

# NEWSLETTER

## JAN 19, 2025

### Market Sense

Weekly Concept Note: Power Earnings Gap (PEG)

New Upcoming Quarterly Results Page in Dashboard

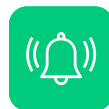
Primary Market Offerings: Laxmi Dental



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Cautious Optimism Amid Earnings Season and Lower Lows

The Indian stock market experienced a mixed week, with benchmark indices reaching new lower lows while broader market indicators showed resilience. Despite the overall 'sell on rise' sentiment, small and mid-cap indices outperformed their larger counterparts. The ongoing earnings season played a crucial role in stock performance this week. Companies meeting expectations, like TCS, saw positive reactions, while those falling short, such as Infosys, faced significant selling pressure. However, the number of stocks reacting negatively to results outweighed those with positive outcomes. It's a stock specific market right now.

The Nifty500 formed a small bullish candle on the weekly chart, hinting at a potential reversal. Yet, it's premature to call a bottom, especially with the earnings season still in progress. Overall, the week demonstrated the market's resilience, with broader participation and improved sentiment in mid and small-cap segments, despite the challenges faced by benchmark indices.



Nifty500's 10EMA crossed under its 20EMA on 23rd December, triggering the **Curtail signal**. Last week, the percentage of stocks trading above key EMAs had approached levels typically associated with **oversold conditions**, suggesting the **possibility of a short-term bounce, which we saw this week**. The market breadth remained positive for most of the week. While there is a good possibility of continuing short-term bullish momentum, it remains a sell-on-rise market (For reference: we consider the market to be in the oversold zone when all three key EMAs touch the green line at the bottom.)

# Power Earnings Gap (PEG)

**Power Earnings Gap (PEG)** is a trading strategy that focuses on stocks that experience a significant price increase due to strong reaction to earnings reports. Developed by **Trader Stewie**, this strategy aims to capitalize on the momentum generated by positive earnings surprises.



@traderstewie

## WHAT IS A POWER EARNINGS GAP?

- A stock **gaps up** after reporting strong earnings.
- Closes the gap up day with a strong candle, ideally near its daily highs (**high DCR**).
- There is **high trading volume**, indicating strong institutional interest and accumulation.

On your right is the example of **Tilaknagar Industries (\$TI)**.

- It reported earnings on 4th Nov. evening.
- Stock gaps up next day on 5th Nov.
- Closes near to the High made with DCR of 73%
- Reported Highest Volume in the Decade (HVD).

Thus, you can say that the stock made a PEG on 5th Nov.



## HOW TO TRADE PEG, THE STEWIE WAY?

### 1. identification of PEG



The basic premise behind this "PEG" strategy is that stocks that make **strong powerful earnings** and **gap up** on **strong candles** tend to keep running for multiple days if not multiple weeks/months after these big earnings gaps... so now (my) job is to create a watchlist of these awesome, bad ass stocks and pinpoint entries in these stocks using (my) technical analysis skills.



### 2. wait for the setup

While some traders attempt buying on the day of PEG itself, **Stewie waits for a consolidation pattern (like flags or wedges)** to form in the days after the gap. This allows him to enter trades at more favorable risk-reward levels rather than chasing the initial spike.

### 3. take action

After PEG, watch for technical patterns such as **bull flags, bullish pennants, mini wedges, coiling patterns, inside day candlestick patterns etc.** that can provide better entry points. These patterns often develop in the days following the PEG.

### 4. an example

After making PEG, \$TI made an IV-Pause-Move setup, retraced back to 10EMA, made a Bull Flag and also had an Inside day, thereby giving us a low-risk entry later on.



**Dashboard** makes your job easier by giving you a one-click solution to identify PEG.

**Earnings Growth Filters**

Sales, Earnings, Margins Acceleration

Sales     Earnings     Margins

Easy Earnings Comps [\(Know more\)](#)

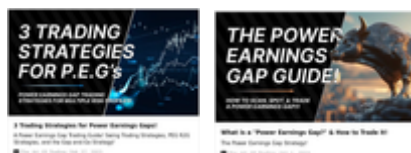
Power Earnings Gap (an Episodic Pivot)

Code 33 [\(Know More\)](#)

Plus, you can use filters such as Bull Flags, IV-Pause Move, Inside Bars, Mini Coil etc. to directly find PEG stocks for low-risk entries.

» LEARN MORE

on **Trader Stewie website:**  
[www.artoftrading.net](http://www.artoftrading.net)



click to read

We've added a new page to our Pro-Setups Dashboard specifically for tracking quarterly results during this earnings season. Visit the Dashboard for the complete and updated list.

## Upcoming Quarterly Results

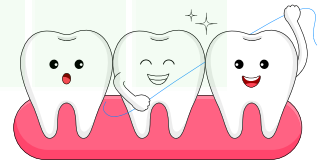
Results Date	Company	Sector	Market Cap. (₹ cr.)	Price	Company Overview	Technicals	Previous Qtr. Results (change)
19 Jan 2025	<a href="#">NSE:KSOLVES</a>	IT	1,132	967	KSolves India Limited, established in 2014, is a software services and product company specializing in digital engineering, consulting, and IT services. The company focuses on technologies such as Big Data, Artificial Intelligence, Machine Learning, Salesforce, and DevOps. KSolves serves diverse sectors including real estate, e-commerce, finance, telecom, and healthcare. With a workforce of over 500 employees, the company operates from multiple delivery centers across India. KSolves has expanded its offerings through acquisitions and partnerships, including becoming a Salesforce Summit (Platinum) Partner.	KSOLVES's weekly trend is yellow, indicating a neutral performance, while its daily trend is red, suggesting a decline. The 50 EMA is declining and is below the 200 EMA, indicating a bearish signal. The stock is approximately 34% away from its 52-week high. Its monthly RS Rating is 72 and weekly RS Rating is 69, indicating moderate relative strength. This suggests that while the stock has shown some resilience, it is still underperforming compared to the broader market. The declining EMA and distance from the high indicate potential for further decline.	Sales: 35cr. (34%); PAT: 9cr. (11.7%)
20 Jan 2025	<a href="#">NSE:AURUM</a>	IT	685	238	Aurum PropTech Limited is a leading Indian PropTech company revolutionizing the real estate industry. With a portfolio of 14+ PropTech products and solutions, the company operates across three main business clusters: Rental, Distribution, and Capital. Aurum PropTech leverages cutting-edge technologies like AI, ML, blockchain, AR, and VR to enhance consumer experiences and boost data-driven efficiency in real estate enterprises. The company's ecosystem caters to B2B, B2C, B2B2C, and D2C real estate value chains, offering services such as rental management, property valuation, and real estate asset management. Recently, Aurum has expanded its reach through strategic acquisitions and entered the MENA region.	AURUM's weekly and daily trends are bullish, with its 50-day EMA rising and above the 200-day EMA. The stock is approximately 10% away from its 52-week high. The Monthly RS Rating is 92, indicating strong relative strength, while the Weekly RS Rating is 16, suggesting a recent dip in performance. The stock is under the following setups: a 20-day EMA undercut, which could signal a potential short-term pullback before resuming its upward trend. This mixed signal warrants cautious optimism, suggesting a possible rebound in the near future.	Sales: 64cr. (21.3%); PAT: -12cr. (-49.8%)
20 Jan 2025	<a href="#">NSE:IDBI</a>	Banks - Pvt.	85,525	84	IDBI Bank Limited is a full-service universal bank offering a wide range of financial products and services. The bank's primary activities include retail banking, corporate banking, and treasury operations. It provides various products such as savings accounts, home loans, term loans, and working capital finance. IDBI Bank also offers capital markets services, bank guarantees, syndicate loans, and agri-banking services. The bank is currently undergoing a strategic disinvestment process by LIC and GoI, which is being managed by the Department of Investment and Public Asset Management (DIPAM).	IDBI Bank's weekly trend is yellow, indicating a neutral stance, while its daily trend is red, suggesting a bearish short-term outlook. The 50-day Exponential Moving Average (EMA) is declining and remains below the 200-day EMA, indicating a downward trend. The stock is approximately 22% away from its 52-week high. Its Monthly Relative Strength (RS) Rating is 94 and Weekly RS Rating is 100, indicating strong performance over these periods. The stock is identified under various technical setups, including Pocket Pivot volume, highest volume in the quarter, and a 21-day RS Line Breakout.	Sales: 7445cr. (23.3%); PAT: 1869cr. (34.2%)
20 Jan 2025	<a href="#">NSE:INDOSTAR</a>	Finance	3,732	280	IndoStar Capital Finance Limited is a non-banking financial company (NBFC) that focuses on retail financing solutions across multiple segments with an AUM of over Rs. 10,000 cr as of Sep'24. The company's primary business activities include commercial vehicle financing (69% share of Sep'24 AUM), housing finance (25% share of Sep'24 AUM), SME lending (4% share of Sep'24 AUM), and corporate lending (4% share of Sep'24 AUM). With a strong emphasis on retail finance, IndoStar operates through a network of over 500 branches across 23 states in India, serving urban, semi-urban, and rural areas. The company has strategically prioritized its focus on used commercial vehicle financing and affordable housing.	IndoStar Capital Finance (INDOSTAR) exhibits a green weekly trend and a yellow daily trend. The 50-day Exponential Moving Average (50EMA) is declining and currently above the 200-day Exponential Moving Average (200EMA). The stock is approximately 18% away from its 52-week high. Its Monthly Relative Strength (RS) Rating is 35, and the Weekly RS Rating is 96, indicating strong short-term performance but moderate long-term momentum. This suggests a mixed technical outlook, with potential for short-term gains but caution needed for long-term investment decisions.	Sales: 345cr. (10.1%); PAT: 32cr. (29.2%)
20 Jan 2025	<a href="#">NSE:DIXON</a>	Consumer Durables	101,700	17,224	Dixon Technologies (India) Limited is a leading electronic manufacturing services (EMS) company in India. With a diverse product portfolio, Dixon designs and manufactures consumer electronics, home appliances, lighting products, mobile phones, and security devices. The company operates through both original equipment manufacturing (OEM) and original design manufacturing (ODM) models. Dixon has expanded its presence in the mobile phone segment, becoming a key beneficiary of India's Production-Linked Incentive (PLI) scheme.	DIXON's weekly and daily trends are positive, with its 50-day EMA rising above the 200-day EMA. The stock is approximately 10% away from its 52-week high. Its monthly Relative Strength (RS) rating is 43, and its weekly RS rating is 79. The stock is under several bullish setups: 50-day EMA undercut, two quarters of sales growth acceleration, two quarters of earnings growth acceleration, and two quarters of margin growth acceleration. Given its easy earnings comparison, DIXON is poised to report strong earnings this quarter.	Sales: 11534cr. (133.3%); PAT: 412cr. (263.2%)
20 Jan 2025	<a href="#">NSE:ISEC</a>	Broking	26,735	814	ICICI Securities Limited is an integrated technology-based securities firm offering a wide range of financial services. The company operates through three main verticals: retail broking and distribution, institutional broking, and investment banking. ICICI Securities provides services including equity and derivatives trading, mutual fund distribution, insurance products, wealth management, and corporate advisory. ICICI Bank holds close to 75% shareholding of ISEC.	ICICI Securities (ISEC) exhibits a weekly trend that is generally positive (green) but a daily trend that is neutral (yellow). The 50-day exponential moving average (EMA) is declining, indicating a short-term bearish trend, but remains above the 200-day EMA, suggesting a long-term bullish trend. The stock is approximately 12% away from its 52-week high. Its monthly Relative Strength (RS) Rating is 64, indicating strong long-term performance, while the weekly RS Rating is 37, indicating a more mixed short-term performance. This mixed trend suggests caution in investing decisions.	Sales: 1707cr. (36.6%); PAT: 529cr. (24.8%)
20 Jan 2025	<a href="#">NSE:KARURVYSYA</a>	Banks - Pvt.	17,663	218	Karur Vysya Bank, established over 100 years ago, is a private sector bank headquartered in Karur, Tamil Nadu. The bank operates across treasury, corporate/wholesale banking, and retail banking segments. With 866 branches nationwide, the bank offers a range of services including personal, corporate, and agricultural banking, as well as products for NRIs and SMBs.	Karur Vysya Bank's weekly trend is green, indicating a positive overall direction, while its daily trend is yellow, suggesting some volatility. The 50-day EMA is declining but remains above the 200-day EMA, indicating a short-term downtrend within a broader uptrend. The stock is approximately 11% away from its 52-week high. Its monthly RS Rating is 62 and weekly RS Rating is 85, indicating strong relative performance. The stock appears in the TTM Squeeze setup, suggesting potential breakout opportunities. However, it's essential to monitor the declining 50-day EMA and overall market conditions before making any investment decisions.	Sales: 2384cr. (19.4%); PAT: 474cr. (25.2%)
20 Jan 2025	<a href="#">NSE:LTF</a>	Finance	35,481	143	L&T Finance Limited, formerly L&T Finance Holdings Ltd., is a Non-Banking Financial Company in India offering a range of retail financial products and services. It is a subsidiary of L&T Limited. The company focuses on rural business finance, farmer finance, urban finance, and SME lending. L&T Finance has been transitioning from a product-focused wholesale dominant franchise to a customer-focused approach, aiming to become a digitally-enabled retail finance company. The company operates through a network of over 13,000 distribution touch points and serves approximately 2.5 crore customers.	LTF's weekly trend is neutral (yellow), while its daily trend is bearish (red). The 50-day EMA is declining and below the 200-day EMA, indicating a bearish long-term trend. The stock is approximately 26% away from its 52-week high. Its monthly Relative Strength (RS) rating is 87, and weekly RS rating is 77, suggesting strong short-term performance. The stock is under two key setups: two quarters of sales growth acceleration and a 21-day RS Line Breakout before price. These indicators suggest potential for further growth despite the bearish daily trend.	Sales: 4019cr. (25.1%); PAT: 697cr. (17.3%)
20 Jan 2025	<a href="#">NSE:MCX</a>	Finance	31,108	6,035	Multi Commodity Exchange of India Limited (MCX) is India's leading commodity derivatives exchange, established in 2003 and headquartered in Mumbai. MCX facilitates online trading of commodity futures and options across various segments, including bullion, base metals, energy, and agricultural commodities. The exchange offers a platform for price discovery and risk management, serving diverse market participants. MCX has expanded its offerings to include commodity options and futures contracts on bullion, base metals, and energy indices.	MCX's weekly trend is green, indicating overall upward momentum, while its daily trend is yellow, suggesting some volatility. The 50-day EMA is declining but remains above the 200-day EMA, a sign of short-term weakness within a longer-term uptrend. The stock is approximately 14% away from its 52-week high. Its monthly Relative Strength (RS) rating is 38 and weekly RS rating is 94, indicating strong relative performance. Notably, MCX has shown two quarters of sales growth acceleration and two quarters of margin growth acceleration. Given its status as an Easy Earnings Comparison candidate, it is poised to potentially report impressive earnings this quarter.	Sales: 286cr. (73.2%); PAT: 154cr. (-907.6%)
20 Jan 2025	<a href="#">NSE:NEWGEN</a>	IT	22,896	1,586	Newgen Software Technologies Limited is a leading provider of a unified digital transformation platform with native process automation, content services, and communication management capabilities. The company specializes in developing low-code application platforms that enable organizations to build complex, content-driven, and customer-engaging business applications. Newgen's solutions cater to various industries, including banking, financial services, insurance, government, and healthcare. Recently, the company has expanded its focus on AI and GenAI technologies.	Newgen Software Technologies' stock is currently showing a positive trend, with its daily and weekly performance indicating growth. The 50-day EMA is rising and is above the 200-day EMA, suggesting a longer-term upward momentum. The stock is approximately 12% away from its 52-week high. The RS Rating is high at 94 for the month and 29 for the week. Additionally, the stock is identified under specific setups: two quarters of sales growth acceleration, two quarters of earnings growth acceleration, and a TTM Squeeze. These indicators collectively suggest strong potential for the stock.	Sales: 361cr. (36.7%); PAT: 70cr. (59.1%)

# LAXMI DENTAL LIMITED



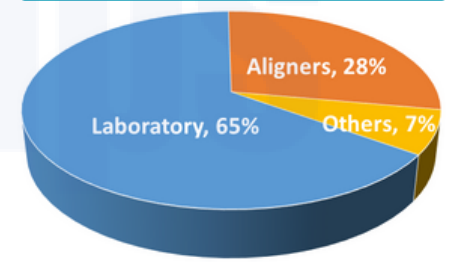
LAXMI DENTAL LIMITED

**Sector:** Healthcare **Issue size:** ₹698 crores, Fresh Issue ₹138 Cr  
**Industry:** Healthcare **Offer for Sale:** ₹560 Cr  
**Market Cap:** ₹ 2,352 crores **IPO price:** ₹407-₹428



Founded in July 2004, Laxmi Dental specializes in manufacturing and distributing a range of dental products including custom crowns and bridges, branded dental products such as clear aligners, thermoforming sheets and aligner related products as a part of aligner solutions, and paediatric dental products.

Revenue Mix(FY24)

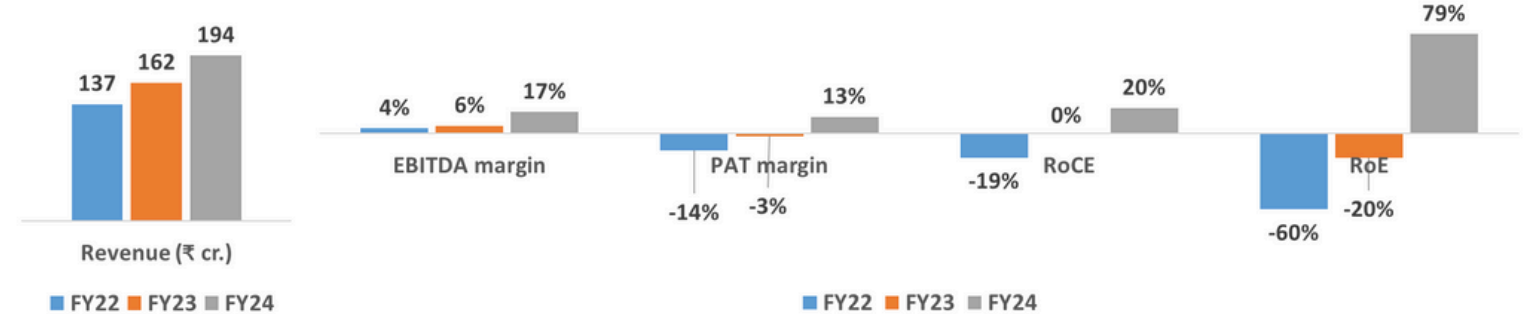


The company offers thermoforming sheets, biocompatible 3D printing resins, and machines for manufacturing clear aligners under the brand name Taglus.



**6 manufacturing facilities**, two of which are US FDA approved along with five supporting facilities.

**Dental network of over 22,000 dental clinics** and dentists, with exports to 95+ countries and 320 cities in India.



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