

MONTHLY

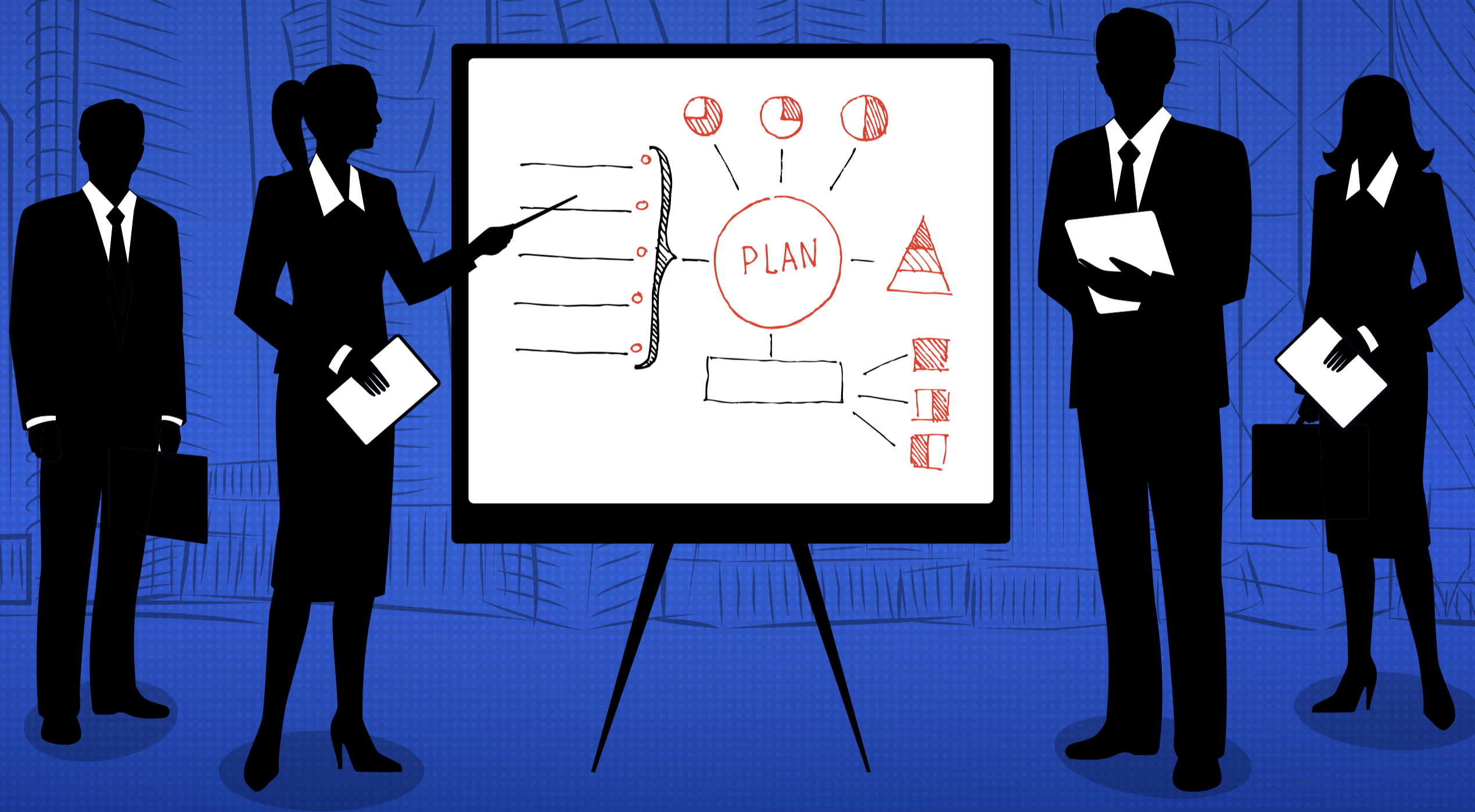
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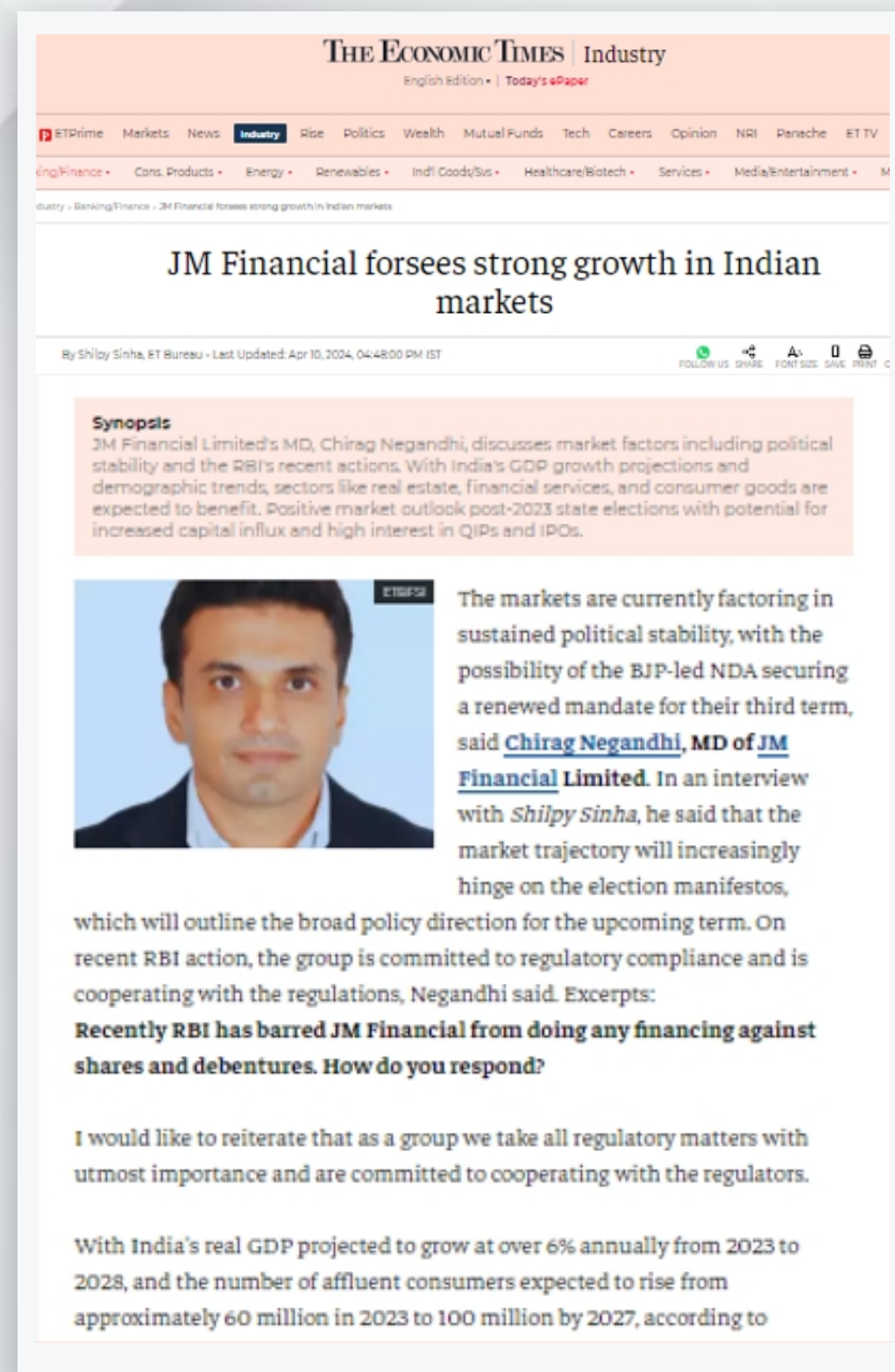


TLIGHT

APRIL 2024

THOUGHT LEADERSHIP





MR. CHIRAG NEGANDHI —

MD, JM Financial Ltd

interview appeared in **ET Online** where he discussed how the market trajectory will increasingly hinge on the election manifestos, which will outline the broad policy direction for the upcoming term.



MR. ANISH DAMANIA —

MD & CEO, Institutional Equities and ECM, JM Financial Institutional Securities Ltd

interviews appeared on **NDTV Profit** and **CNBC TV18** where he shared his views on the market.

'Fundraising momentum to be sustained in FY25'

Janaki Krishnan
Mumbai



The momentum of fund raising through initial public offerings (IPOs) and qualified institutional placements is expected to be sustained in FY25, and the size of IPOs may be higher while that of QIPs could be smaller, according to Neha Agarwal, Managing Director and head of equity capital markets at JM Financial.

The investment bank has topped the league tables in FY24 with respect to fund raising through IPOs and QIPs, according to data from Prime Database. With more than half of the share in terms of the value of the transactions, it has been part of every second IPO that hit the market last year.

Last year saw equity issuances worth ₹1.86-lakh crore, with ₹67,753 crore being raised via IPOs and QIPs worth ₹78,089 crore, Prime Database showed. The IPOs include those of SMEs, while QIPs also include those of real estate investment trusts and infrastructure investment trusts.

JM Financial handled IPOs worth ₹28,874.67 crore and QIPs worth ₹26,275 crore in FY24.

Agarwal told *businessline* that there was a good mix of primary (40 per cent) and secondary (60 per cent) issuances in FY24. Companies raised primary capital to either deleverage their balance sheet or for capital expenditure. She added that this was a marked change from two years ago, when the focus was more on private equity monetisation.

According to filings with the regulator, the Securities

and Exchange Board of India, around ₹70,000 crore worth of primary issuances are in the pipeline to hit the market in the current fiscal year. This includes high-profile names such as Afcons Infrastructure, First Cry, OYO, and Ola, among others. Many of the IPOs are mega-sized.

FUELLING MARKETS
Companies are looking for capital to grow, and this is fuelling the primary and secondary markets. Agarwal said that IPO sizes could increase in FY25 from the average size of around \$100 million in FY24, as some of the large companies are looking to list post-elections. "On the QIP side, apart from select large issuances, we will see increased velocity from \$50-100 million QIPs across sectors," she said.

Despite the seemingly rich valuations in some of the primary issuances, investors had got decent returns on their investments. "Even with valuations that might optically seem rich, investors have made money. That is one of the reasons we see the momentum continue. Quality franchises with strong business moats and strong profitable growth metrics have justified premium multiples."



MC Interview: India will continue to outperform in FY25, see many large IPOs post polls — Neha Agarwal, JM Financial

With strong GDP growth and improving market cap-to-GDP ratio, Agarwal expects that India's market cap will hit the \$5 trillion mark soon.

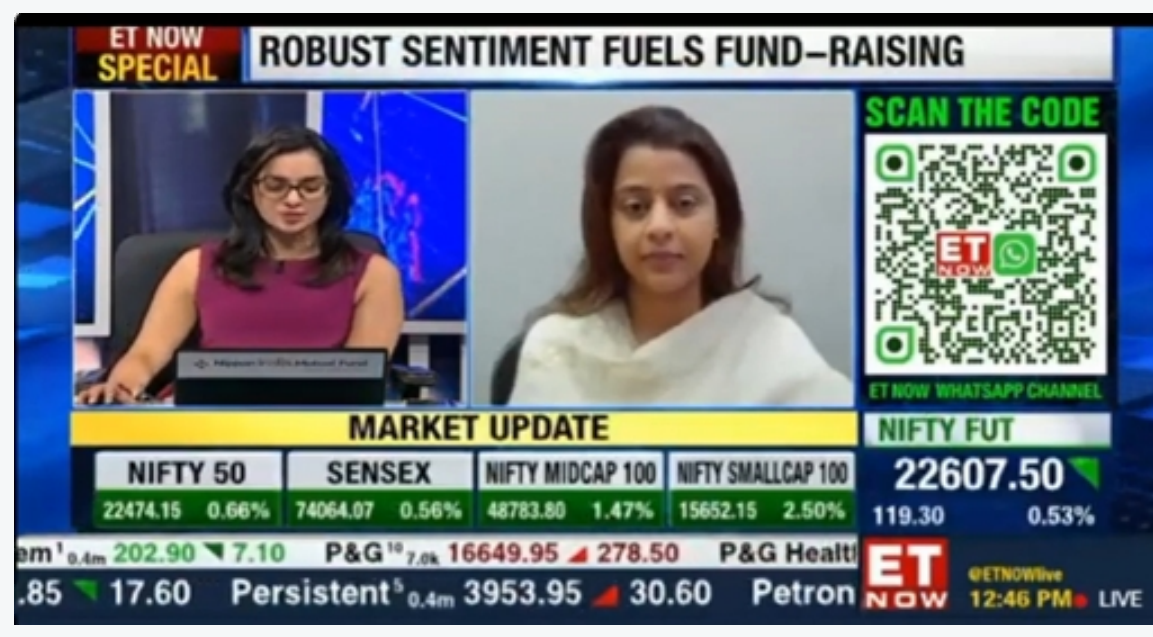


Neha Agarwal, MD & Head of Equity Capital Markets at JM Financial

Neha Agarwal of JM Financial believes that India will continue to outperform in FY25 because of a strong macro environment, earnings growth trajectory, and equity market inflows in the backdrop of a slowing global economy.


On the primary markets side as well, she expects FY25 to be another great year for India.

"Unlike FY24, we expect to see many large IPOs post elections. Some of the firms that have already filed a DRHP with SEBI and who could have an IPO in the next six months are Ola Electric, Firstcry, Go Digi General Insurance, etc.," says the MD and Head of Equity Capital Markets at JM Financial, who has over 17 years of experience in the equity capital markets space.



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MARKET UPDATE

NIFTY 50	SENSEX	NIFTY MIDCAP 100	NIFTY SMALLCAP 100	NIFTY FUT
22474.15	74064.07	48783.80	15652.15	22607.50
0.66%	0.56%	1.47%	2.50%	0.53%

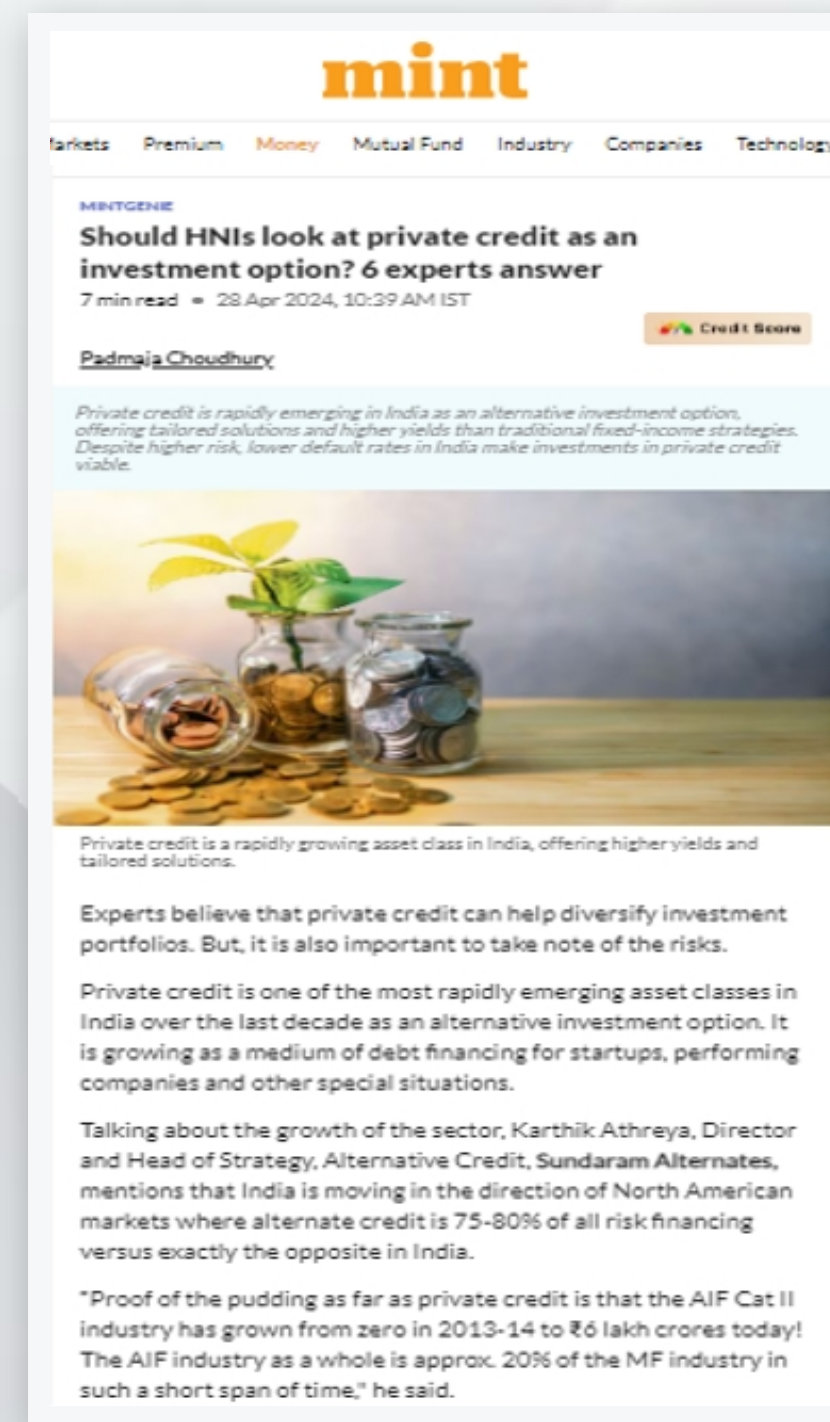
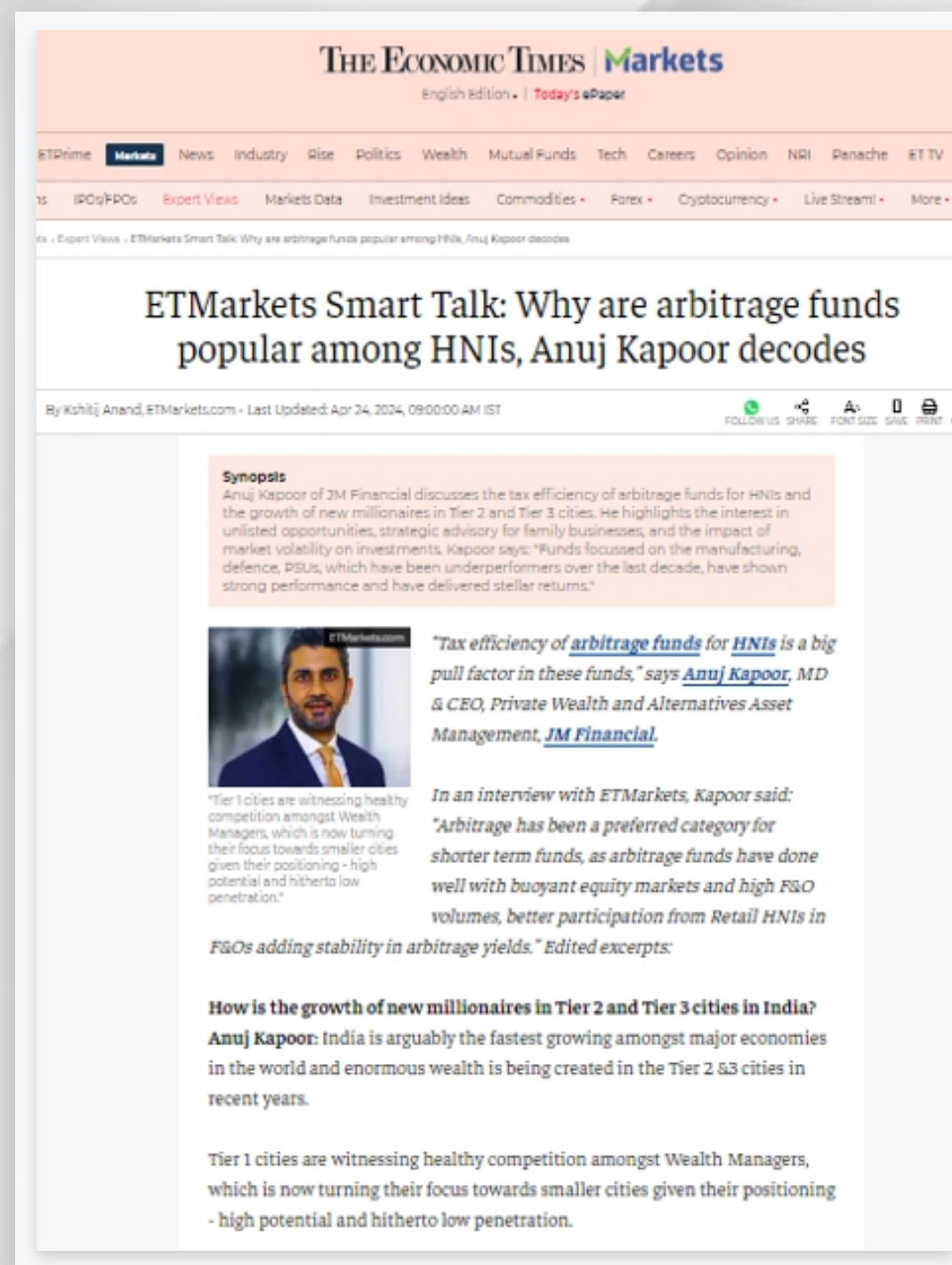
ET NOW LIVE 12:46 PM LIVE

MS. NEHA AGARWAL —

MD & Head, Equity Capital Markets, JM Financial Ltd.

interview appeared on **ET Now** and **Moneycontrol** wherein she discussed the blockbuster FY24 & how India will continue to outperform in FY25 because of a strong macro environment, earnings growth trajectory, and equity market inflows in the backdrop of a slowing global economy.

she also participated in a story by The **Hindu Business Line** where she talked about how the momentum of fund raising through initial public offerings (IPOs) and qualified institutional placements (QIPs) is expected to be sustained in FY25.

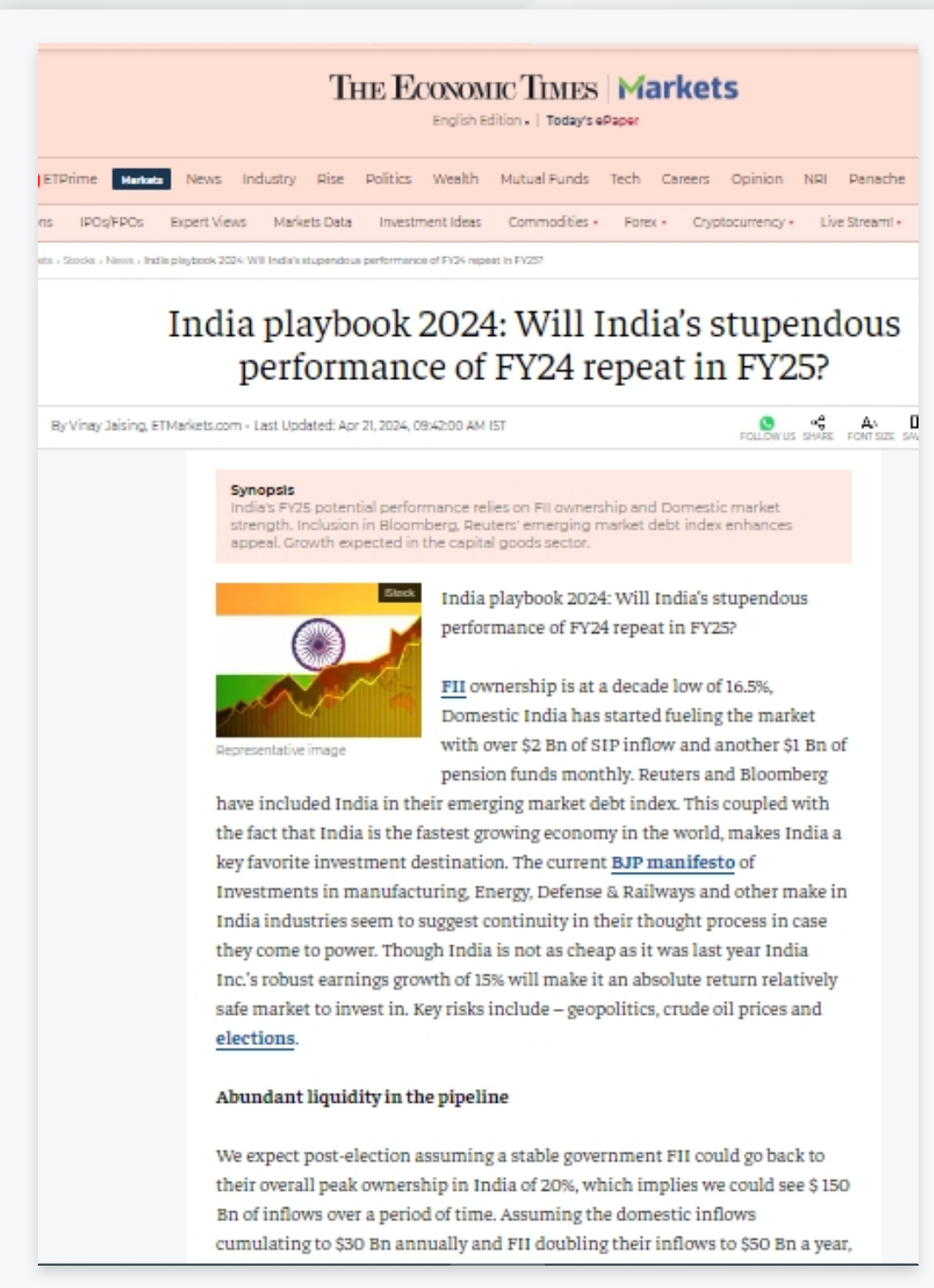


MR. ANUJ KAPOOR —

MD & CEO, Private Wealth and Alternatives Asset Management, JM Financial Ltd

interview appeared on **ET Markets** where he shared his views on how arbitrage has been a preferred category for shorter term funds, as they have done well with buoyant equity markets and high F&O volumes, better participation from Retail HNIs in F&Os adding stability in arbitrage yields.

he was quoted in an industry story by **Mint** where he talked about how the private credit is rapidly emerging in India as an alternative investment option, offering tailored solutions and higher yields than traditional fixed-income strategies.



MR. VINAY JAISING —

MD & Co-Head, Portfolio Management Services, JM Financial Ltd.

authored article was published in **ET Markets** wherein he shared his thoughts on how India's FY25 potential performance relies on FII ownership and domestic market strength.

interview appeared on **ET Now** and **NDTV Profit** which covered his views on how India heading towards the huge earnings growth.

ETMarkets Smart Talk: At 22K on Nifty, market is trading in line with 5-year average: Rakesh Parekh

By Kishij Anand, ETMarkets.com - Last Updated: Apr 19, 2024, 09:01:00 AM IST

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Synopsis

Rakesh Parekh talks about the key drivers for the market – a combination of ample liquidity, pro-growth government policy direction, investments and capex entering an upcycle as well as corporate balance sheets that remain conducive for investments. He says: "We are encouraging clients to add to their equity positions with a long-term perspective in mind to take advantage of this opportunity."



"While some pockets of exuberance are inevitable, on a broader basis, we continue to remain constructive on the overall direction of equity markets."

"At around 22,000 levels, the **NIFTY index** is trading at **-20x FY25E consensus earnings** and **-18x FY26E consensus earnings**, which is broadly in-line with the 5-year average PE of **-20x**," says **Rakesh Parekh**, MD & Co-Head, Portfolio Management Services, **JM Financial Ltd.**

In an interview with ETMarkets, Parekh said:

"While some pockets of exuberance are inevitable, on a broader basis, we continue to remain constructive on the overall direction of equity markets." Edited excerpts:

Sensex@75K, Nifty@22K - should investors be worried or do you see FOMO in the market? Where do you see the market headed?

Rakesh Parekh: The Indian economy is expected to grow by 7.6% in FY24, significantly higher than the 6%-6.5% consensus estimates at the beginning of the year. As we enter FY25, consensus estimates for economic growth are around 6.5%.

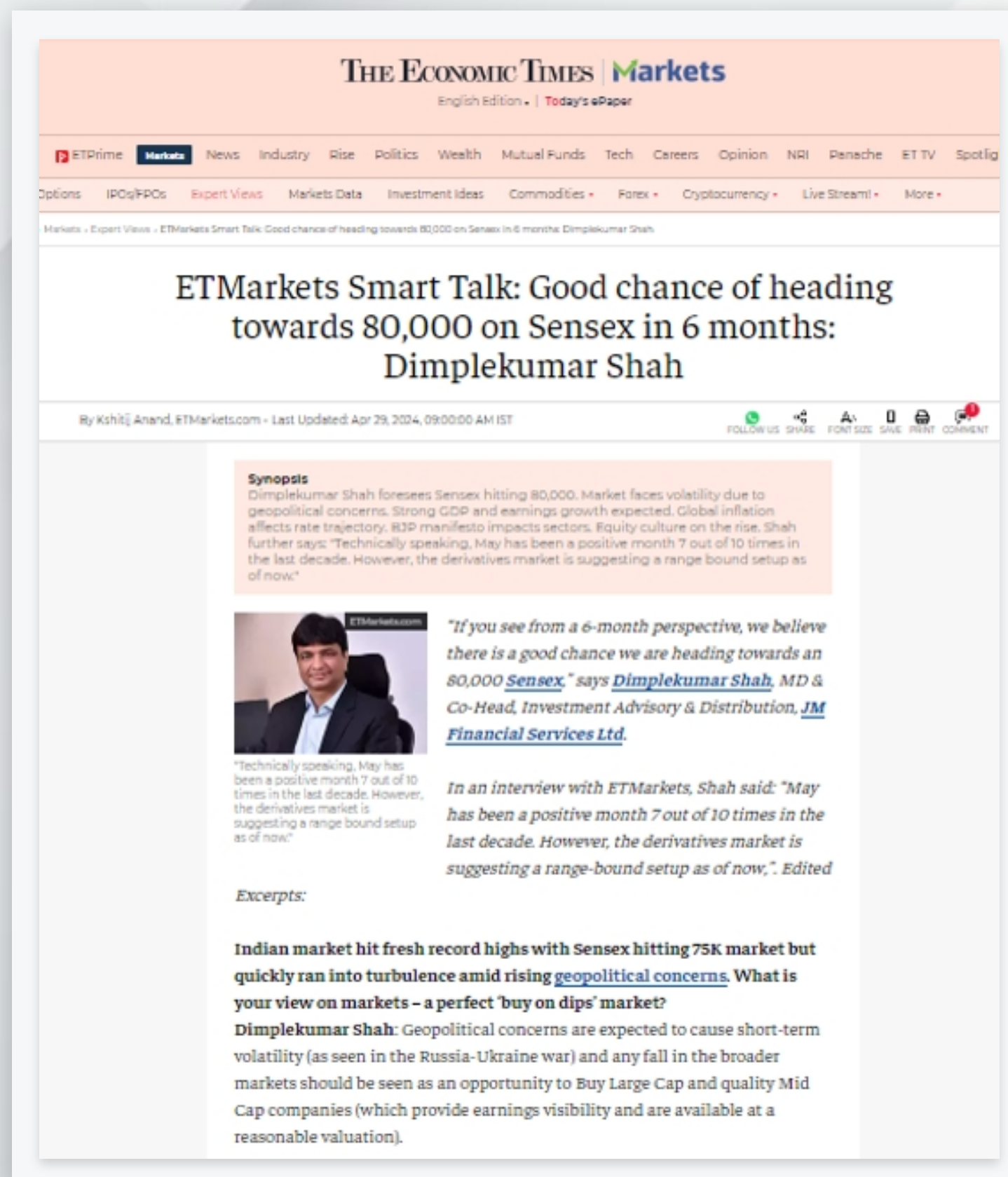
With the global economy likely to be avoiding a deep recession and election uncertainty behind us in 1Q FY25, it is likely that the Indian economy outperforms expectations yet again in the coming two years with a nearer 7%-7.5% growth.

After a strong **-20% NIFTY** earnings growth in FY24 driven by margin expansion, consensus earnings growth will likely taper off to 10-12% in FY25E and 12-14% in FY26E as margin levers have largely run their course.

MR. RAKESH PAREKH —

MD & Co-Head, Portfolio Management Services, JM Financial Ltd.

authored article was published in **ET Markets** wherein he discussed key drivers for the market – a combination of ample liquidity, pro-growth government policy direction, investments and capex entering an upcycle as well as corporate balance sheets that remain conducive for investments.



MR. DIMPLEKUMAR SHAH —

MD & Co-Head, Investment Advisory & Distribution, JM Financial Services Ltd.

authored article was published in **ET Markets** wherein he discussed the Indian equity markets, geopolitical concerns, investment strategies and more.

JM FINANCIAL IN THE NEWS



Synopsis

Satish Ramanathan highlights challenges for Indian equity markets in FY'25 , including domestic elections, monsoons, food inflation, US elections. Crude oil, inflation, and central banks' actions pose additional risks. Market corrections offer investment opportunities amidst turbulent valuations. Ramanathan says: "The recent correction in the mid and smallcap stocks was primarily on account of a sharp rise in valuations and not due to a deterioration in fundamentals. "



"The recent correction in the mid and small caps was primarily on account of a sharp rise in valuations and not due to a deterioration in fundamentals. "

*"Financials continue to trade at valuations below their historic average and could be a **dark horse**, as also pharma and chemicals," says **Satish Ramanathan**, CIO - Equity, **JM Financial Asset Management**.*

*In an interview with ETMarkets, Ramanathan said: "In FY'25, Indian **equity markets** will have three walls of worry to cross- Domestic elections, Monsoons, and food inflation, and finally US elections and outcome on trade relations,". Edited excerpts:*

MR. SATISH RAMANATHAN —

CIO–Equity, JM Financial Asset Management Ltd

interview was published in **ET Markets** where he highlighted challenges for Indian equity markets in FY25, including domestic elections, monsoons, food inflation, US elections. Crude oil, inflation, and central banks' actions pose additional risks.

Follow-up Buying Could Take Nifty Higher This Week
MARKETS: BEATING VOLATILITY → 7

ET GRAPHICS

TECHNICAL VIEWS

Follow-up Buying could Take Nifty Higher

Most technical indicators suggest a short-term bottom reversal for Indian indices. Analysts expect the Nifty to trend higher as follow-up buying may emerge above 22,180, with short positions potentially being challenged above 22,425. Reliance Industries, SBI, Hindalco, Eicher Motors, Maruti, HAL, and M&M, along with midcaps like Jindal Steel and Power, Delivery, Bharat Dynamics, Lemon Tree, Tata Steel, and Graphite India, are recommended by the analysts for short-term trading.

RAHUL SHARMA
HEAD, TECHNICAL & DERIVATIVE RESEARCH, JM FINANCIAL SERVICES

Where is the Nifty headed this week?
 US Markets are in oversold territory, and European indices have taken support near crucial moving averages, which mean a meaningful recovery can be expected from global equity markets. The ratio chart of the Nifty 50 vs S&P 500 has closed at the highest level since mid-January. Nifty and Nifty Bank formed hammer candles on weekly charts due to the recovery seen in Friday's session which is a bullish development. Nifty 500 is relatively much stronger this time as it managed to form a relatively higher low as compared to the March correction. Nifty PCR has improved in the last two sessions, supplementing the bullish bias. Retail has lapped up longs in index futures. FII are decisively short on index futures. Expect Nifty to scale higher as follow-up buying can emerge above 22,180 and shorts can get challenged above 22,425.

What should an investor do?
 One Look to add longs in Nifty

above 22,180 for targets of 22,325 and 22,425 with a stop loss of 22,100. Relative strength studies indicate that Eicher Motors can outperform. Targets are seen at ₹4,500/4,800. Stop loss should be at ₹4,193. Maruti has seen a firm close on Friday above key resistance levels. Upside targets are seen at ₹13,000/13,200. Stop loss should be at ₹12,450. A high-er-high and higher-low structure in HAL is intact in spite of market volatility. Expect the stock to test ₹3,900/4,000. Stop loss should be at ₹3,620.

DHARMESH SHAH
HEAD OF TECHNICALS, ICICI SECURITIES

Where is the Nifty headed this week?
 Nifty made a smart recovery on Friday to end the volatile week off lows, as buying emerged near key support and March lows of 21,700, despite weak sentiments, as prices approached oversold readings. This week, Nifty holding Friday's panic low of 21,700 will keep pullback options open, followed by a gradual recovery towards last week's high of 22,400, which remains an important resistance.



NAGARAJ SHETTI
SENIOR TECHNICAL RESEARCH ANALYST, HDFC SECURITIES

Where is the Nifty headed this week?
 After showing a panic selloff from near the day's high on Thursday, Nifty witnessed an excellent recovery on Friday and closed the day with handsome gains amidst high volatility. A long bull candle was formed on the daily chart after opening at the lows. The present chart pattern indicates the formation of a Bullish Piercing line-type candle pattern. This signals a short term bottom reversal for the market. Nifty held above the support around 21,750, which is near the previous swing low of March 20. This could be considered a double-bottom type formation. After breaking below the support of the lower end of the channel at 22,000, Nifty regained the lost ground and closed above the support on Friday.

What should an investor do?
 The short-term trend of Nifty has reversed with the formation of a bullish reversal pattern. One may expect further upside towards the next resistance of 22,500 in the next few sessions. Immediate support is at 22,000. One may look to start accumulating index or stocks by placing appropriate stop losses. Stocks with positive bias include Tata Steel, SAIL, SBI, Central Bank, Motherson, M&M, Gujarat Fluorochemicals, Raymond, Chalet Hotel and Bajaj Finance.

MR. RAHUL SHARMA —

Director, Head- Technical & Derivative Research, JM Financial Services Ltd.

technical views on where the Nifty is headed were published in **The Economic Times**.

KEY ANNOUNCEMENTS





WELCOME ABOARD !

NITIN IDNANI

Managing Director,
Real Estate Advisory



www.jmfl.com

Mr Nitin Idnani joined as Managing Director, Real Estate Advisory at JM Financial Ltd. He brings with him over 20 years of rich experience.

MARQUEE RESEARCH REPORTS



Key Research Reports of the month

10 April 2024
INDIA | TELECOM |
COVERAGE INITIATION

JM FINANCIAL

Bharti Hexacom

Mid-cap pure-play on structural wireless ARPU growth story

Wireless ARPU on a structural uptrend given consolidated industry structure and future investment needs

10% ARPU CAGR for Bharti Hexacom (BHL) via tariff hikes & Bharti Airtel's premiumisation strategy

BHL's FY24-30 EBITDA CAGR higher at 15%; initiate with BUY with TP of INR 790

Bharti Hexacom

15 April 2024
INDIA | AUTO ANCILLARIES |
COVERAGE INITIATION

JM FINANCIAL

ASK Automotive

No Brakes on growth; Play on EV light-weighting Opportunity

Leader in 2W braking; diverse product portfolio; long-standing customer relationships

Rising electrification in domestic automotive industry to drive kit value and growth

Initiate BUY with TP INR 375, implying 23% upside from CMP

ASK Automotive Ltd

17 April 2024
INDIA | INSURANCE |
COVERAGE INITIATION

JM FINANCIAL

Life Insurance

Milestones come and go, LIFE marches on

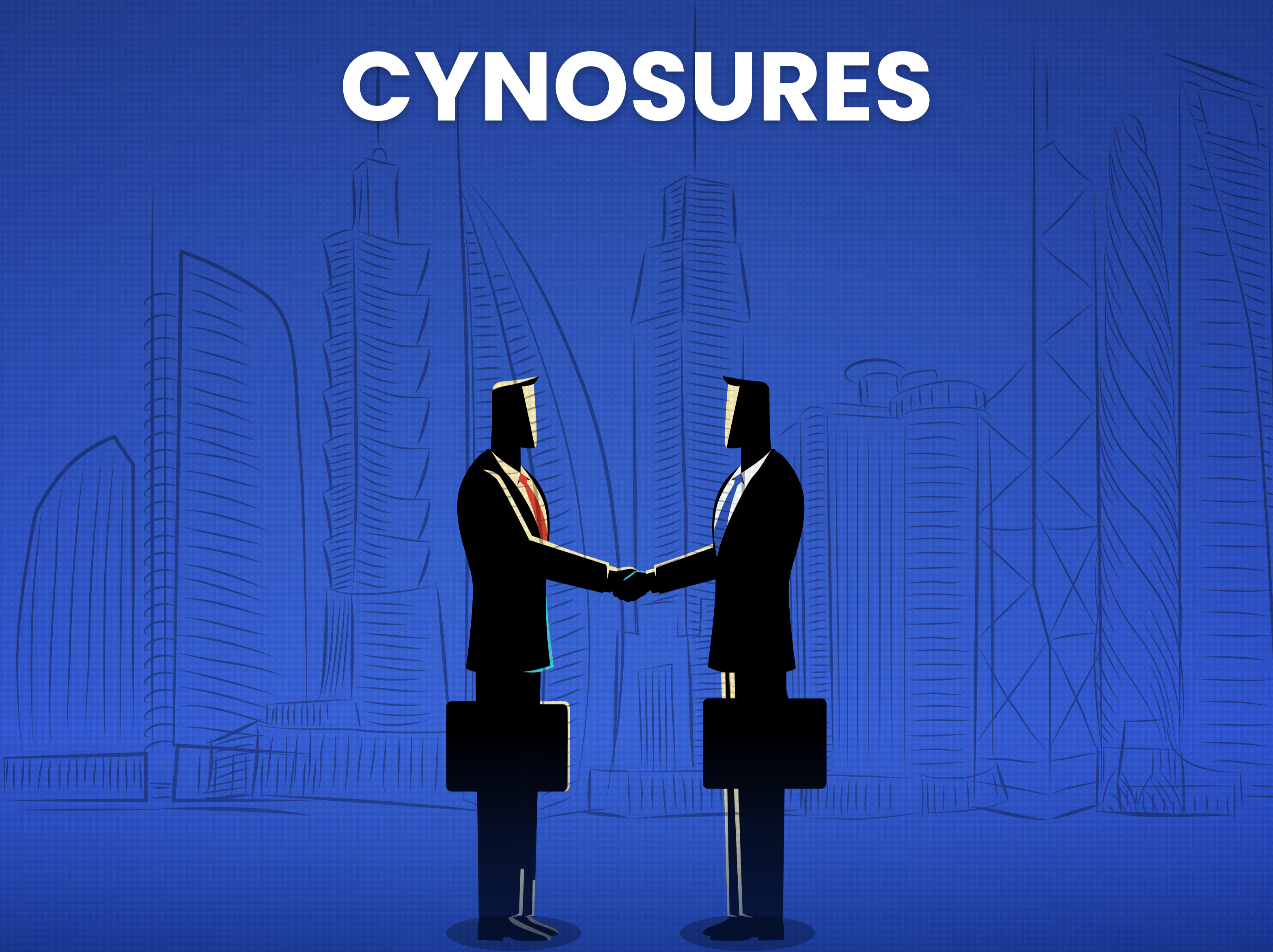
Taxation and economic headwinds faced head-on

Growth and margins to be consistent

Suppressed valuations provide room for rerating

India Insurance

CYNOSURES



Sale of Cement Grinding Unit by My Home Industries to Ambuja Cements

April 2024 JM Financial Limited acted as the Exclusive Financial Advisor to My Home Industries Private Limited

Key Highlights

- ❖ On April 15, 2024, My Home Industries Private Limited (MHIPL) entered into a definitive agreement for the sale of a 1.5 MTPA Cement Grinding Unit in Tuticorin, Tamil Nadu to Ambuja Cements Limited (ACL) through slump sale for a consideration of INR 414 Crores.
- ❖ MHIPL is one of the leading cement manufacturers in South India, with a total cement capacity of 12.35 MTPA.
- ❖ MHIPL is a part of My Home Group which is engaged in cement, construction, media, power Consultancy, and education sectors.
- ❖ The Grinding Unit (GU) is a strategically located manufacturing facility and exhibits a well-designed plant layout with modern technology and state of the art manufacturing equipment.
- ❖ JM Financial played a key role in generating interest for the asset and thereby negotiating and maximizing value for MHIPL.

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My Home Industries Pvt Ltd

JM Financial Limited acted as the Exclusive Financial Advisor to My Home Industries Private Limited for Sale of Cement Grinding Unit to Ambuja Cements

April 2024 JM Financial delivers INR 1,000 Cr QIP of Chalet Hotels Ltd. as the Book Running Lead Manager

Transaction Summary

QIP Size	INR 1,000 Cr (USD 120 Mn)
Dilution (%)	-6.1%
SEBI Floor Price	INR 780.76
Issue Price	INR 792.00
Issue Price Premium to SEBI Floor Price	1.4%

Key Investors

Capital Research	SBI MF	Norges
I Pru MF	Axis MF	Birla MF
HDFC MF	I Pru Life	HDFC Life
ADIA	Blackrock	Whiteoak
Eastspring	KIA	Bajaj Life

Key Highlights of the Deal

- The QIP saw very strong response from Long-Only Foreign Portfolio Investors, Mutual Funds and Insurance Companies
- JM Financial Value Add:
 - Being Left Lead banker, JM Financial successfully executed the deal in just under 45 days from kick-off to the listing of new shares
 - Was instrumental in procuring initial demand from key investors to gather momentum
 - Played a vital role in the designing of marketing strategy for the QIP including guiding the management on the pricing and timing of the deal
 - Capitalized on the breadth and depth of its strong distribution reach to build a high quality demand book
- Despite steep increase in the stock price over the last few trading sessions, the QIP saw strong participation from 100% long only investors

High Quality Book

JM Financial leads the Equity Capital Markets landscape in India and has successfully completed over 118 transactions since January 2021 by grossing ~INR 2,61,000 Cr

JM Financial Limited
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Chalet Hotels

JM Financial delivers INR 1,000 Cr QIP of Chalet Hotels Limited as the Book Running Lead Manager

AT A FLASH





JM Financial Asset Management Ltd. hosted a gratitude event 'Aabhar'.

JM Financial Asset Management Ltd. hosted a gratitude event 'Aabhar' at Pune and Mumbai to honour the valued members of their distributor network who were early adopters and partnered with them in the initial stages of their journey.



Seminar on 'Making Peace with Money' by ICAI —

The Western India Regional Council (WIRC) of the Institute of Chartered Accountants of India (ICAI) organised a seminar at BKC, Mumbai, where Mr. Seemant Shukla, CBO of JM Financial Asset Management Ltd., joined prominent industry figures for an insightful session on 'Making Peace with Money'. He also discussed the widely discussed topic 'Retirement Landscape in India - Are Mutual Funds a Solution?' The session was highly interactive, with participants actively engaging in discussions and questions related to retirement and finance.

MAKING A DIFFERENCE





Capacity Building Workshop for Bachpan Centres' Teachers —

In Jamui, Bihar, the JM Financial Foundation recently conducted a comprehensive four-day training workshop to enhance skill sets of its Bachpan centres' teachers. The workshop was conducted by Ms Seema Wahi Mukherjee, an esteemed expert in experiential learning and Ms Deepti Shrivastava, a proficient curriculum development specialist. The workshop focused on preparing teachers and aides across all Bachpan centres for the upcoming academic year's new curriculum.

After the intensive four-day workshop, all the participants left with a fresh vision for Project Bachpan. They exhibited commitment and enthusiasm, embracing new methodologies to elevate their classrooms into dynamic environments conducive to learning and exploration.



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