

# NEWSLETTER

## FEB 9, 2025

Market Sense

Primary Market Offerings: Ajax Engineering Limited

Water Management Theme



Dashboard



Indicators on TradingView



Realtime Alerts



Discussion Group



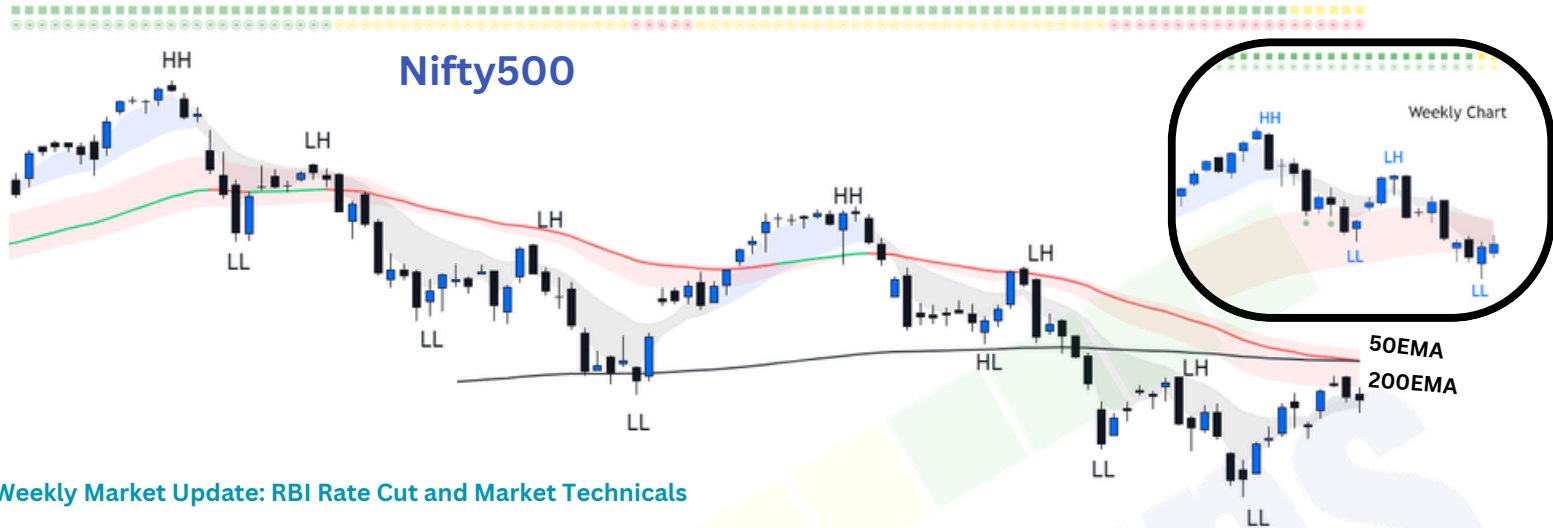
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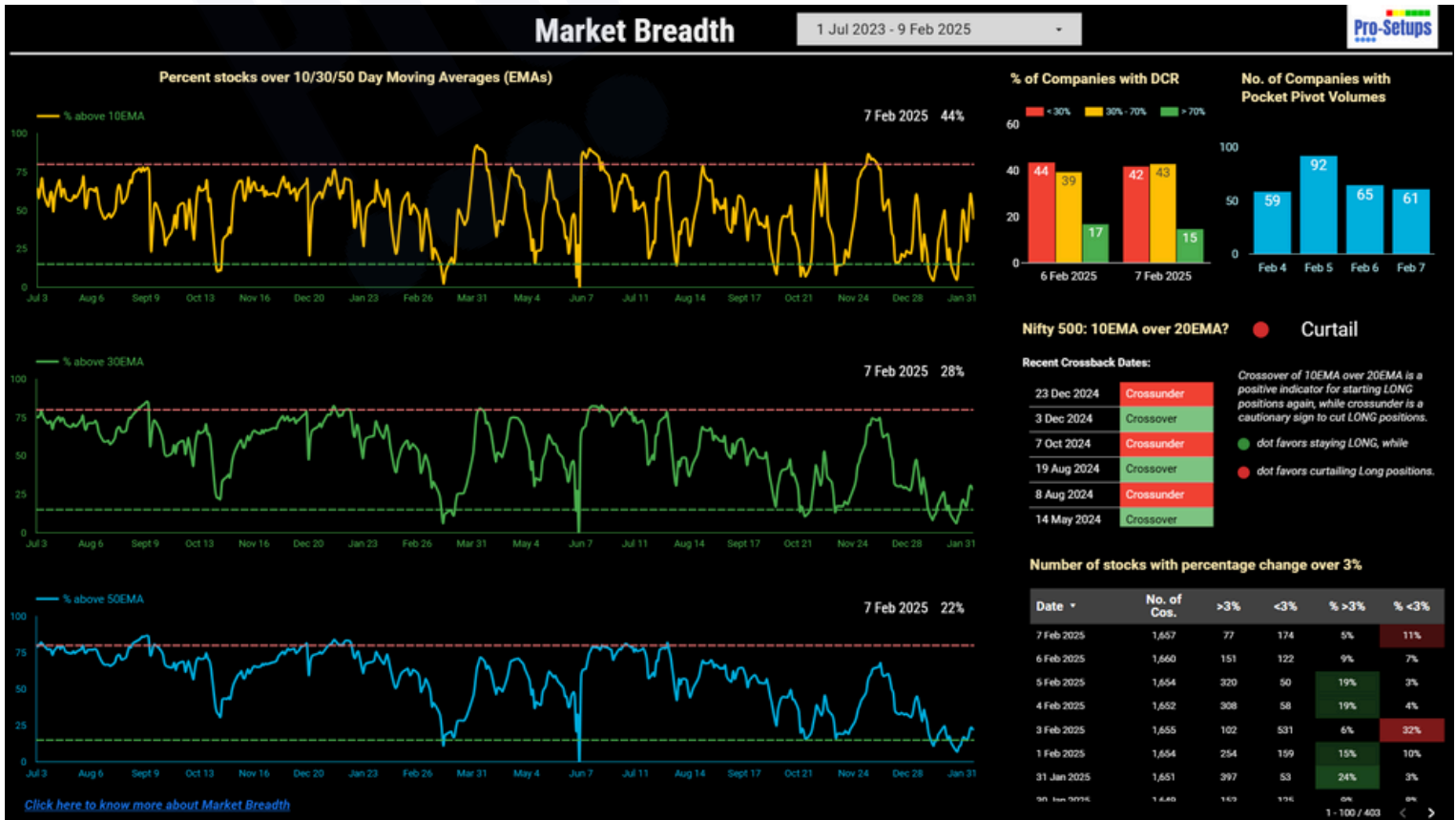


**Weekly Market Update: RBI Rate Cut and Market Technicals**

This week, the **RBI cut the repo rate by 25 basis points** to 6.25%, aligning with market expectations. This move, the first in nearly five years, is aimed at boosting economic growth, complementing the previous week's Union Budget which focused on stimulating consumption through income tax cuts. However, concerns remain, particularly regarding the depreciating rupee, which could lead to increased import costs and potentially higher inflation.

Despite these factors, the **Nifty500 remained relatively flat** this week. Technically, the market faces immediate **resistance from the declining 50EMA and 200EMA**. A death cross formation on the Nifty500 is imminent, where the 50EMA crosses below the 200EMA, which is often seen as a bearish signal, but historically, it has indicated a market bottom.

Currently, the **market is largely stock-specific** due to the ongoing earnings season. While the overall **trading environment is not yet ideal for aggressive bullish strategies**, corrections present opportunities for value investors to acquire solid businesses at better prices. For traders, a strategy to consider is monitoring the Nifty500's 10EMA crossing above its 20EMA and increasing exposure once the 50EMA starts trending upward. Until the 50EMA is under control, it is advised to use tight stops, consider tighter trailing stops, and maintain modest profit expectations. We're still not out of the woods yet, and a cautious approach remains advisable.



The market breadth improved further this week and %age of stocks above short-term key EMAs were seen bouncing off the oversold levels. It still 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.)

# AJAX ENGINEERING LIMITED



**Sector:** Infrastructure  
**Industry:** Infrastructure  
**Market Cap:** ₹ 7,196 crores

**Issue size:** ₹1,269.35 crore, Offer for sale  
**IPO price:** ₹599 - ₹629

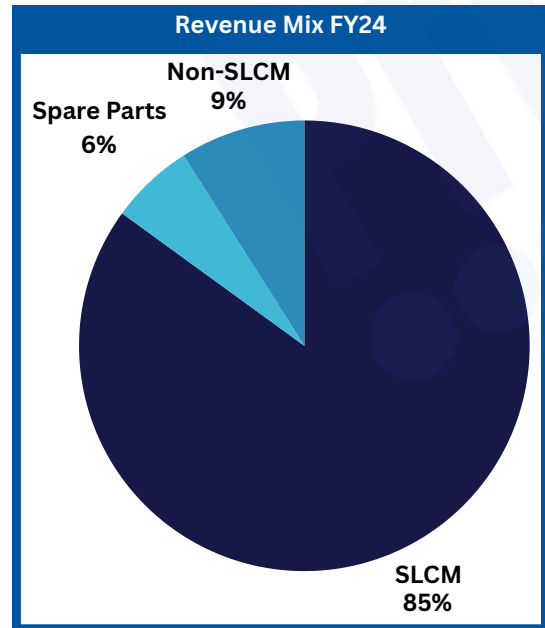
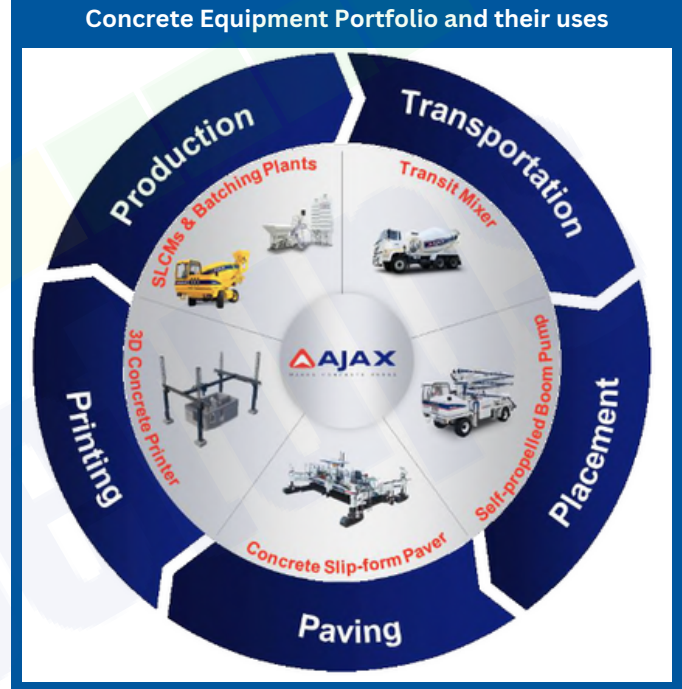
Ajax Engineering Ltd., incorporated in 1992, is a concrete equipment manufacturer with a comprehensive range of concrete equipment, services and solutions across the concrete application value chain, such as self-loading concrete mixers ('SLCMs') and batching plants for the production of concrete, transit mixers for the transportation of concrete, boom pumps, concrete pumps and self-propelled boom pumps for the placement of concrete, slip-form pavers for the paving of concrete and 3D concrete printers for depositing concrete.



The company operates **4 assembling and manufacturing facilities**, with one more under construction, all located in Karnataka.



Ajax faces competition with Action Construction Equipment Ltd, Bharat Earth Movers Ltd and Escorts Kubota Ltd.

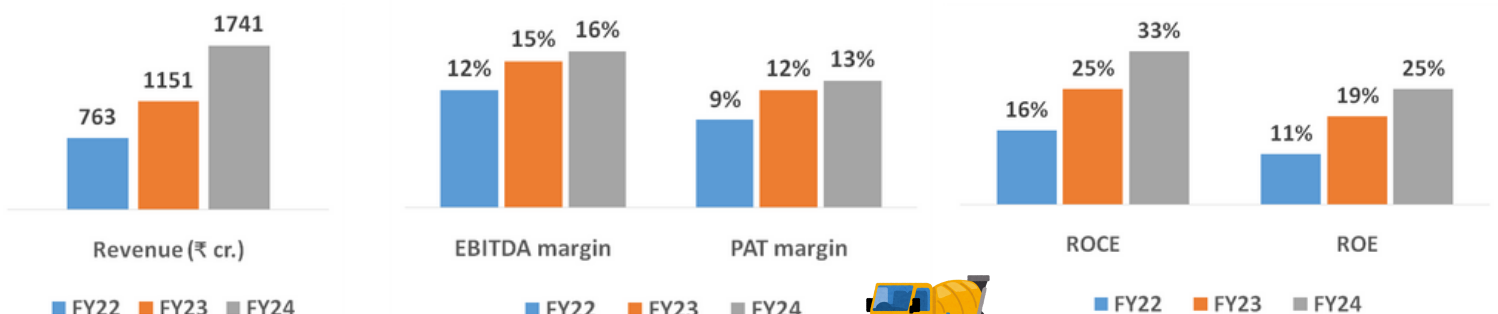


The company is the **leader in Indian SLCM manufacturers**, holding around **75% market share**.

Watch this video to know what is a SLCM



## Key Financials



India, home to 18% of the world's population, possesses only 4% of global water resources, classifying it as one of the most water-stressed countries worldwide. Projections indicate that by 2030, the demand for water in India is expected to double the available supply. The Indian government has responded by launching initiatives such as the Jal Jeevan Mission (JJM), dedicating significant funds to deliver piped drinking water to every household.

The increasing demand for fresh water, coupled with the development of advanced wastewater treatment technologies, has led to substantial investments in the water management sector. Municipalities, industries, and governmental bodies are fueling expansion in the water management market, which benefits companies operating within this industry.



To understand the **Water Management theme**, including a look at key companies, peer comparisons, and valuations, explore our **dedicated page in the Pro-Setups Dashboard** ([click here](#)). (Subscribers only).

We will be adding more themes, such as Defence, Data Center, Financial inclusion, etc. in our Dashboard going forward.

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