

Weekly View: Nifty, Bank Nifty:

| Indices | CMP | Support | Resistance | 50 DMA | 200 DMA | Range | Preferred Trade |
|------------|-------|---------|------------|--------|---------|-------------|--|
| NIFTY | 15860 | 15459 | 16001 | 15173 | 13869 | 15575-16201 | Buy between 15775-15795 zone. Targets at 16001/16250. Stop at 15456. |
| BANK NIFTY | 35365 | 33751 | 36001 | 33880 | 30778 | 32901-35813 | Buy at CMP. Targets 36001/36501/37201. with stop at 33751. |

Medium Term Pick:

| Stocks | CMP | Support | Resistance | 50 DMA | 200 DMA | Bias | Preferred Trade |
|-------------|-----|---------|------------|--------|---------|----------|--|
| TATA MOTORS | 340 | 285 | 383 | 320 | 243 | Positive | Incorporated in the year 1945 Tata Motors is India's leading automobile manufacturer — largest commercial vehicle company and fourth-largest passenger vehicles player and also has presence in defence vehicles. Jaguar holds the key to re-rating. Tata Motors expects JLR volume to grow >20% and the EBIT margin ~4% for FY22E. The sales of Jaguar have picked up in China and Europe. Any positive surprise on jaguar sales from Europe could strengthen the case of re-rating. Simply buy at CMP, and on dips between 307-312.50 zone, targeting 363/383 mark and then at psychological 400 mark. Holding Period: 3 Months+. |

Tata Motors Ltd. was incorporated in the year 1945 and commands a market cap of Rs 120,658 Crore. Tata Motors is India's leading automobile manufacturer — largest commercial vehicle company and fourth-largest passenger vehicles player and also has presence in defence vehicles. Tata Motors is one of India's largest OEMs offering an extensive range of integrated, smart and e-mobility solutions.

The firm is a part of the USD113 billion Tata group having operations in the UK, Spain, South Korea, Thailand, South Africa and Indonesia through a strong global network of 76 subsidiary and the key amongst them are Jaguar Land Rover, the business comprising two iconic British brands – Jaguar and Land Rover and then Tata Daewoo in South Korea. Tata Motors acquired Jaguar Land Rover (JLR) in 2008.

Promoters held 46.4 per cent stake in the company as of March 31, 2021, while FIIs held 13.8 per cent, DIIs 12.1 per cent and public and others 27.8 per cent.

Daily Chart of TATAMOTORS:

The positive triggers:

- Jaguar holds the key to re-rating. Tata Motors expects JLR volume to grow >20% and the EBIT margin ~4% for FY22E. The sales of Jaguar have picked up in China and Europe. Any positive surprise on jaguar sales from Europe could strengthen the case of re-rating.
- Strong momentum being witnessed in "New Forever" portfolio and focused initiatives across value chain. Commercial Vehicle segment witnessing higher demand from infrastructure, housing, mining and e-commerce space.
- The long-term outlook remains positive on backdrop of a robust order pipeline
- Amidst this backdrop, TML seen posting solid operational performance with strong demand, increase in production activities and better product mix backed with cost efficiencies initiatives.
- In FY21, passenger vehicles business posted highest growth in 8 years and Nexon and Harrier witnessed their highest sales since launch. Nexon is among the top three highest selling compact SUVs in India — the last 50,000 units have been rolled out in less than six months
- Tata Motors plans to have zero debt by 2024. The street likely to be surprised positively amidst reduction in capex, better profitability, improving working capital and selling some of the non-core assets. Balance sheet improvement quite likely. Lower automotive debt was seen recent Q4 by INR14bn QoQ to INR40.9bn.
- Tata Motors is evaluating opportunities to raise capital from potential strategic partners or investors, including private equity funds and sovereign wealth funds, for its electric vehicle (EV) business as the automaker works towards building a range of affordable electric cars.

Key risk:

- Prices of some key raw materials have increased sharply in last few weeks. Either the company will have to absorb that hike or will have to pass it consumers. In first case, margins would be at risk, in second case sales might get impacted.
- Brexit, Trade Wars.

Technically, brace yourselves for a major breakout play on the daily charts with recent sequence of higher high intact on the weekly/monthly charts. An impulse uptrend is seen forming on the weekly time scale, with positive SAR series, as the price pattern has just been confirmed on its close above the Mar 2021 closing highs at 323 mark.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 260 zone.

Simply buy at CMP, and on dips between 307-312.50 zone, targeting 363/3783 mark and then at psychological 400 mark. Holding Period: 3 Months+.

CORPORATE ACTIONS

| Stocks | Ex-Date | Purpose | Amount (Rs) | Record Date |
|------------|-------------|------------------|-------------|-------------|
| GMBREW | 28 Jun 2021 | Final Dividend | 4.00 | - |
| HAPPSTMNDS | 29 Jun 2021 | Final Dividend | 3.00 | - |
| HDFCAMC | 29 Jun 2021 | Dividend | 34.00 | - |
| HDFCBANK | 29 Jun 2021 | Dividend | 6.50 | 30 Jun 2021 |
| KHAICHEM | 29 Jun 2021 | Final Dividend | 0.15 | - |
| NEULANLAB | 29 Jun 2021 | Final Dividend | 3.00 | - |
| SAGARSOFT | 29 Jun 2021 | Dividend | 2.50 | - |
| HDFCLIFE | 30 Jun 2021 | Final Dividend | 2.02 | 01 Jul 2021 |
| VAIBHAVGBL | 30 Jun 2021 | Final Dividend | 1.50 | - |
| ADANIENT | 01 Jul 2021 | Dividend | 1.00 | 02 Jul 2021 |
| APCOTEXIND | 01 Jul 2021 | Final Dividend | 2.00 | - |
| DHUNTEAIND | 01 Jul 2021 | Dividend | 5.00 | - |
| FEDERALBNK | 01 Jul 2021 | Final Dividend | 0.70 | - |
| LTI | 01 Jul 2021 | Final Dividend | 25.00 | 02 Jul 2021 |
| MARKSANS | 01 Jul 2021 | E.G.M. | - | 02 Jul 2021 |
| MINDACORP | 01 Jul 2021 | Final Dividend | 0.35 | - |
| MMFL | 01 Jul 2021 | Interim Dividend | 5.00 | 02 Jul 2021 |
| PETRONET | 01 Jul 2021 | Final Dividend | 3.50 | 02 Jul 2021 |
| PFC | 01 Jul 2021 | Final Dividend | 2.00 | 02 Jul 2021 |
| PTL | 01 Jul 2021 | Final Dividend | 2.50 | - |
| SMRUTHIORG | 01 Jul 2021 | Dividend | 3.00 | - |
| SUBEX | 01 Jul 2021 | Final Dividend | 0.25 | - |
| SUNDARFIN | 01 Jul 2021 | Final Dividend | 6.00 | - |
| SWARAJENG | 01 Jul 2021 | Dividend | 50.00 | - |
| SWARAJENG | 01 Jul 2021 | Special Dividend | 19.00 | - |
| TTKPRESTIG | 01 Jul 2021 | Dividend | 30.00 | - |
| UBL | 01 Jul 2021 | Dividend | 0.50 | - |
| VISHNU | 01 Jul 2021 | Dividend | 1.00 | - |

OFFER TO BUY

| Company name | Start Date | Close Date | Offer Price (Rs.) | Proposed Acquisition (No. of shares) | CMP (Rs.) |
|------------------------|------------|------------|-------------------|--------------------------------------|-----------|
| WELSPUN INDIA LTD. | 22-06-2021 | 05-07-2021 | 120.00 | 1,66,66,666 | 93.75 |
| TRIJAL INDUSTRIES LTD. | 18-06-2021 | 01-07-2021 | 3.00 | 13,04,186 | 7.48 |

BONUS

| Co-Name | Ex Bonus Date | Ratio |
|---------|---------------|-------|
| SADHNIQ | 19-Jul-21 | 2:5 |