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MONTHLY SPOTLIGHT

NOVEMBER 2024

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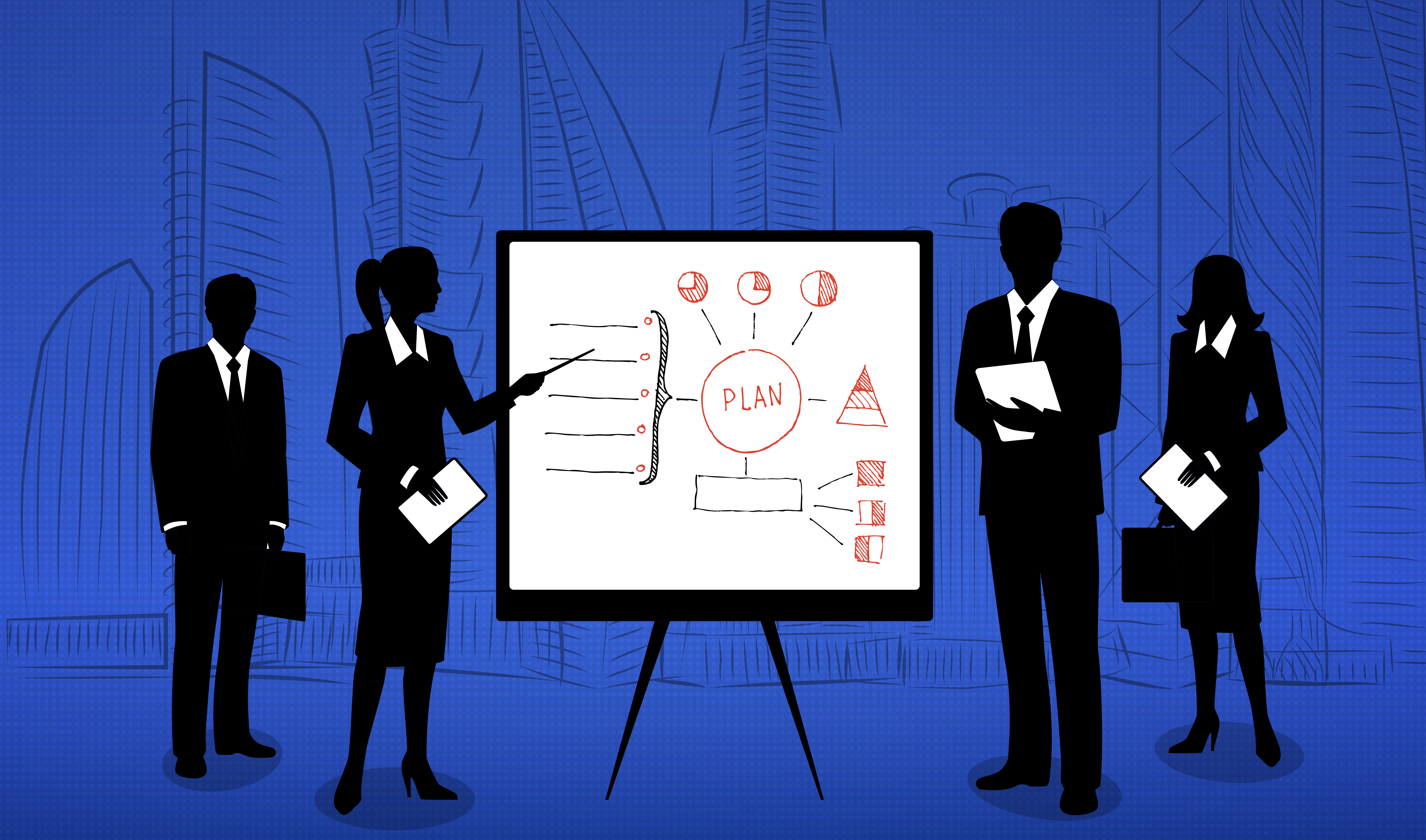

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INTERVIEW

‘Haven’t Seen a Happier Time For Deals’

JM Financial’s Sonia Dasgupta says she hasn’t seen such robust domestic deal activity in her career of over 28 years. Here’s why

THE CURRENT CALENDAR YEAR has seen some hectic deal activity after a lull. There is a strong pipeline of initial public offerings, qualified institutional placements, and private equity (PE) investments. The recent turnaround of new-age tech startups, such as Zomato, has renewed the interest and confidence of retail and institutional investors, as has the shift in focus of founders towards profitability and sustainable growth. India’s fast growth trajectory has further improved business outlook.

Sonia Dasgupta, MD & CEO, investment banking, JM Financial, says she hasn’t seen such vibrant deal activity in 28 years. “I have not seen a more interesting and a happier time for deal making in India than now,” she told *Forbes India* in an interview. “There’s a lot of deal flow of every type; capital markets are good and M&A is also up.”

Also, there is a pile of cash reserves available for investments. For instance, SEBI data suggests, AIFs focussed on private equity and private credit deals have raised commitments of ₹9.3 lakh crore as of June 2024 of which ₹6.5 lakh crore is yet to be deployed. The dry powder is up by 46 percent in comparison to June 2023.

A longstanding woe of PE investors has been the lack of attractive returns on domestic investments because of limited exit options. But the sentiment has changed now: “Private equity is very strong. Once the companies become large and profitable, there’s a good opportunity for them to exit. Plus, now Indian capital markets have depth where PEs can exit large stakes,” Dasgupta explains as she talks about what is driving the deal momentum across most sectors. Edited excerpts:

Q How is the deal pipeline looking against the current market and economic backdrop?
I have not seen such deal activity in my career of around 28 years. For the first time, investment bankers must be feeling they have less capacity to execute. There’s a lot of deal flow of every type; capital markets are good and M&A is also up. Private equity gets more confidence because they are seeing good exits. I have not seen a more interesting and a happier time for dealmaking in India than now.

Q What’s driving the momentum?
We’re seeing very strong corporate earnings; therefore, they have the ability to refinance debt, giving them dry powder to either do acquisitions or capex. So build versus buy becomes good as one can raise equity either

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₹9.3 lakh cr
Total value of commitments raised by AIFs focussed on private equity and private credit deals

SHUTTERSTOCK

from private or public markets. Private equity is very strong. Once the companies become large and profitable, there’s a good opportunity for them to exit. Plus, now Indian capital markets have depth where PEs can exit large stakes.

Q Are companies going ahead with capex plans because many have surplus capacity at present?
It’ll be specific to industries, because today the whole capacity from a lot of industries is not just linked to India. For instance, it can also get linked to excess dumping from some other countries if they start exporting below their cost price because they have excess capacity. That’s a huge deterrent for existing players to put up new capacities. But for, say, solar modules or green energy, semiconductors, companies are building capacities because we want to encapsulate on the huge ‘Make in India’ trend.

Q What sense do you get from foreign institutional investors who have been net sellers in India equity markets so far?
They sit at a point where they’re looking at all countries. So, relative to some of the other economies, India is pretty richly valued. There was a stimulus in another country (China), they rotated that money, and exited from their investments somewhere else. But I think they’ve again come back. If you see the Hyundai IPO, Bajaj Housing, we had very good FII interest again.

Q What are the top three trends you are seeing?
The market is very buoyant. A lot of IPOs, where the promoter would have said ‘okay, let me wait for some more time to get scale’ are getting advanced. Clearly, companies want to capitalise on the bullishness in the market.

In the digital and new age tech space, the market clearly is preferring founders who are actually showing strong profit or a very clear path to profitability. In line with all bull markets, people are trying to deleverage, if there’s an opportunity, build capacities. They have dry powder for expansion, and also accelerating growth. So they want to build and grow. I would say the confidence of the Indian corporates and the promoters has gone up.

It’s very heartening to see that, for most of the deals, there’s a very strong domestic buying power—whether it is through domestic financial institutions, mutual fund insurance or family offices. That has a multiplier effect—they are able to have the ability to, say, participate in pre-IPOs, and, when those companies list well, they are able to get back good returns, which they’re able to redeploy. It’s a virtuous cycle that is set into place. Large institutions and large economies get built on the back of such trends. We have strong buying power, and that gives a lot of resilience to the country.

“It’s very heartening to see that, for most of the deals, there’s a very strong domestic buying power.”

Q From what you say, I’m given an impression that there’s a lot of on-ground deal activity happening, and the mood is very upbeat. So after the funding winter some months ago, when most investors were sitting on the fence, are you saying there’s a 180-degree change in investor sentiment now?
That’s correct. I’ll be a little careful because there are still some pockets (NBFCs) where the regulators are not happy with some of the growth or unsecured lending. Here, investors want to wait and watch. Otherwise, bereft of that, I think all consumption-led stories, whether it is financial services, except lending, all others you can see the super rush to get more mutual fund licences.

You can see the growth of capital in broking, wealth management, etc. Of course, the favourite sectors are, as always, consumer, pharma, technology. Now of course, manufacturing. There is a lot more bullishness in all those spaces.

Q How is JM Financial placed to get a sizeable chunk of the business?
JM Financial clearly has an ability to become a very significant player and capture this because of a couple of reasons. One, our pedigree. Having seen so many cycles, the deal experience of all the senior bankers is a big asset. We have depth and width of coverage, and understanding of sectors and spaces. We continue to add and attract good talent.

One of our key things that we are focusing on is to become an integrated investment bank. Which means the investment bank works seamlessly with all our clients to satisfy all their needs, whether it is advisory work, IPO post listing, support in terms of QIPs, blocks, and the whole wealth management piece that is going to be a major focus for us. Something that is very important for us is the trust that we enjoy from our clients. We are very cognizant of that and make sure that we are always giving them first-class experience.

Q Global markets dealt with a few blows recently. What are the big risks for investors?
The real risk today is largely geopolitical. And some of these can play out impacting economies. Whether it is through oil, through deficit financing through inflation... these are things where sentiments can quickly turn if there is a heavy geopolitical mood change and investors can suddenly hide in their barrows and not invest. That is an important thing, but otherwise I think there could be some short-term flutters, but the long-term macro trend shows that equity investing is the only anti-inflationary asset class.

• NEHA BOTHRA

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MS. SONIA DASGUPTA

Managing Director & CEO, Investment Banking, JM Financial Ltd.

In an interview with **Forbes India**, she shared insights on the current boom in dealmaking in India. She believes this is one of the most exciting times for the sector, driven by factors like the country's robust growth, rising corporate profits, and favorable market conditions.

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IPOs this week: NTPC Green Energy IPO, two SME IPOs and four listings upcoming on Dalal Street

IPO Buzz: The list of upcoming IPOs next week includes one mainboard company and two SME public issues which aim to raise funds from the domestic stock markets.

Anubhav Mukherjee

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New-age cos look to reassess IPO timing

After Good Run In 2024, Startups May Temper Valuation Next Year Amid Choppy Markets

Asmita.Dey@timesofindia.com

Mumbai: New-age companies headed for public markets next year may have to temper their valuation expectations and reassess the timing of their IPOs as geopolitical uncertainties and other external factors risk weighing on broader investor sentiment.

Zepto, PhysicsWallah and OfBusiness are among startups eyeing a public debut in 2025. Besides, public issues of companies like Ather Energy — which has already filed draft IPO papers with Sebi — are also queued up.

"Recent shifts such as choppy Indian markets and the benefits over China narrowing underscore valuation concerns. Donald Trump's election win has also introduced uncertainties with anticipated pro-growth policies in the US, prompting global asset allocators to evaluate emerging market investments cautiously," Neha Agarwal, MD & head of equity capital markets at JM Financial Institutional Securities, told **TOI**, adding that global headwinds could influence IPO timing and companies' strategies. There may be adjustments in the valuations of IPOs due to external factors, Abhinav Bharti, MD (head of equity capital markets) at JP Morgan India, said even as (overall) IPO activity is expected to persist on the back of strong domestic fundamentals.

Startups had a good run in the IPO market this year with several big players like Ola Electric, FirstCry and Swiggy getting listed on the bourses. While choppy markets nudged Swiggy to temper its valuation to $11.3 billion from its initially targeted valuation of $13 billion, the company's Rs 11,327 crore IPO was the second-largest public issue to hit the market this year after Hyundai Motor India's Rs 27,870 crore IPO. It was also the second-biggest startup IPO after Paytm's Rs 18,300 crore IPO in 2021.

New-age companies have raised more than Rs 25,000 crore through IPOs so far in 2024, logging their best IPO fundraising year since 2021. The success of Swiggy and FirstCry's IPOs has nudged more companies in the space to speed up their listing plans. "Many companies are actively assessing their readiness for the public markets... there is also a growing trend of companies re-domiciling to India... this shift is particularly appealing to new-age companies that see value in being listed on Indian exchanges," Bharti added.

Even as companies will have to gear up to navigate global headwinds, IPOs by new-age companies are largely expected to sail through, helped by the depth of the domestic market. In fact, IPOs from technology companies alongside firms operating in the consumer and financial services spaces are likely to dominate public listings next year, investment bankers said.

"New-age companies will continue to be a strong force in the 2025 IPO landscape as public markets become an increasingly attractive option for them to raise funds and provide lucrative exits for early investors. As these companies grow larger, public markets offer them access to substantial growth capital that private markets may not be able to provide," Gaurav Sood, MD and head of equity capital markets at Avendus Capital, said. New-age companies are expected to make up about 15-20% of the $10-15 billion estimated to be raised through IPOs in the coming few months.

Sudarshan Ramakrishnan, co-head of India investment banking at Goldman Sachs, expects India's overall equity issuance in 2025 to surpass that of 2024 as robust economic growth, the burgeoning middle class and digital transformation continue to attract domestic and global investors.

Raise Nearly ₹26k Cr So Far In '24

New-age tech IPO mop-up (₹ cr)

	₹ cr
2019	934
2020	600
2021	42,826
2022	5,544
2023	3,040
2024	25,897

Factors that may weigh on market sentiment

- Geopolitical turmoil
- Benefits (of India markets) over China narrowing
- Policy uncertainty due to Donald Trump's election win

Startups planning to go public in 2025

- Zepto, PhysicsWallah, OfBusiness, Pine Labs and BoAt

(Source: Prime Database, Exchanges)

MS. NEHA AGARWAL

Managing Director & Head - Equity Capital Markets, JM Financial Institutional Securities Ltd.

Contributed to a story by **Times of India** on how new-age companies headed for public markets next year may have to temper their valuation expectations and reassess the timing of their IPOs as geopolitical uncertainties and other external factors risk weighing on broader investor sentiment.

She also contributed to a story by **Mint** on how IPO activity in the country hit an all-time high in the calendar year 2024.

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शेयर बाजार में गिरावट निवेश का सही वक्त, SIP उत्तम

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MUTUAL FUND

अगले 5 साल में 125 ट्रिलियन हो जाएगा म्यूचुअल फंड इंडस्ट्री का प्रबंधन कोष

MR. AMITABH MOHANTY

Managing Director & CEO, JM Financial Asset Management Ltd.

In an interview with **Navbharat**, he discussed that the outlook of the Indian economy and the Indian market is very good and the current decline is a good investment opportunity to create wealth in the long term.

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s › Expert Views › Large part of correction in PSU stocks over: Dimplekumar Shah, JM Financial

Large part of correction in PSU stocks over: Dimplekumar Shah, JM Financial

By Nikhil Agarwal, Last Updated: Nov 01, 2024, 01:28:00 PM IST

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Synopsis
Indian stock market outlook for the next year depends on earnings growth, new and repeat orders. Key sectors expected to perform well are Private Financials, Metals, Capital Goods, Specialty Chemicals, Healthcare, and Large cap IT. Domestic demand is showing signs of slowing but may recover due to festive season, weddings, and potential RBI rate cuts.

A large part of correction in PSUs is over and future stock price performance would be a function of earnings growth and visibility on new/repeat orders, says Dimplekumar Shah, MD & Co-Head of Investment Advisory & Distribution, JM Financial Services.

"We expect Private Financials, Metals, Capital Goods (new growth business), Specialty Chemicals, Healthcare and Large cap IT to perform well in the next one year," he says.

Edited excerpts from a chat:

What is your outlook on Samvat 2081? Do you think Nifty would give double-digit returns in the new year as well?

Nifty50 and NSE Midcap indices delivered strong returns of ~26% and ~36% since Diwali 2023 and as we enter into Samvat 2081, the outlook for Indian equities remain very encouraging on long term basis given our confidence on

MR. DIMPLEKUMAR SHAH

Managing Director & Co-Head, Investment Advisory and Distribution, JM Financial Services Ltd.

In an interview with **ET Markets**, he spoke about the Indian stock market outlook for next year, emphasizing that earnings growth and orders will be key. The sectors expected to perform well include Private Financials, Metals, Capital Goods, Specialty Chemicals, Healthcare, and Large-cap IT.

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IN THE NEWS

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MR. VENKATESH BALASUBRAMANIAM

Managing Director & Co-head of Research, JM Financial Institutional Securities Ltd.

Appeared on **ET Now**, where he shared views on the US Elections and its impact on various sectors in India.

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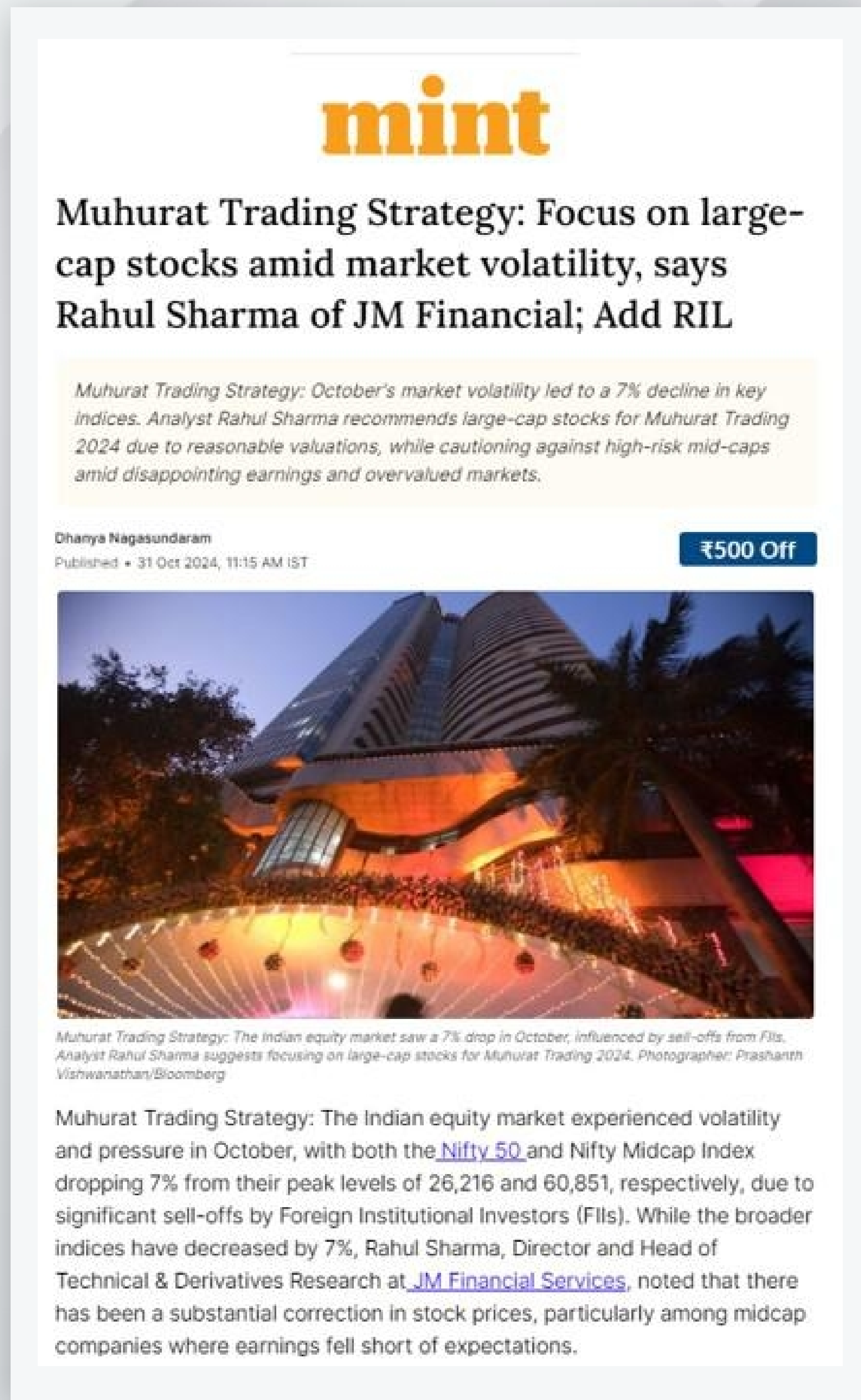

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Muhurat Trading Strategy: Focus on large-cap stocks amid market volatility, says Rahul Sharma of JM Financial; Add RIL

Muhurat Trading Strategy: October's market volatility led to a 7% decline in key indices. Analyst Rahul Sharma recommends large-cap stocks for Muhurat Trading 2024 due to reasonable valuations, while cautioning against high-risk mid-caps amid disappointing earnings and overvalued markets.

Dhanya Nagasundaram
Published • 31 Oct 2024, 11:15 AM IST

₹500 Off

Muhurat Trading Strategy: The Indian equity market saw a 7% drop in October, influenced by sell-offs from FIIs. Analyst Rahul Sharma suggests focusing on large-cap stocks for Muhurat Trading 2024. Photographer: Prashanth Vishwanathan/Bloomberg

Muhurat Trading Strategy: The Indian equity market experienced volatility and pressure in October, with both the Nifty 50 and Nifty Midcap Index dropping 7% from their peak levels of 26,216 and 60,851, respectively, due to significant sell-offs by Foreign Institutional Investors (FIIs). While the broader indices have decreased by 7%, Rahul Sharma, Director and Head of Technical & Derivatives Research at JM Financial Services, noted that there has been a substantial correction in stock prices, particularly among midcap companies where earnings fell short of expectations.

TECHNICAL VIEWS

Nifty Bullish on Charts, could Aim at 24,500

Technical analysts expect the Nifty to extend Friday's upward momentum, potentially reaching the 24,500 zone. However, a break below 23,500 could trigger selling pressure, dragging the index toward 23,300–23,000 levels. Stocks such as L&T Technology Services, Bharti Airtel, HCL Tech, Infosys, Tech Mahindra, Ipca Labs, Divis Labs, DLF, and National Aluminium show bullish chart patterns, indicating potential upside moves, according to analysts.

RAJESH PALVIYA,
HEAD TECHNICAL DERIVATIVES, **AXIS SECURITIES**

Where is Nifty headed this week?
After seven consecutive weeks of negative close, the index has formed a small bullish candle with a long lower shadow on weekly chart, indicating buying support at lower levels. Chart pattern suggests that if Nifty crosses and sustains above 24,000, it could experience buying pressure, pushing the index toward 24,300-24,600. However, if the index breaks below 23,500, it may face selling pressure, leading to a decline toward 23,300-23,000. Nifty is currently positioned above its 200-day simple moving average of 23,593, which indicates a positive bias in the medium term.

What should investors do?
We expect IT, pharma, real estate, and metals to show a bullish trend. Attention should be on stocks like HCL Tech, Infosys, Tech Mahindra, Ipca Labs, Divis Lab, DLF, Godrej Properties, JSW Steel, and National Aluminium for potential upside momentum. This week, traders can implement a moderately bullish strategy with reduced premium outflow and a lower break even point called the Call Spread of 28 Nov expiry. Buy one lot of the 23,900 Call for ₹190 and sell one lot of the 24,200 Call for ₹67. This results in a net outflow, or maximum loss, limited to ₹3,075. If Nifty closes above the breakeven point of 24,023 on expiry, the strategy will start generating profits up to ₹4,425.

PRITESH MEHTA,
EXECUTIVE VICE PRESIDENT - RESEARCH, **YES SECURITIES**

Where is the Nifty headed?
Nifty found respite around the confluence of support zone which is a three-digit Gann number of 23,300, a 61.8% retracement of its entire move from a low of election day outcome to all-time high and bullish crossover in our customised breadth of Nifty & Bank Nifty. We expect the index to build on Friday's comeback and gradually move higher towards the 24,500 zone. Our customised Nifty top 10 index has rebounded off the support zone, implying strength in index biggies. 23,300 is likely to act as major support. Sustenance of Bank Nifty above 200-DMA is essential for follow-through moves.

What should investors do?
Nifty IT has been a major mover and an outperformer. The ratio of IT vs Nifty is trading comfortably above the 2023 peak, we expect strength to persist in this space. TechM and HCLTech are likely to witness follow-through moves of 8-10% in the next few weeks. Nifty Metal index is holding onto multiple support zones. Pullback trade is likely to play out in this space. National Aluminium is outperforming the metals index, we expect the strength to continue. National Aluminium has seen a series of double top buys and a bullish turtle break, suggesting a move of 10%.

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

Where is the Nifty headed?
The weekly chart shows a piercing candle with a 50% retracement of the previous week's red candle. Friday's momentum suggests Nifty could head towards 24,200–24,400. However, this should be viewed as a trading bounce unless significant changes in market data occur over the next few days. Nifty has a support level of 23,800, and 23,500; and resistance levels of 24,200, 24,400, and 24,770. Expect Bank Nifty to join the up-move once it crosses 51,400. Additionally, the IT index has shown a fresh breakout after 2.5 months of sideways movement, indicating that IT stocks may outperform going forward.

What should investors do?
Investors can look to exit positions in which they have been stuck around the 24,200-24,400 mark. Alternatively, sector rotation can be done, especially into IT stocks. Buy Bharti Airtel: After weeks of correction, signs of a reversal are emerging. Targets ₹1,640 and ₹1,670. Maintain a stop loss at ₹1,510. Breaking out from two months of underperformance, L&T Technology Services shows potential for targets of ₹5,700 and ₹5,800. Maintain a stop loss at ₹5,150 for long positions.

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**.

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MR. PRANAV MER

Vice President, Commodity and Currency Research, JM Financial Services Ltd.

Appeared on **CNBC TV18, CNBC Awaaz, and ET Now Swadesh** where he shared views on the commodity sector.


KEY
ANNOUNCEMENTS

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જેએમ ફાઈનાન્સિયલ સર્વિસિસે અમદાવાદમાં ત્રીજી બ્રાન્ચના ઉદઘાટન સાથે શહેરમાં ઉપસ્થિતિને મજબૂત કરી

અમદાવાદ, ગુજરાત, ૨૨ નવેમ્બર, ૨૦૨૪: ભારતની સૌથી પ્રતિષ્ઠિત ફાઈનાન્સિયલ સર્વિસિસ કંપની પૈકીની એક જેએમ ફાઈનાન્સિયલ સર્વિસિસ (જેએમએફએસ)એ અમદાવાદમાં આશ્રમ રોડ ઉપર ચિનુભાઈ સેન્ટર ખાતે તેની ત્રીજી બ્રાન્ચના પ્રારંભની ગર્વથી જાહેરાત કરી છે. આ નવી બ્રાન્ચ ઈક્વિટી બ્રોકિંગ, વેલ્થ મેનેજમેન્ટ અને પોર્ટફોલિયો મેનેજમેન્ટ સર્વિસિસમાં ઈન્વેસ્ટમેન્ટ સોલ્યુશન્સની વિશાળ શ્રેણી પ્રદાન કરશે, જેનાથી સ્ટોક, ઈક્વિટી ડેરિવેટિવ્ઝ, બોન્ડ્સ, મ્યુચ્યુઅલ ફંડ્સ અને ઈન્સ્યોરન્સ જેવી એસેટ ક્લાસની વિશાળ શ્રેણીની એક્સેસ સક્ષમ કરી શકાશે. તેની મજબૂત રિસર્ચ અને એડવાઈઝરી ટીમ તથા સંબંધ આધારિત અભિગમ દ્વારા જેએમએફએસ અમદાવાદમાં રોકાણકારોને સશક્ત કરવાનો ઉદ્દેશ્ય ધરાવે છે, જેથી ભારતના ગતિશીલ આર્થિક લેન્ડસ્કેપમાં ઉપલબ્ધ તકોનો લાભ લઈ શકાય તથા આત્મવિશ્વાસ સાથે તેમના નાણાકીય લક્ષ્યોને સાકાર કરી શકાય. આશ્રમ રોડ શહેરમાં એક ઉભરતું ફાઈનાન્સિયલ હબ છે અને જેએમ ફાઈનાન્સિયલ સર્વિસિસની નવી બ્રાન્ચ આ ઝડપથી વિકસતા વ્યૂહાત્મક માર્કેટમાં તેની ઉપસ્થિતિ મજબૂત કરવાનો પુરાવો છે.

કંપનીના ઈન્વેસ્ટમેન્ટ એડવાઈઝરી અને ડિસ્ટ્રિબ્યુશનના એમડી અને સહ-પ્રમુખ ડિંપલકુમાર શાહ દ્વારા ઉદ્ઘાટન કરાયેલી નવી બ્રાન્ચ શહેરમાં રોકાણકારો માટે તેની નિપૂંણતા અને ઉત્તમ ઈન્વેસ્ટમેન્ટ સોલ્યુશનનો અનુભવ કરાવવા માટે વધુ એક ડેસ્ટિનેશનનો ઉમેરો કરશે.

જેએમ ફાઈનાન્સિયલ સર્વિસિસે અમદાવાદમાં ત્રીજી બ્રાન્ચના ઉદઘાટન સાથે શહેરમાં ઉપસ્થિતિને મજબૂત કરી

અમદાવાદ | તા.22

ભારતની સૌથી પ્રતિષ્ઠિત ફાઈનાન્સિયલ સર્વિસિસ કંપની પૈકીની એક જેએમ ફાઈનાન્સિયલ સર્વિસિસ (જેએમએફએસ)એ અમદાવાદમાં આશ્રમ રોડ ઉપર ચિનુભાઈ સેન્ટર ખાતે તેની ત્રીજી બ્રાન્ચના પ્રારંભની ગર્વથી જાહેરાત કરી છે.

આ નવી બ્રાન્ચ ઈક્વિટી બ્રોકિંગ, વેલ્થ મેનેજમેન્ટ અને પોર્ટફોલિયો મેનેજમેન્ટ સર્વિસિસમાં ઈન્વેસ્ટમેન્ટ સોલ્યુશન્સની વિશાળ શ્રેણી પ્રદાન કરશે, જેનાથી સ્ટોક, ઈક્વિટી ડેરિવેટિવ્ઝ, બોન્ડ્સ, મ્યુચ્યુઅલ ફંડ્સ અને ઈન્સ્યોરન્સ જેવી એસેટ ક્લાસની વિશાળ શ્રેણીની એક્સેસ સક્ષમ કરી શકાશે. તેની મજબૂત રિસર્ચ અને એડવાઈઝરી ટીમ તથા સંબંધ આધારિત અભિગમ દ્વારા જેએમએફએસ અમદાવાદમાં રોકાણકારોને સશક્ત કરવાનો ઉદ્દેશ્ય ધરાવે છે, જેથી ભારતના ગતિશીલ આર્થિક લેન્ડસ્કેપમાં ઉપલબ્ધ તકોનો લાભ લઈ શકાય તથા આત્મવિશ્વાસ સાથે તેમના નાણાકીય લક્ષ્યોને સાકાર કરી શકાય. આશ્રમ રોડ શહેરમાં એક ઉભરતું ફાઈનાન્સિયલ હબ છે અને જેએમ ફાઈનાન્સિયલ સર્વિસિસની નવી બ્રાન્ચ આ ઝડપથી વિકસતા વ્યૂહાત્મક માર્કેટમાં તેની ઉપસ્થિતિ મજબૂત કરવાનો પુરાવો છે. કંપનીના ઈન્વેસ્ટમેન્ટ એડવાઈઝરી અને ડિસ્ટ્રિબ્યુશનના એમડી અને સહ-પ્રમુખ ડિંપલકુમાર શાહ દ્વારા ઉદ્ઘાટન કરાયેલી નવી બ્રાન્ચ શહેરમાં રોકાણકારો માટે તેની નિપૂંણતા અને ઉત્તમ ઈન્વેસ્ટમેન્ટ સોલ્યુશનનો અનુભવ કરાવવા માટે વધુ એક ડેસ્ટિનેશનનો ઉમેરો કરશે. બ્રાન્ચના ઉદ્ઘાટન પ્રસંગે ડિંપલકુમાર શાહે જણાવ્યું હતું કે, અમારું વિસ્તરણ અમદાવાદના વિકસતા ફાઈનાન્સિયલ હબમાં મજબૂત ઉપસ્થિતિ સ્થાપિત કરવાના અમારા નિર્ણયને સમર્થન આપે છે.

જેએમ ફાઇનાન્સિયલ સર્વિસિસે અમદાવાદમાં ત્રીજી બ્રાન્ચ સાથે ઉપસ્થિતિને મજબૂત કરી

અમદાવાદ | જેએમ ફાઇ. સર્વિસિસએ અમદાવાદમાં ત્રીજી બ્રાન્ચ શરૂ કરી છે. નવી બ્રાન્ચ ઈક્વિટી બ્રોકિંગ, વેલ્થ મેનેજમેન્ટ અને પોર્ટફોલિયો મેનેજમેન્ટ સર્વિસિસમાં ઈન્વેસ્ટમેન્ટ સોલ્યુશન્સની વિશાળ શ્રેણી પ્રદાન કરશે, જેનાથી સ્ટોક, ઈક્વિટી ડેરિવેટિવ્ઝ, બોન્ડ્સ, મ્યુચ્યુઅલ ફંડ્સ અને ઇન્સ્યોરન્સ જેવી એસેટ ક્લાસની વિશાળ શ્રેણીની એક્સેસ સક્ષમ કરી શકાશે. તેની મજબૂત રિસર્ચ અને એડવાઈઝરી ટીમ તથા સંબંધ આધારિત અભિગમ દ્વારા રોકાણકારોને સશક્ત કરવાનો ઉદ્દેશ્ય ધરાવે છે.

જેએમ ફાઇનાન્સિયલે બ્રાન્ચ નેટવર્ક વિસ્તાર્યું

જેએમ ફાઇનાન્સિયલ સર્વિસિસે અમદાવાદમાં ત્રીજી બ્રાન્ચના પ્રારંભ કર્યો છે. આ નવી બ્રાન્ચ ઇક્વિટી બ્રોકિંગ, વેલ્થ મેનેજમેન્ટ અને પોર્ટફોલિયો મેનેજમેન્ટ સર્વિસિસમાં ઇન્વેસ્ટમેન્ટ સોલ્યુશન્સની વિશાળ શ્રેણી પ્રદાન કરશે, જેનાથી સ્ટોક, ઇક્વિટી ડેરિવેટિવ્ઝ, બોન્ડ્સ, મ્યુચ્યુઅલ ફંડ્સ અને ઇન્સ્યોરન્સ જેવી એસેટ કલાસની વિશાળ શ્રેણીની એક્સેસ સક્ષમ કરી શકાશે.

JM FINANCIAL SERVICES DEEPENS PRESENCE IN AHMEDABAD WITH THE INAUGURATION OF ITS THIRD BRANCH IN THE CITY

JM Financial Services (JMFS) has expanded its presence in Ahmedabad with the opening of its third branch at Chinubhai Center, Ashram Road. The branch will offer a comprehensive range of investment solutions, including Equity Broking, Wealth Management, and Portfolio Management Services. With the support of a strong Research and Advisory team, JMFS aims to help investors in Ahmedabad leverage India's growing economic opportunities to achieve their financial goals confidently.

JM FINANCIAL

MARQUEE
RESEARCH REPORTS

Key Research Reports of the month

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22 November 2024

Strategy

Sector wise takeaways from JM Financial 2024 conference

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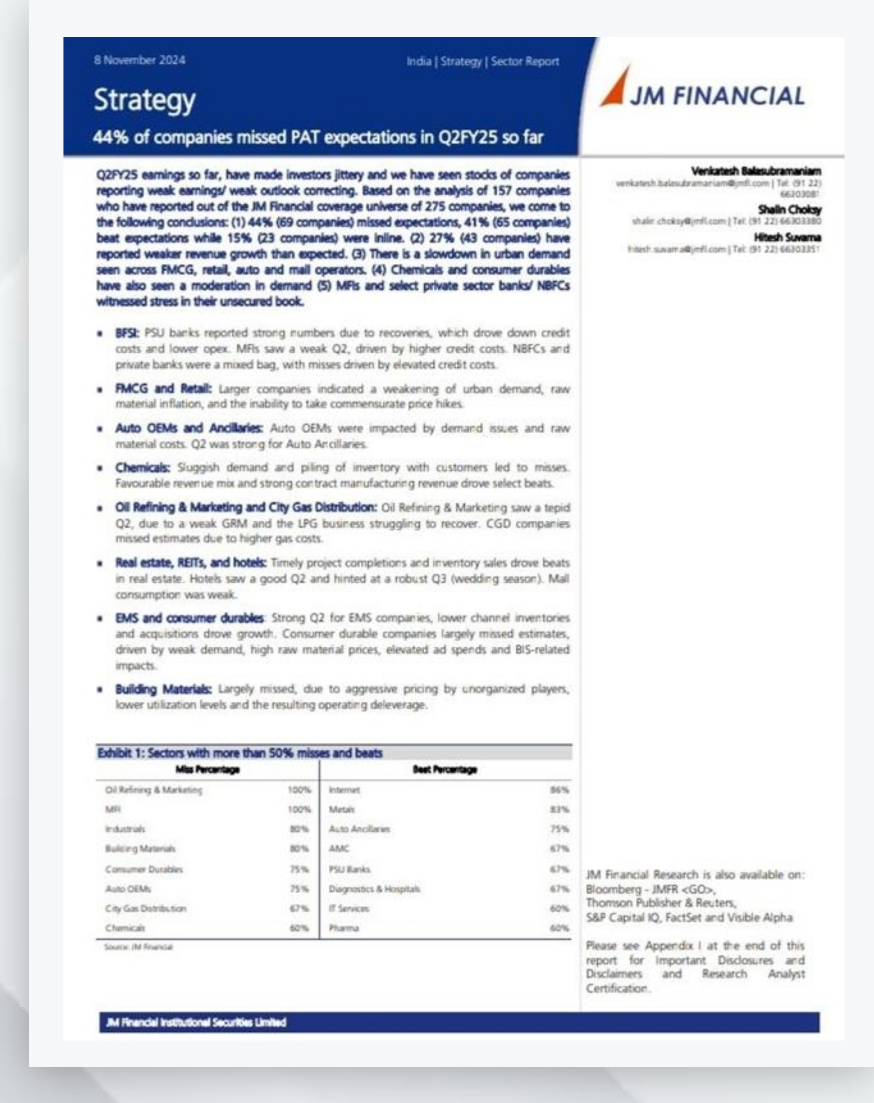
[Sector wise takeaways from JM Financial 2024 conference]()


8 November 2024

Strategy

44% of companies missed PAT expectations in Q2FY25 so far

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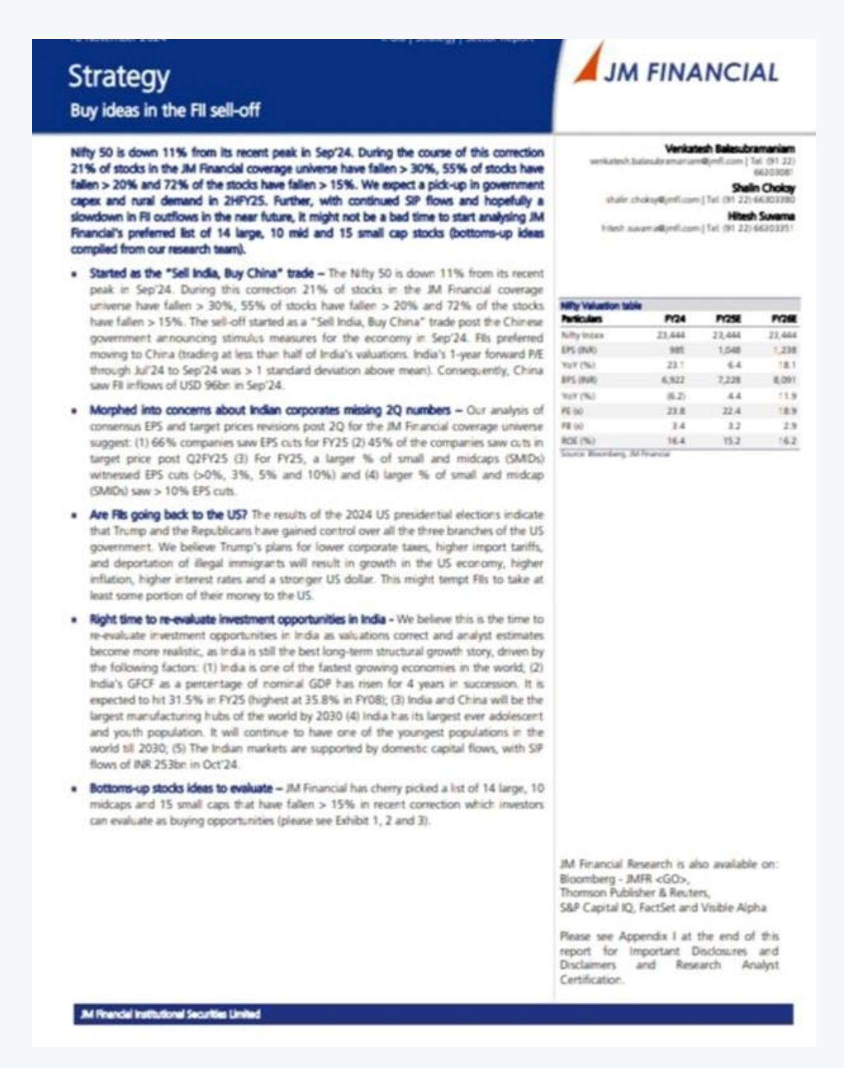
[44% of companies missed PA expectations in Q2FY25 so far]()


Strategy

Buy ideas in the FII sell-off

JM FINANCIAL

[Buy ideas in the FII sell-off]()

Key Research Reports of the month

JM FINANCIAL

India | Strategy | Sector Report

Strategy

A 'Red' wave: Clean sweep for Trump and the Republicans

Results of the 2024 US Presidential elections indicate that Trump and the Republicans are likely to gain control over all the three branches of the US Government. Trump is also likely to win the popular vote, something he was unable to do in 2016. This will result in: (1) lower corporate taxes for local manufacturing, a positive for US businesses. It will also drive capex and jobs. However, this can also increase the US fiscal deficit and keeps interest rates high; (2) higher tariffs on China and the rest of the world could be inflationary. This could also lead to retaliatory tariffs from trade partners, leading to a slowdown in global growth; (3) lower involvement of the US in geopolitical conflicts and Trump's push for oil & gas can bring down crude oil prices; (4) increased influence over the Fed to lower rates (however, the inflationary nature of his policies might not allow room for rate cuts); and (5) a stronger US dollar

- **Looks like a Republican clean sweep:** Having comfortably surpassed the minimum requirement of 270 seats, Trump and the Republican Party have emerged victorious in the 2024 US Presidential Election. The Republicans have also secured a majority in the US Senate (major advantage for policy proposals) and are inching forward to gain a majority in the House of Representatives. This implies that Trump's plans for tax cuts, levy of tariffs, healthcare reforms and energy policy, have a higher probability of getting implemented.
- **Revisiting Trump's proposed policies:** Trump's policies are relatively expansionary in nature. He has indicated his preferences for: (1) lowering tax rates for corporates (especially those manufacturing in the US from 21% to 15%) (2) ~60% or higher tariffs on imports from China and 10-20% on the rest of world, (3) mass deportation of illegal immigrants, which could impact labour supply, (4) Cut aid to Ukraine, curb participation in NATO, while continuing to support Israel and the protection of Taiwan, and (5) increased influence over the Fed. We believe his policies could lead to higher interest rates, a strong US dollar and a slowdown in global growth.
- **What does this mean for various sectors in India: NBFCs and Banks:** Given interest rates in India are unlikely to come down in a hurry, the expectation of NBFCs outperforming banks may not hold. PSU banks could be a relative beneficiary. **Insurance:** Negative at the margin for Insurance given near term rate cuts by RBI would be unlikely. **IT Services:** Trump, in his previous stint, tried to curb the H-1B visa programme. His policies led to increased H-1B rejection rates, higher H-1B/L-1 visa processing charges and wage inflation for H-1B resources. That said, India IT Services players are more insulated now from such anti-immigration policies as all players have ramped-up local hiring in US. Majority of their US employees are now not dependent on visa (local/green card holders). **Pharma:** Promotion of local manufacturing is on Trump's agenda but so is lowering cost of drugs. The read through here is that dependence on China could be reduced. While some innovation-related projects may shift to USA or other countries like Korea. Indian CDMOs stand to gain on a low base. Trump is unlikely to repeal the Affordability Care Act. At present, this is neutral for pharmaceutical sector **China + 1 players:** A Trump win and increased tariff on China imports would mean China+1 de-risking can accelerate and may benefit Indian chemicals, EMS, auto ancillary, wires & cables, tiles, solar cells and module exporters. **Textile:** A stronger US economy under Trump could improve retail sentiment and the potential imports of apparel from India. **Real estate:** Delays in rate cuts in India could impact demand at the lower end of the real estate market. **Commodities:** Commodities witnessed steep tariffs in Trump's previous tenure, effectively disrupting efficient price discovery. With regionalism and ring-fencing in commodities picking pace, metal prices could inch up under a Trump regime.

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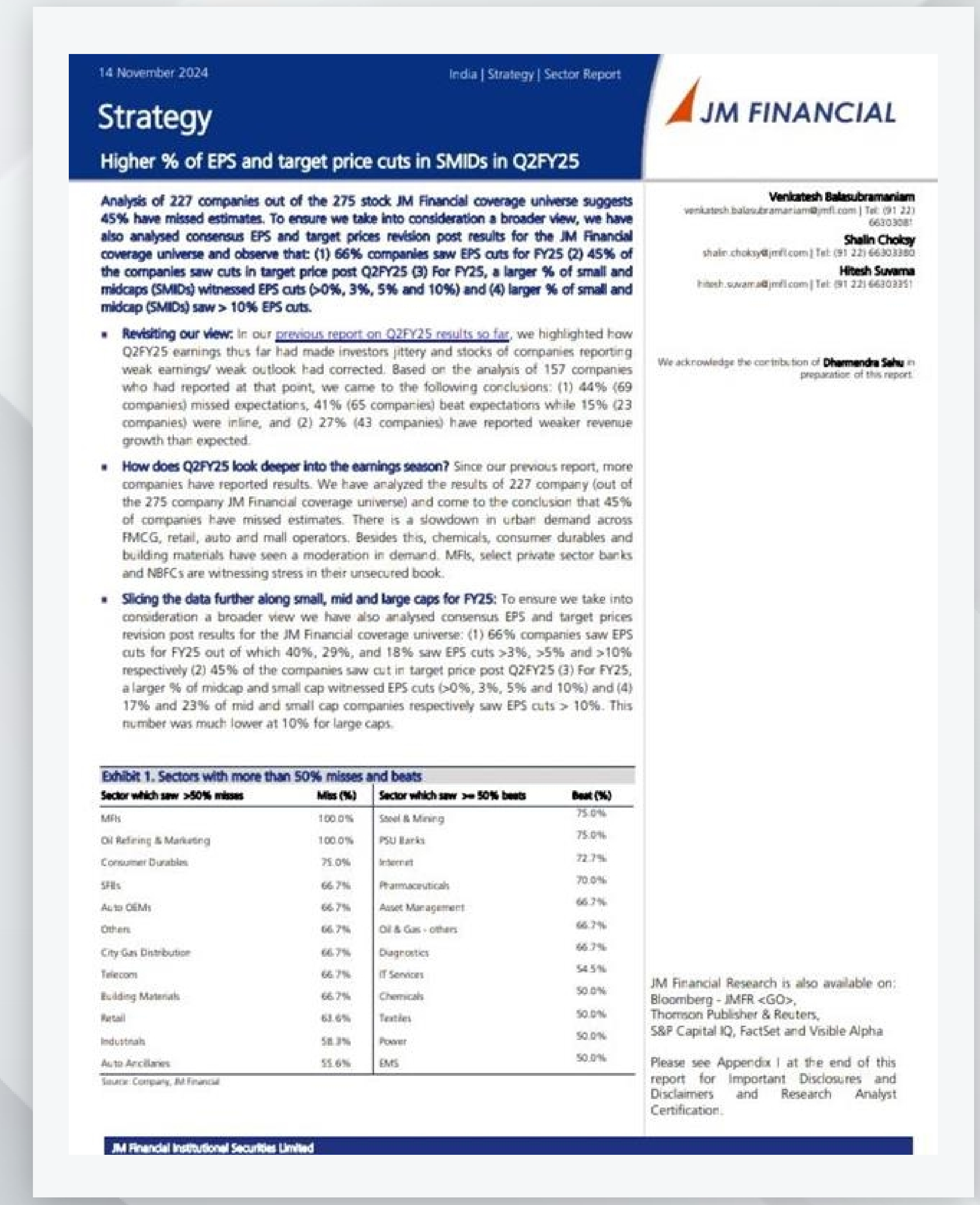
JM Financial Institutional Securities Limited



14 November 2024 India | Strategy | Sector Report

Strategy

Higher % of EPS and target price cuts in SMIDs in Q2FY25

Analysis of 227 companies out of the 275 stock JM Financial coverage universe suggests 45% have missed estimates. To ensure we take into consideration a broader view, we have also analysed consensus EPS and target prices revision post results for the JM Financial coverage universe and observe that: (1) 66% companies saw EPS cuts for FY25 (2) 45% of the companies saw cuts in target price post Q2FY25 (3) For FY25, a larger % of small and midcaps (SMIDs) witnessed EPS cuts (>0%, 3%, 5% and 10%) and (4) larger % of small and midcap (SMIDs) saw > 10% EPS cuts.

- **Revisiting our view:** In our previous report on Q2FY25 results so far, we highlighted how Q2FY25 earnings thus far had made investors jittery and stocks of companies reporting weak earnings/ weak outlook had corrected. Based on the analysis of 157 companies who had reported at that point, we came to the following conclusions: (1) 44% (69 companies) missed expectations, 41% (65 companies) beat expectations while 15% (23 companies) were inline, and (2) 27% (43 companies) have reported weaker revenue growth than expected.
- **How does Q2FY25 look deeper into the earnings season?** Since our previous report, more companies have reported results. We have analyzed the results of 227 company (out of the 275 company JM Financial coverage universe) and come to the conclusion that 45% of companies have missed estimates. There is a slowdown in urban demand across FMCG, retail, auto and mall operators. Besides this, chemicals, consumer durables and building materials have seen a moderation in demand. MFIs, select private sector banks and NBFCs are witnessing stress in their unsecured book.
- **Slicing the data further along small, mid and large caps for FY25:** To ensure we take into consideration a broader view we have also analysed consensus EPS and target prices revision post results for the JM Financial coverage universe: (1) 66% companies saw EPS cuts for FY25 out of which 40%, 29%, and 18% saw EPS cuts >3%, >5% and >10% respectively (2) 45% of the companies saw cut in target price post Q2FY25 (3) For FY25, a larger % of midcap and small cap witnessed EPS cuts (>0%, 3%, 5% and 10%) and (4) 17% and 23% of mid and small cap companies respectively saw EPS cuts > 10%. This number was much lower at 10% for large caps.

Exhibit 1. Sectors with more than 50% misses and beats

Sector which saw >50% misses	Miss (%)	Sector which saw >= 50% beats	Beat (%)
MFIs	100.0%	Steel & Mining	75.0%
Oil Refining & Marketing	100.0%	PSU Banks	75.0%
Consumer Durables	75.0%	Internet	72.7%
SFBs	66.7%	Pharmaceuticals	70.0%
Auto OEMs	66.7%	Asset Management	66.7%
Others	66.7%	Oil & Gas - others	66.7%
City Gas Distribution	66.7%	Diagnostics	66.7%
Telecom	66.7%	IT Services	54.5%
Building Materials	66.7%	Chemicals	50.0%
Retail	63.6%	Textiles	50.0%
Industrials	58.3%	Power	50.0%
Auto Ancillaries	55.6%	EMS	50.0%

Source: Company, JM Financial

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We acknowledge the contribution of **Dharmendra Sahu** in preparation of this report.

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JM Financial Institutional Securities Limited

[A 'Red' wave: Clean sweep for Trump and the Republicans]

[Higher % of EPS and target price cuts in SMIDs in Q2FY25]

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CYNOSURES

Deals of the month

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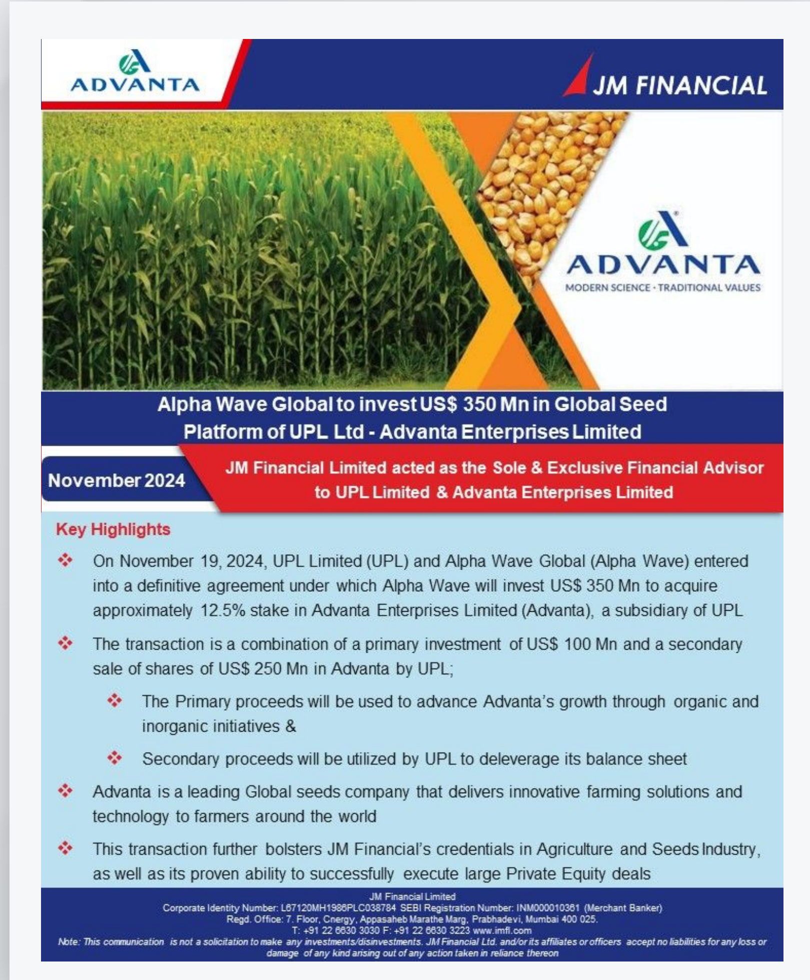

ADVANTA

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ADVANTA

MODERN SCIENCE · TRADITIONAL VALUES

Alpha Wave Global to invest US$ 350 Mn in Global Seed Platform of UPL Ltd - Advanta Enterprises Limited

November 2024

JM Financial Limited acted as the Sole & Exclusive Financial Advisor to UPL Limited & Advanta Enterprises Limited

Key Highlights

- On November 19, 2024, UPL Limited (UPL) and Alpha Wave Global (Alpha Wave) entered into a definitive agreement under which Alpha Wave will invest US$ 350 Mn to acquire approximately 12.5% stake in Advanta Enterprises Limited (Advanta), a subsidiary of UPL
- The transaction is a combination of a primary investment of US$ 100 Mn and a secondary sale of shares of US$ 250 Mn in Advanta by UPL;
  - The Primary proceeds will be used to advance Advanta's growth through organic and inorganic initiatives &
  - Secondary proceeds will be utilized by UPL to deleverage its balance sheet
- Advanta is a leading Global seeds company that delivers innovative farming solutions and technology to farmers around the world
- This transaction further bolsters JM Financial's credentials in Agriculture and Seeds Industry, as well as its proven ability to successfully execute large Private Equity deals

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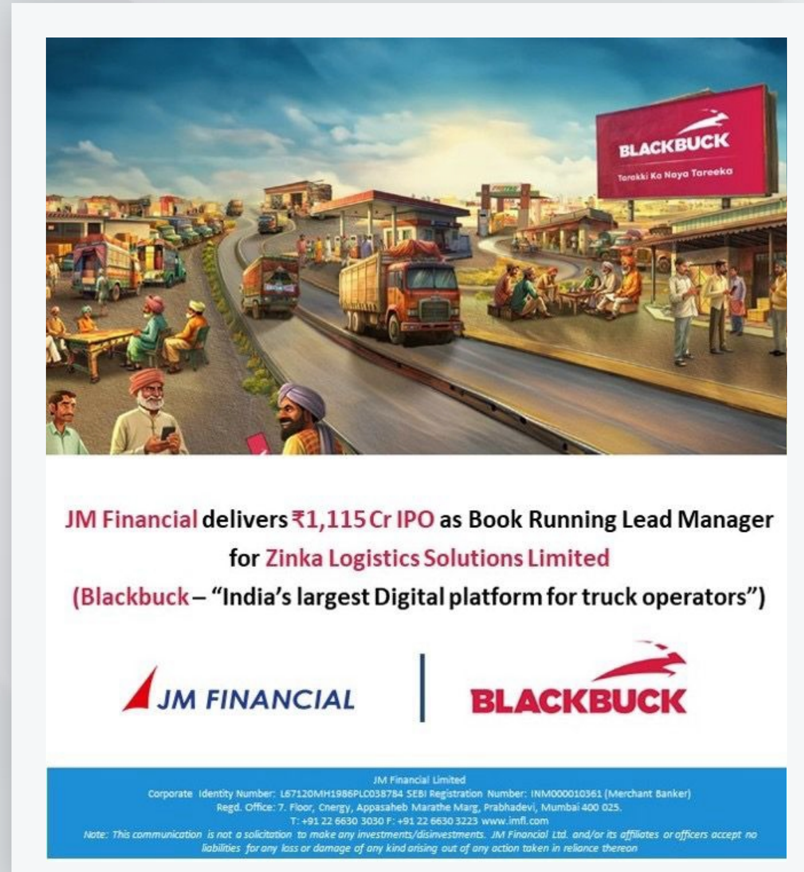
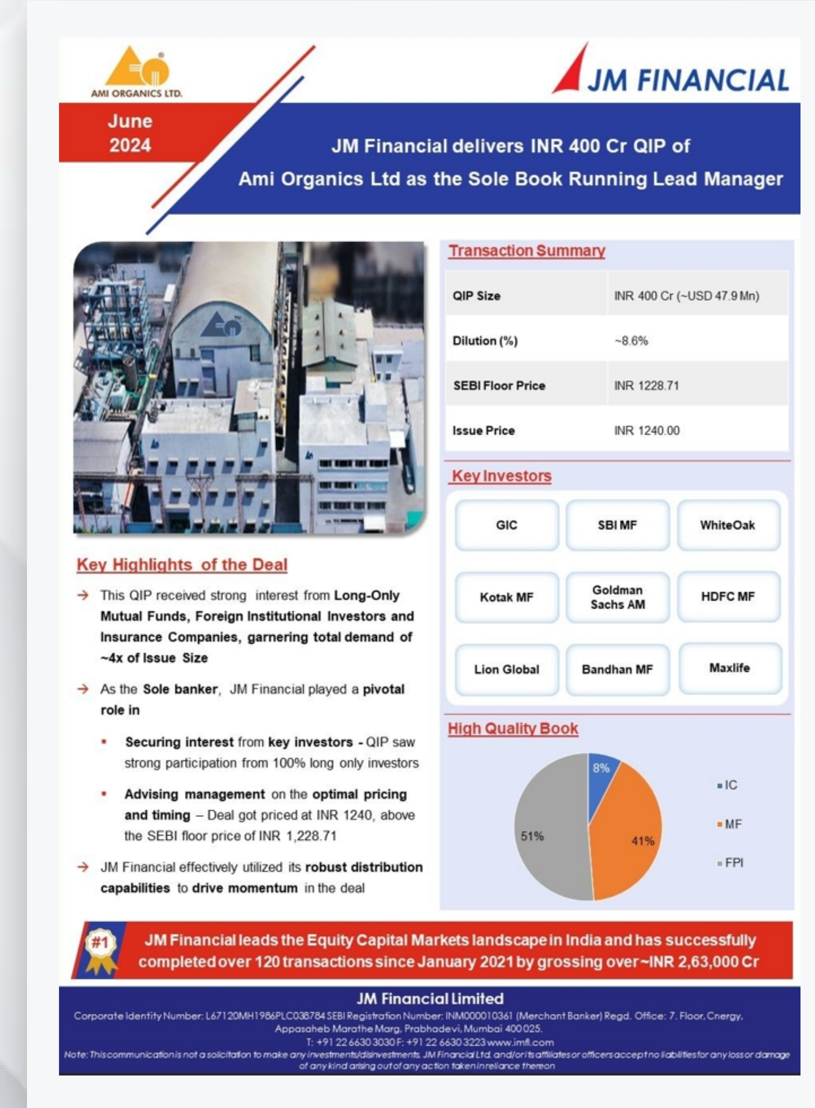


JM Financial delivers ₹1,115 Cr IPO as Book Running Lead Manager for Zinka Logistics Solutions Limited (Blackbuck – "India's largest Digital platform for truck operators")

JM FINANCIAL | BLACKBUCK



AMI ORGANICS LTD.

JM FINANCIAL

June 2024

JM Financial delivers INR 400 Cr QIP of Ami Organics Ltd as the Sole Book Running Lead Manager

Transaction Summary

QIP Size	INR 400 Cr (~USD 47.9 Mn)
Dilution (%)	~8.6%
SEBI Floor Price	INR 1228.71
Issue Price	INR 1240.00

Key Investors

GIC	SBI MF	WhiteOak
Kotak MF	Goldman Sachs AM	HDFC MF
Lion Global	Bandhan MF	Maxlife

High Quality Book

Key Highlights of the Deal

- This QIP received strong interest from **Long-Only Mutual Funds, Foreign Institutional Investors and Insurance Companies, garnering total demand of ~4x of Issue Size**
- As the **Sole banker**, JM Financial played a **pivotal role in**
  - **Securing interest** from **key investors** - QIP saw strong participation from 100% long only investors
  - **Advising management** on the **optimal pricing and timing** – Deal got priced at INR 1240, above the SEBI floor price of INR 1,228.71
- JM Financial effectively utilized its **robust distribution capabilities** to **drive momentum** in the deal

#1 JM Financial leads the Equity Capital Markets landscape in India and has successfully completed over 120 transactions since January 2021 by grossing over ~INR 2,63,000 Cr

JM Financial Limited
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ADVANTA

Alpha Wave Global to invest US$ 350 Mn in Global Seed Platform of UPL Ltd - Advanta Enterprises Limited. JM Financial Limited acted as the Sole & Exclusive Financial Advisor to UPL Limited & Advanta Enterprises Limited.

Zinka Logistics Solutions Ltd

JM Financial delivered INR 1,115 cr IPO for Zinka Logistics Solutions Ltd as Book Running Lead Manager.

AMI Organics Ltd

JM Financial delivered INR ~2,900 Cr IPO of ACME Solar Limited as Book Running Lead Manager. The IPO is first of its kind being the 1st pure play solar IPP (Independent Power Producers) to be listed in India.


JM FINANCIAL
AT A
FLASH

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JM Financial India Conference 2024

The conference offered valuable networking opportunities with top-tier corporates, leading investors, industry experts, and thought leaders from various sectors. Spanning two vibrant days, the conference facilitated over 4,000 meetings and featured more than 170 companies, bringing together key players from BFSI, IT, Automotive, Pharma, and other industries.

AT A FLASH

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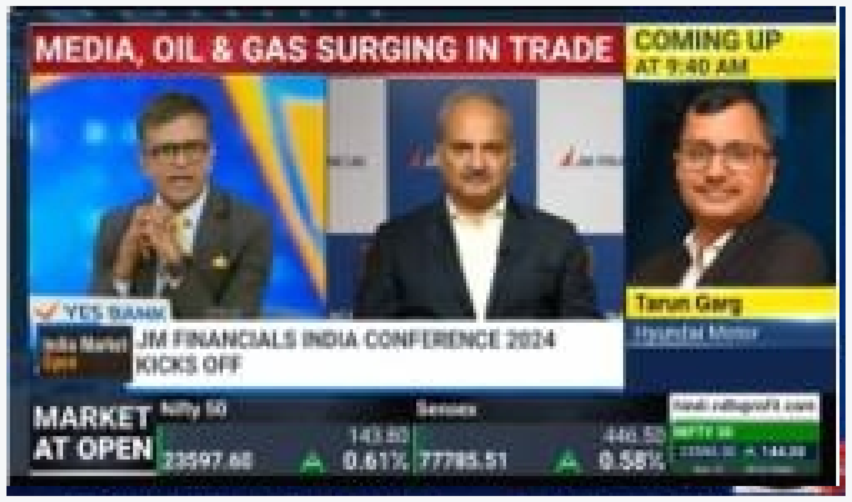

JM Financial India Conference 2024

We partnered with **CNBC TV18** and **NDTV Profit** to cover the conference, where our key spokespersons and research analysts shared valuable insights across various industries.

JM Financial Home Loans hosts Business Meet 2024

JM Financial Home Loans hosted a **'Business Meet 2024'** in Mumbai, featuring engaging presentations from leadership, interactive Q&A sessions, and strategic discussions. The event fostered alignment on goals and emphasized the power of teamwork to drive success.

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MAKING A DIFFERENCE

Making A Difference

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Shri Vardhman Nidan Seva by JM Financial Foundation

The JM Financial Foundation organised a three-day intensive training for its 28 Community Mobilisers, who play an essential role in the Foundation's health project – Shri Vardhman Nidan Seva, under which two Mobile Health Units deliver primary healthcare services (Preventive and Curative) to underserved communities in Sikandara and Khaira blocks of Jamui district, Bihar.

The training focused on enhancing their communication skills and deepening their knowledge about Anaemia—a significant health challenge affecting a large population in the region, particularly women and young adolescent girls.

This initiative reflects the Foundation's commitment to tackling critical health issues through education and grassroots empowerment.

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