



# WEEKLY WRAP-UP

20<sup>TH</sup> FEBRUARY - 24<sup>TH</sup> FEBRUARY 2023

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## HIGHLIGHTS OF THE WEEK 20 Feb 2023-24 Feb 2023

### DOMESTIC:

- ArcelorMittal, JSW in NMDC steel plant race; JSPL also in the fray
- Samvardhana Motherson to buy SAS from Faurecia for Rs4,790cr
- Minda Corp set to focus on organic growth after 15.7% Pricol buy
- Hero plans to expand electric two-wheeler range over next 12-18 months
- RHI Magnesita investing Rs3,600cr in India to expand capacity: CEO Borgas
- RIL, NTPC, Torrent and Vantage seen leading race for SKS Power
- Lupin receives USFDA's establishment inspection report for its Nagpur facility
- Adani maps comeback strategy after USD132bn Hindenburg rout
- HUL to sell Annapurna, Captain Cook for Rs60.4cr; exits atta, salt biz
- Gail eyes 26% in US LNG export plant
- IT giant TCS not looking at layoffs, likely to announce hikes for employees soon
- Vedanta-Foxconn selects Dholera SIR for first semiconductor facility in India
- Tata Motors to supply 25k EVs for Uber fleet network
- Thyssenkrupp in talks to boost steel output capacity in India
- Asian Paints signs MoU with Gujarat govt to set up manufacturing facility in Dahej
- Kalpataru Power, its international arms bag orders worth Rs3,185cr
- NHPC raises Rs996cr through issuance of non-convertible bonds
- Lumax Auto Technologies signs pact to acquire majority stake in IAC International Automotive India
- Adani decides against bid for stake in power trader PTC
- Adani Transmission to announce debt refinancing plans in a few weeks
- Privatisation of NMDC Steel to be completed in early FY24
- Sapphire Foods to increase stake in Maldives-based GFIPL from 51% up to 75%
- IRB Infra preferred bidder for six-lane highway project in Gujarat
- Wockhardt shuts the US manufacturing plant
- HotelKey partners with RateGain to provide competitive pricing and distribution for HotelKey customers worldwide
- H. G. Infra emerges as lowest bidder for RVNL project

### ECONOMY:

- India's economy to grow at 6% in 2023-24: Former Niti Aayog Vice Chairman Rajiv Kumar
- Indian economy is expected to grow 5.9% in FY24: India Ratings
- ADB pledges USD25bn for India's infra, social and green needs

### INDUSTRY:

- Consumer electronics firms begin to increase inventory, anticipating a recovery in demand in coming quarter
- Banks' net interest income soars by a record 25.5% in Q3: Analysis
- Domestic air passenger traffic nearly doubled in January, shows data

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### COVERAGE NEWS:

**Cipla Ltd:** The USFDA conducted a cGMP inspection at the manufacturing facility of the company at Pithampur from 6-17th February. On conclusion of the inspection, the company has received 8 inspectional observations in Form 483.

**Sun Pharmaceutical Industries Ltd:** The company has entered into agreements to acquire minority stake in two medical devices companies. The firm will pick 26.09% equity in Agatsa Software, an early-stage digital diagnostic devices company, and 27.39% in Remidio Innovative Solutions, a company that provides innovative products enabling early detection of eye diseases.

**ICICI Bank Ltd:** The board has approved a proposal for making I-Process Services (India) Private Limited, a wholly-owned subsidiary of the bank, subject to receipt of requisite regulatory and statutory approvals. The bank currently holds 19% stake in iProcess.

**Engineers India Ltd:** A Memorandum of Understanding was entered between EIL and Munitions India Ltd (MIL) for execution of plant modernization & Infrastructure projects of MIL. The MoU heralds EIL's foray into defence sector giving a fillip to the diversification into newer areas.

**Aether Industries Ltd:** The company has informed about receipt of possession of new industrial premises adjacent to the recently commercialized greenfield manufacturing site:3. The total envisaged capex for this site (i.e. site:3++) is approximately Rs800mn-900mn, which is anticipated to be spent in FY24.

**Alkem Laboratories Ltd:** The USFDA has issued an Establishment Inspection Report (EIR) for the company's manufacturing facility located at Indore which was inspected from 01st-07th July, 2022. In response to Form 483 issued by the USFDA containing one observation, the company had submitted a detailed corrective and preventive action (CAPA) plan to the regulator within the stipulated timelines. The inspection has now been closed by the USFDA.

**West Coast Paper Mills Ltd:** The company has announced that in view of discussions between the Management and Joint Negotiation Committee of Trade Unions, illegal strike of contract workers was called off and the production at the paper and paper board division at Dandeli has been re-started. There has been a marginal production loss due to disruption of plant operations. However, required preventive maintenance work in the plant has been carried out during that period.

### The Week That Went By:

Bear struck back strongly and dragged the Index lower throughout the week to end at 17,465.80 with a weekly loss of 478.40 points. All the sectors ended the week in red where Metal and Realty corrected the most followed by Media and PSU Banks. Correction was seen in the Broader Indices too; Midcap and Smallcap ended the week with a loss of 1.76% & 2.08% respectively.

Nifty50=17,465.80

BSE Sensex30=59,463.93

Nifty Midcap 100=30,103.40

Nifty Smallcap100=9,221.80

**HIGHLIGHTS OF THE WEEK 20 Feb 2023-24 Feb 2023**

**Result Synopsis**

Company	Result This Week
<b>Gufic Biosciences Ltd</b> <b>CMP: Rs213</b> <b>Target: Rs300</b>	<p>The net sales came in at Rs1,775mn as compared to Rs1,721mn in the same quarter last year, growth of 3.1%. The Ebitda margins stood at 18.8% as against 19.0% in Q3FY22. The net profits dropped by 3.3% at Rs203mn as compared to Rs210mn in the comparative quarter. The EPS for the quarter is Rs2.1.</p> <p><b>Outlook and Recommendations:</b>                      The company has optically reported a flat quarter but one must keep in mind the covid related contribution in 9MFY22, which is not there in the current year/quarter. Thereby, the sales reported are purely based on non-covid demand/sales for the quarter. Sequentially as well, the numbers have been flat across the P&amp;L. Operationally the company has maintained the operating margins which stands out the cost efficiency measures taken during the quarter. All the segments of business have different rationales to look for may be in the form of a prospective product or a recent launch garnering opportunities and market share. Gufic continues to focus on enhancing the market share in both the Criticare and Ferticare division. The company has reiterated growth rate of 15-20% betting on the growth through the international markets (with the Indore facility commercialization) and organic growth on the domestic front. The Indore facility would be a major add-on to the revenues; with initial 1/2 years dedicated to the domestic demand and CMO opportunities, until the approval for the regulated markets are in place. The capacity enhancement through the Indore facility also leads to dedicating different units of Navsari for different lines of business. The company is well defined in terms of innovation and focus on niche products offerings, as R&amp;D continues to remain a requisite. Although the company has taken the head start of filings across different international markets, targeting the regulated as well; the India story remains intact. Overall, we feel that Gufic has many WIP kind of triggers to look at which it is working on dedicatedly and well strategized. It is one of the apt candidates for long term investors. <b>We maintain Buy on the stock for a target of Rs300.</b></p>
<b>KSB Ltd</b> <b>CMP: Rs1875</b> <b>Target: Rs2250</b>	<p>The total revenue for the quarter came in at Rs5,246mn as compared to Rs4,446mn in the same quarter last year; growth of 18.0%. The Ebitda margin for the quarter under review stood at 14.6% in comparison to 12.7% in the corresponding quarter. The net profit stood at Rs542mn as against Rs379mn in the comparative quarter; growth of 43%. The EPS stands at Rs15.6. On the segmental front, the Pumps and Valves segment grew by 17% and 25% respectively. The board has recommended dividend of Rs15 per equity share for the financial year ended on 31st December, 2022 and the same shall be payable subject to approval of the shareholders at the ensuing AGM.</p> <p><b>Outlook and Recommendations:</b>                      It was a mixed year for the company, from coming back to normalcy to gradually inching to its pre-covid runrate. The quarter under reference also indicates the same where there has been a healthy improvement across the P&amp;L. The business segments have also reported decent growth for the quarter. The numbers are pretty much in line with our yearly estimates which is encouraging considering the major slowdown faced by the company. The company has been receiving orders with deliverables spread across 2-3 years in a phased manner. There should be decent projects to come in from petrochemical/chemical segment and water wastewater segment. The company strategies continue to focus on new products, new markets, operational excellence, solar business, export business, digitalisation to mention a few. Pick-up in demand complimented with the execution capabilities should augur well for growth ahead for the company. There should be increased services across themes like waste water management, smart cities, agriculture which would open up opportunities for the company as well. <b>We maintain Accumulate on the stock for a target of Rs2250.</b></p>

**HIGHLIGHTS OF THE WEEK 20 Feb 2023-24 Feb 2023**

**NIFTY (WEEKLY)**



**BANK NIFTY (WEEKLY)**



**MARKET OUTLOOK**

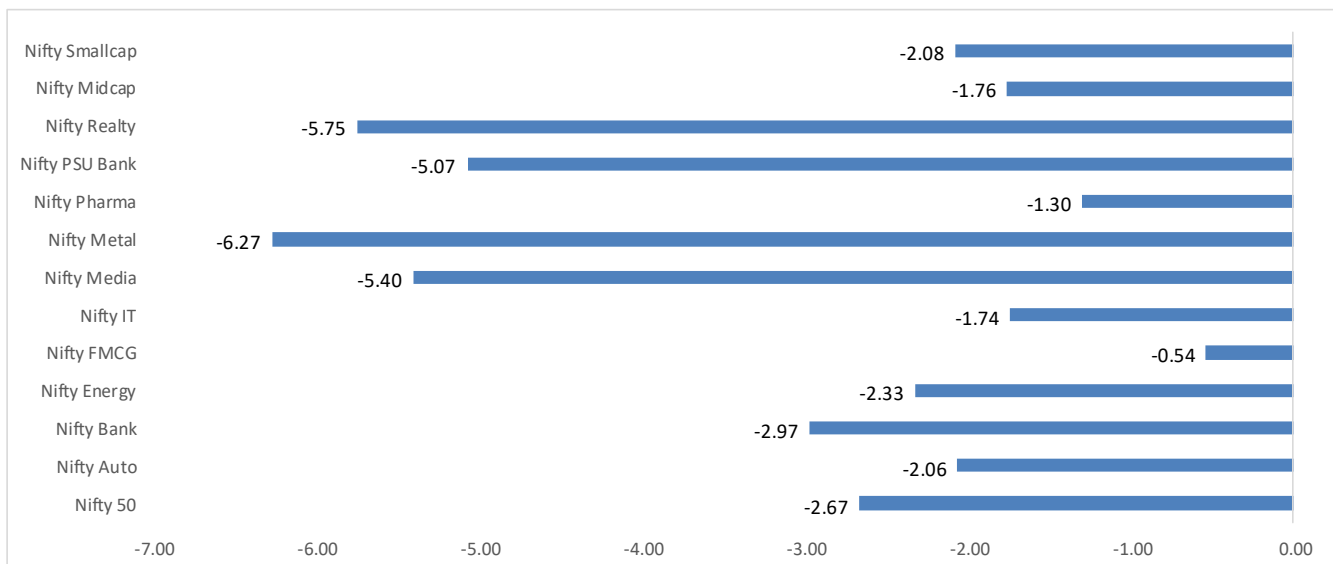
The level of 50WMA and 200DMA comes at cluster of 17,340-17,370, activity of the upcoming week will indicate whether the market is holding the psychological support or not. On sector-wise, stock specific buying will continue in the **Auto, IT and FMCG** sectors. Ongoing correction will extend in the **Metal sector** and on every rise selling pressure can be anticipated. The **Pharma sector** stands at the long term trendline support where reversal or continuation of the trend will be indicated in the upcoming week.

## HIGHLIGHTS OF THE WEEK 20 Feb 2023-24 Feb 2023

### NIFTY 50 COMPONENTS (WEEKLY PERFORMANCE)

Adani Enterprises	(23.68%)	HDFC	(4.34%)	NTPC	1.94%
Adani Ports	(3.07%)	HDFC Bank	(4.08%)	ONGC	(1.21%)
Apollo Hospital	(2.80%)	HDFC Life	(4.18%)	PowerGrid	0.66%
Asian Paints	(3.40%)	Hero Motocorp	(1.94%)	Reliance	(2.05%)
Axis Bank	(0.80%)	Hindalco	(3.29%)	SBI Life	(1.49%)
Bajaj Auto	(1.43%)	HUL	(1.23%)	SBIN	(1.72%)
Bajaj Finance	(3.19%)	ICICI Bank	(2.56%)	Sun Pharma	(1.50%)
Bajaj Finserv	(3.78%)	IndusInd Bank	(3.06%)	Tata Consumer	(1.10%)
Bharti Airtel	(2.57%)	INFY	(2.33%)	Tata Motors	(2.78%)
BPCL	(4.15%)	ITC	0.51%	Tata Steel	(2.01%)
Britannia	(1.82%)	JSW Steel	(6.24%)	TCS	(3.12%)
Cipla	(5.94%)	Kotak Bank	(3.63%)	Tech Mahindra	(0.75%)
Coal India	(0.30%)	LT	(4.13%)	TITAN	(4.12%)
Divis Labs	2.67%	M&M	(4.66%)	Ultratech	(1.16%)
Dr. Reddy's Labs	(0.67%)	Maruti	(2.15%)	UPL	(4.44%)
Eicher Motors	(2.21%)	Nestle India	(1.64%)	Wipro	(2.93%)
Grasim	(3.76%)				
HCL Tech	(1.27%)				

### SECTORAL PERFORMANCE



**HIGHLIGHTS OF THE WEEK 20 Feb 2023-24 Feb 2023**

**SECTORAL LOSER**



Underperformance by the **Metal sector** has been extended by ending the week with a loss of 6.27%. Majority of the constituents have ended the week with a loss where Adani Ent (23.68%) and JSW Steel (6.24%) were the underperformers. The sector has given a breakdown from its congestion which indicates pressure is likely to remain going forward as well.

With the Market sentiment being bearish, all the sectors have ended the week on a negative note.

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