58200 Aggressive targets at 57100. Stop at 61900.

### Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
INTERGLOBE AVIATION	4827	4200	5231	4916	5487	Negative	# <b>InterGlobe Aviation (INDIGO)</b> is India's largest and most preferred passenger airline and one of the fastest-growing airlines globally. Despite its structural strengths, INDIGO's stock price is a sell or risky stock right now. Look to sell at CMP and on strength between 5000-5050 zone, targeting 4700/4500 mark and then at 4150-4200 mark. Stop above 5231. Holding Period: 1-3 Months.

#### INTERGLOBE AVIATION (INDIGO)

INDIGO	SELL
CMP	4827
Target Price	4250
Stop	5231
52 Week H/L	6225/4272
P/E	41.20
EPS (TTM)	83.63
Promoter Holding/FIIs/DIIs/FIIs/Public	41.57%/24.99%/28.08%/5.31%
Book Value	220
Market Cap (INR)	186626

#### Daily Chart of INDIGO :



# **InterGlobe Aviation (INDIGO)** is India's largest and most preferred passenger airline and one of the **fastest-growing airlines globally**.

- ✓ **Philosophy:** Affordable fares, on-time flights, and a courteous, hassle-free travel experience.
- ✓ **Network:** Over **2,200+ daily flights** connecting **140+ destinations**, including **domestic and international routes**.
- ✓ **Fleet:** One of the largest airline fleets in the world, with **400+ aircraft** and growing.
- ✓ **Market Share:** Dominant position with a **~60%+ share of India's domestic aviation market**.

# Despite its structural strengths, INDIGO's stock price is a sell or risky stock right now. We say so because:

#### 1) Operational & Regulatory Headwinds.

Regulatory pressure & cancellations: Late 2025 saw a major operational crisis — poor planning for new pilot rest and night-flying norms resulted in thousands of flight cancellations, regulatory show-cause notices, and government scrutiny. This wiped-out billions in market value as investors questioned execution reliability.

Strictly speaking, airlines live and die by reliability — major cancellations erode customer trust and current momentum in earnings, fuelling stock weakness.

#### 2) Earnings & Profit Volatility: Key Q3 FY26 Performance Metrics.

- Net Profit: Decreased 77.55% YoY to ₹5,498 million.
- Revenue: Increased 6.2% YoY to ₹234,719 million.
- EBITDAR: Slipped 0.8% YoY to ₹60,084 million.
- Capacity (ASK): Increased 11.2% to 45.4 billion.
- Passengers: Increased 2.8% to 31.9 million.
- Load Factor: Fell 2.4 percentage points to 84.6%.
- Fleet: 440 aircraft as of Dec 31, 2025.

3) Rising oil prices costs hit margins: Fuel & forex pressures: Higher fuel prices and currency depreciation erode margins in an industry where fuel is a huge cost component. Past reports noted that even a small fuel cost rise can significantly hurt profits.

4) Industry challenges still loom: Pilot shortages & employee costs: This new staffing ratios (e.g., pilots per aircraft) could inflate costs by ~9%, hitting profitability. Hiring enough pilots remains a serious structural challenge.

5) The technical landscape suggests fading bullish momentum also amidst sector risk aversion.

# **Preferred Strategy:** Look to sell at CMP and on strength between 5000-5050 zone, targeting 4700/4500 mark and then at 4150-4200 mark. Stop above 5231. Holding Period: 1-3 Months.

## Mehta Equities

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