

NEWSLETTER

SEP 21, 2024

Market Sense

Sectoral Performance Review

Concept Spotlight: Focus on Stage 2: The Smart Way to Trade

New Listings this week: BAJAJHFL, TOLINS, KROSS, PNGJL



Dashboard



Indicators on TradingView

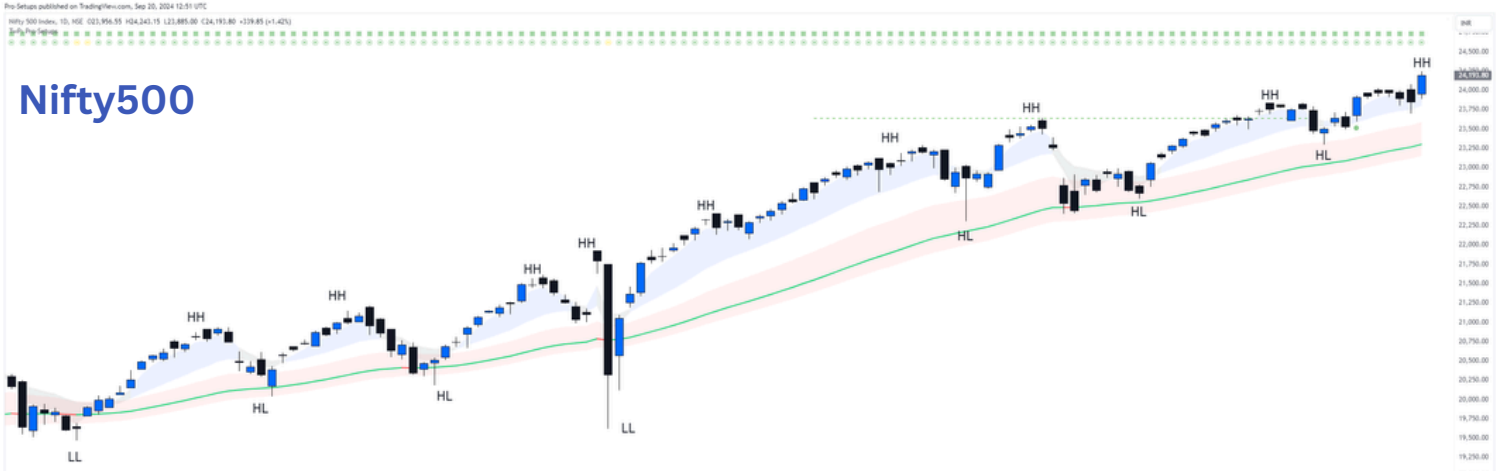


Realtime Alerts



Discussion Group





New week...New All time High...!!!! Market is defying all talks about valuations once again with a strong close on Friday. While market (Nifty500) makes new Highs, small cap did see some profit booking.

With US Fed coming up with a 50 bps rate cut, RBI would also be in pressure to start its rate cut soon. With inflation number coming below the targeted 4%, it would be interesting to see what path would be RBI following.

Bajaj Housing Finance IPO debuted with a bumper gains of over 120%. IPO markets continue to enjoy good run with more companies like Swiggy, NTPC Green, HDB Finance (a unit of HDFC Bank) also announcing listing plans.

We have been saying **“The trend is your friend, until the end when it bends”**, for last few weeks and nothing changes. That stand remains same and we would look for new emerging trends for long positions.



While nothing much happened till Thursday, Friday cheer brought the momentum back, with strong volumes. It will be interesting to see the follow through in the coming week.

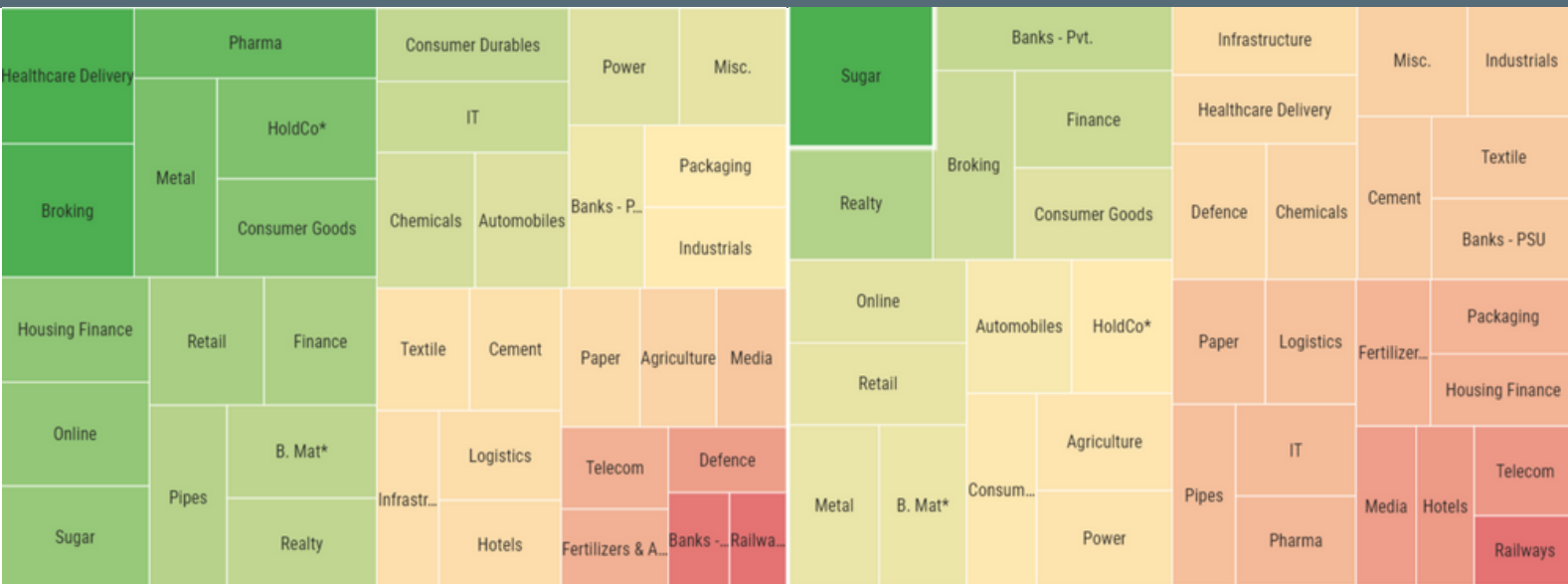
Weekly Sector Performance Review

Sectoral Heatmap

(based on **Monthly** Relative Strength)

Sectoral Heatmap

(based on **Weekly** Relative Strength)

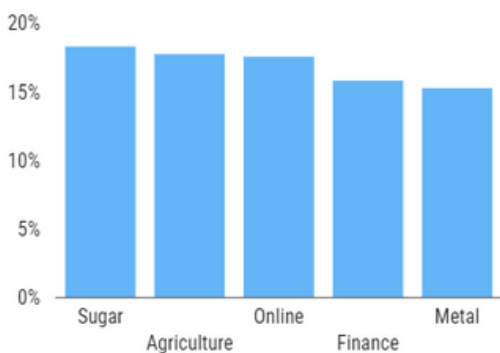


Sectors that are dark green on both heatmaps (*top-left corner*) are the strongest sectors that have performed on both timeframes. **Broking** is one of those sectors that is standing strong. Sectors that are on the left hand side of Monthly RS heatmap should be the ones to look for pullbacks as well as fresh breakouts. **Pharma** and **Healthcare Delivery** continue to be the favorites.

When we try to identify which sector can give us maximum move as a whole, we have to anticipate the movement from light green/yellow to darker green zone on Monthly RS Heatmap. In other words, we try to determine the sector that is not the strongest currently, but can become so in coming weeks. We do it by noticing the sectors that are strong on Weekly RS Heatmap. For fresh sectoral moves coming week, one can study strong setups in **Sugar, Realty, Chemicals** and **Auto**. Last week, we mentioned that Banks-Private could be getting up from their slumber - this week Bank Nifty hit its All time high, on the back of private banks, while PSU banks are lagging.

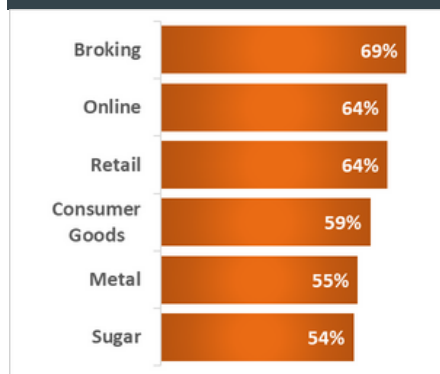
Sectors at the bottom-right (*deep red*) on both timeframes can be avoided, until they start showing signs of strength. **Railways** fall in this category. **Defence** picked up this week, but it needs to be seen whether they will continue to garner strength.

Most Pocket Pivot Volumes in a week (by %)



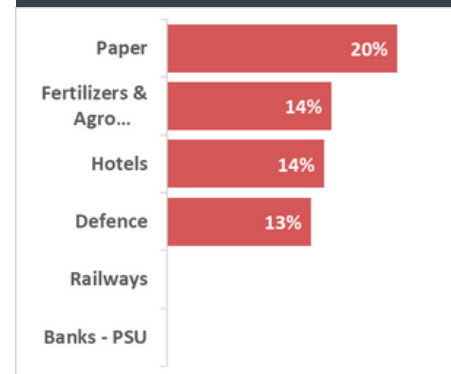
Based on the Weekly Pocket Pivot volumes we can identify that **Sugar, Agri, Online, Finance and Metal** had highest number of pocket pivot volumes suggesting that more active buying is seen in these sectors.

%age of stocks with 10EMA > Rising 20EMA



A bit contradictory picture appearing here - because at one end, we are making ATH on indices while on the other not even 80% of the stocks in any sector have their 10EMA over Rising 20EMA.

%age of stocks with 10EMA > Rising 20EMA



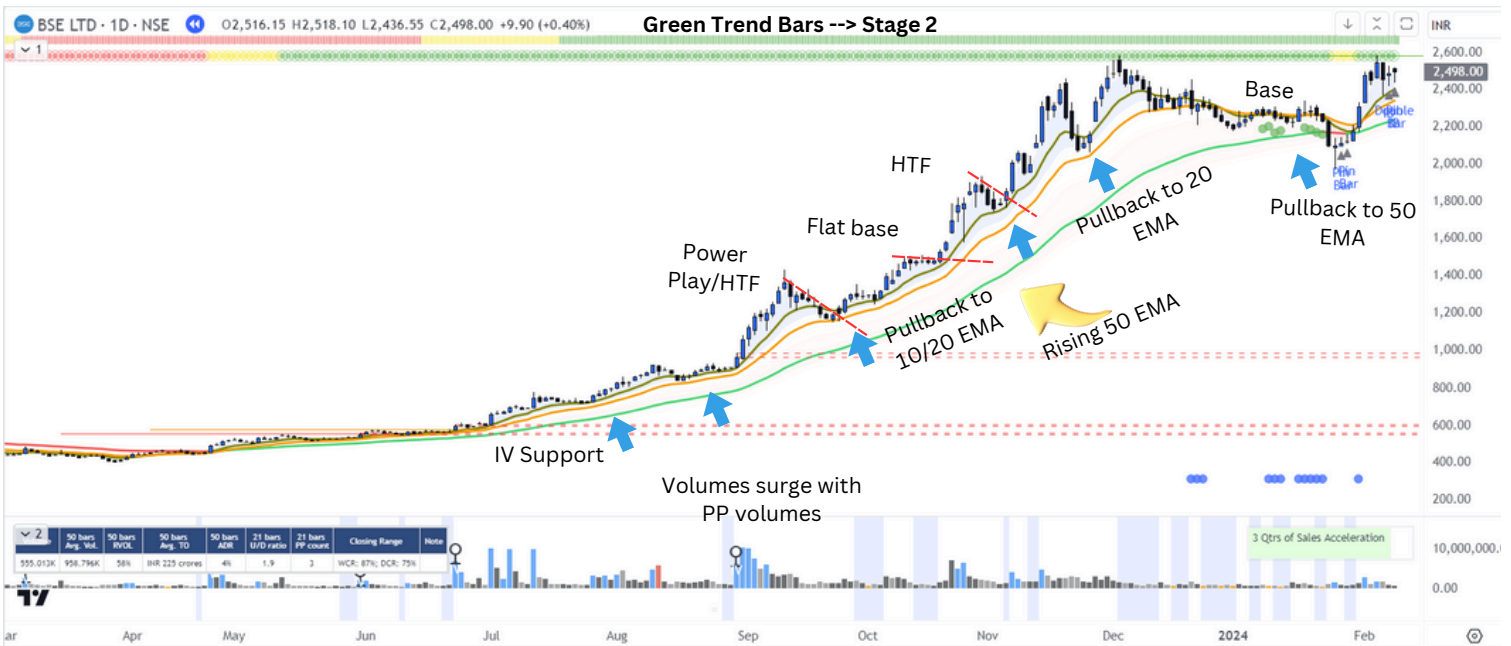
At the bottom are **Banks-PSU** and **Railways** where less than 10% have their 10EMA over Rising 20EMA, signifying strong negative short-term momentum.

Focus on Stage 2: The Smart Way to Trade

In our last week's newsletter, we understood four stages of a Stock. We also came to the conclusion that Stage 2 is the time when the real party for a trader starts. Stage 2 can be used to ride complete move as positional trader which requires to sit through multiple deep pullbacks or can be used for swing trades with multiple entries, exits and reentries. Let's see a couple of examples.



Once Stage 2 is identified, multiple swing trades can be taken by trading IV Pause Move, Swing /Pivot, HTF/Powerplay, Bull Flags etc.



Pro-Setups Dashboard lets you scan for stocks with Green, Yellow and Red trend bars, along with filters like Rising 50EMA, HTF/Power play, Cheats/Pivots and more...



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New Listing this Week

Bajaj Housing Finance Limited



NSE: BAJAJHFL

Sector: Housing Finance
Industry: Housing Finance
Market Cap: ₹1,33,342 crores
Issue size: ₹6,560 crores, of which ₹3,000 crores was Offer for Sale
IPO price: ₹70

Bajaj Housing Finance is one of India's leading housing finance company in India with a legacy of the renowned Bajaj group. It offers comprehensive mortgage products including home loans, loan against property, lease rental discounting, and developer financing.

BAJAJHFL is a subsidiary of Bajaj Finance (a listed company), which in turn is a subsidiary of Bajaj Finserv (a listed company).

As of June 30, 2024, BAJAJHFL had an AUM of ₹97,071 crores, with ~58% being home loan to individual customers.

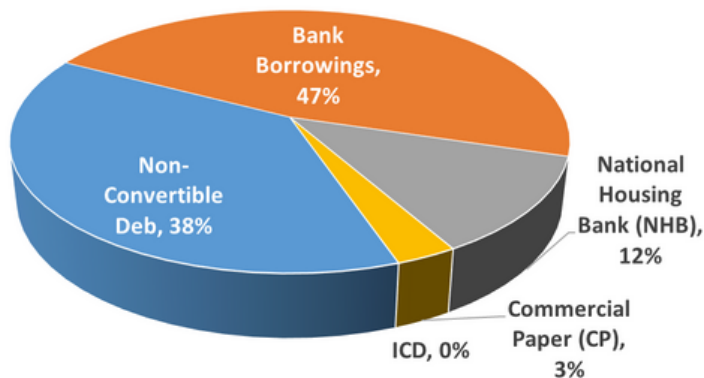


- 2nd largest housing finance company (HFC)** in India
- 8th largest in NBFC-UL** in India (in terms of AUM)
- 2nd most profit making HFC** in India
- Second highest loan disbursement** by HFCs in India
- Highest possible credit ratings** in India (AAA/Stable for its long-term debt programme and A1+ for its short-term debt)

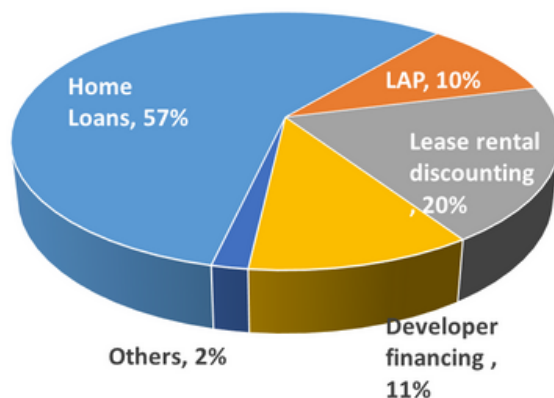


215 branches in 174 locations across 20 states and 3 UTs

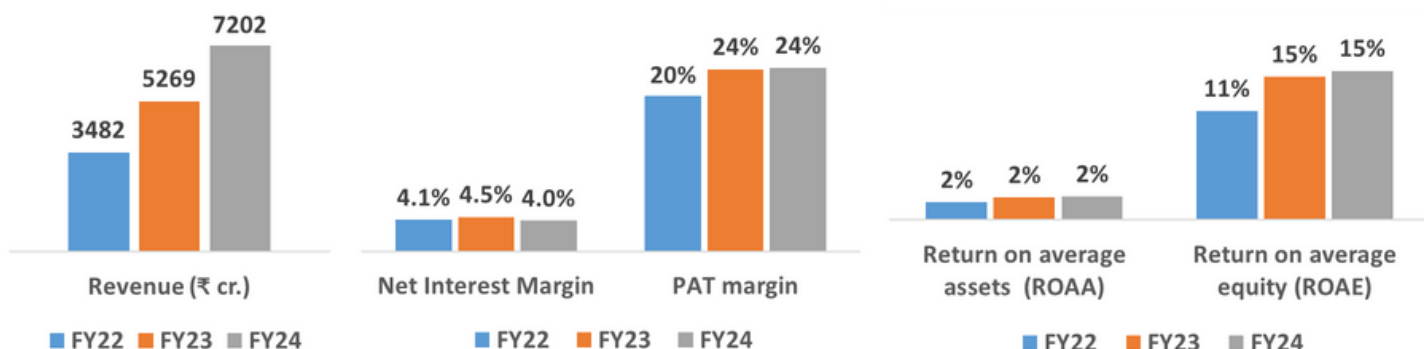
Borrowing mix % as of June 30, 2024



Segmental AUM by product segment %



Key Financials



New Listing this Week

Tolins Tyres Limited

NSE: TOLINS



Sector: Automobiles
Industry: Auto Ancillary
Market Cap: ₹809 crores
Issue size: ₹230 crores, of which ₹30 crores was Offer for Sale
IPO Price: ₹215-₹226



TOLINS is primarily engaged in manufacturing of bias tyres for different types of vehicles (including light commercial, agricultural and two/three-wheeler vehicles) and precured tread rubber. It also manufactures and sells ancillary products like bonding gum, vulcanizing solution, tyre flaps and tubes. It has 3 manufacturing facilities.

Installed capacity

3 manufacturing facilities
Installed capacity: 7,54,200 units of Tyres & 5,643 tonnes of Retread Tyres

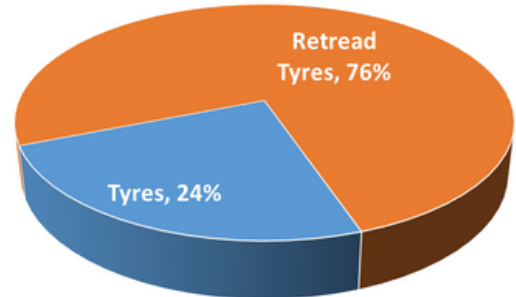
Products

Tyre manufacturing
 Design and manufacture new bias tyres for OEM and Replacement markets

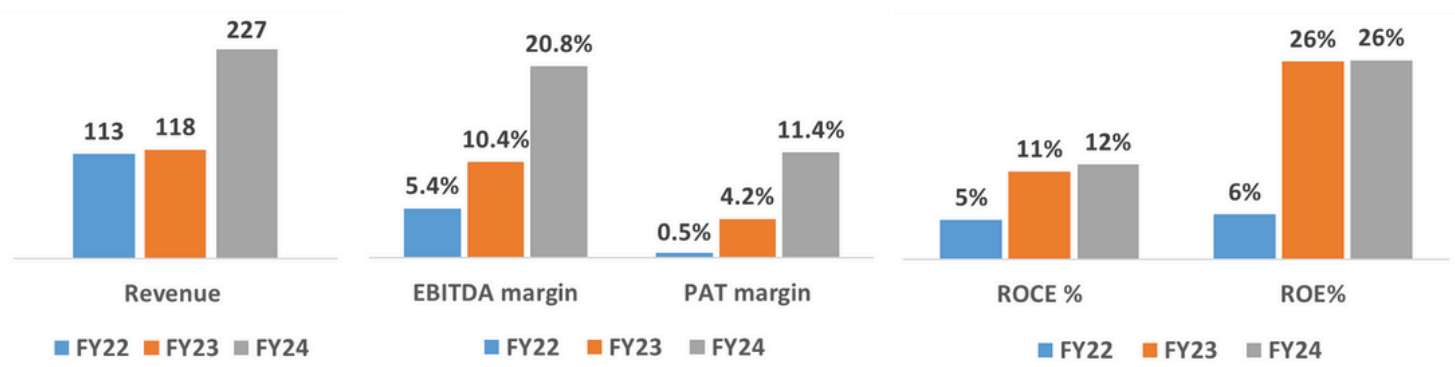
Tread rubber manufacturing
 Tread rubber includes pre cured tread rubber, conventional tread rubber, bonding gum, vulcanizing solution, etc.

Ancillary products
 Bonding gum and vulcanizing solution

Revenue Breakdown



Key Financials



New Listing this Week

P N Gadgil Jewellers Limited

NSE: PNGJL




Sector: Consumer Goods
Industry: Jewellery
Market Cap: ₹9,453 crores
Issue size: ₹1,100 crores, of which ₹250 cr. was Offer for Sale
IPO Price: ₹480

P N Gadgil Jewellers is one of the oldest and most reputed jewellers in Maharashtra, offering a wide range of precious metal / jewelry products including gold, silver, platinum, and diamond jewelry under its brand name "PNG" in various price ranges and designs.

Product offering: 8 sub-brands catering to gold jewellery, 2 sub-brands catering to diamond jewellery and 2 sub-brands catering to platinum jewellery. Gold contributes over 90% to the revenue.

Brands



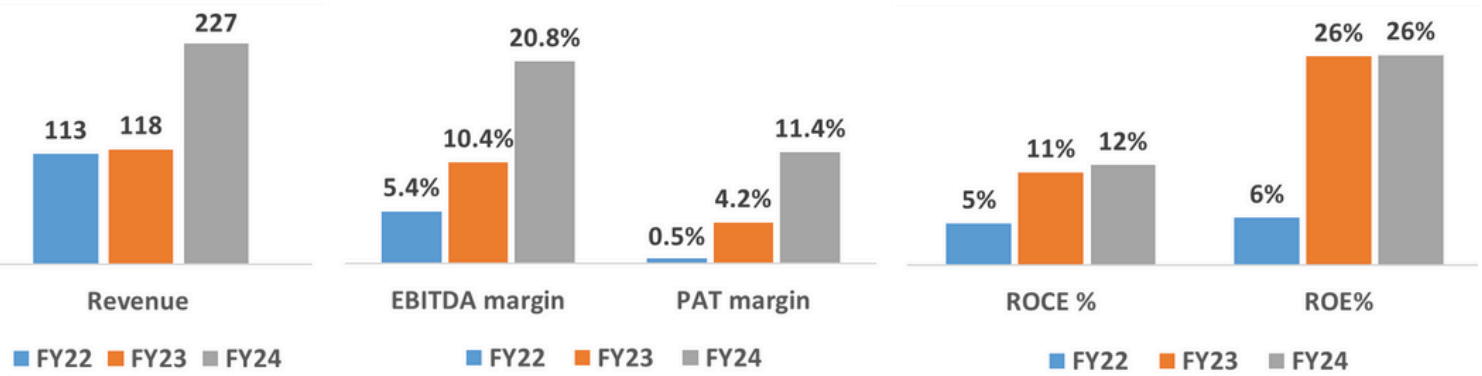
-  **Well established and trusted legacy brand in Maharashtra**
- 2nd largest** in Maharashtra, in terms of number of stores
- Highest revenue per sq. feet** among the key organized players in India
- Lowest working capital days** among the organized players in FY24

Plans to utilize IPO funds for setting up new stores and repayment of borrowings.

Footprint: Company has 40 stores (39 stores across 21 cities and one in US), with an aggregate retail area of approximately 108,282 sq. ft.

Of the 39 stores in India, 28 are operated on COCO (Company Owned Company Operated) model, while remaining 11 are operated on FOCO (Franchisee Owned Company Operated) model.

Key Financials



New Listing this Week

Kross Limited

NSE: KROSS



Sector: Automobiles
Industry: Auto Ancillary
Market Cap: ₹1,442 crores
Issue size: ₹500 crores, of which ₹250 cr. was Offer for Sale
IPO Price: ₹240

Based in Jharkhand, KROSS is a leading manufacturer and supply of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for medium and heavy commercial vehicles (“M&HCV”) and farm equipment segments. It serves both domestic and international clients and is a trusted supplier to major industry players.

Major customers

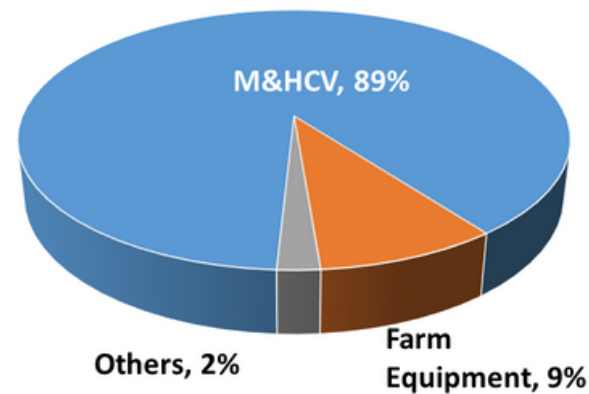


Product Portfolio

M&HCV components: High-performance safety-critical components, such as trailer axle and suspensions, axle shafts, coupling flanges and anti roll bars. These are designed to meet stringent safety standards in the automotive sector.

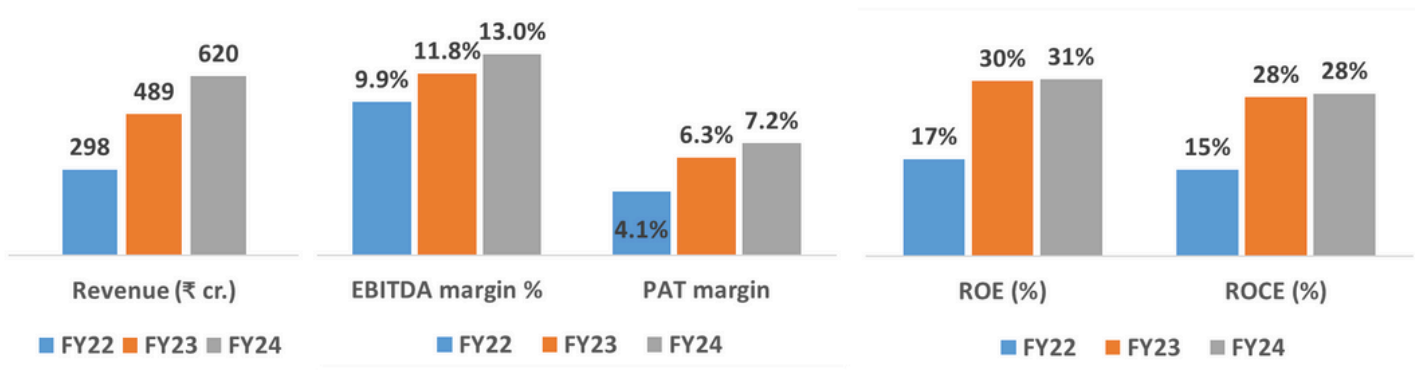
Farm Equipment Components: Tractor components like PTO shafts, hydraulic lift shafts and front axle spindles, that are crucial for ensuring durability and precision of tractors.

Other Components and Services: Specialized components like inter-axle kits, differential spiders and a variety of custom-machined parts.



Company has evolved from being a manufacturer of components such as joint crosses into manufacturing of components and assemblies like trailer axle and suspension assemblies which require higher levels of precision, strength, and durability.

Key Financials



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