YEARLY TECHNICAL OUTLOOK 2025

NEW YEAR PICKS

Rajesh Palviya | Vaishnavi Jagtap | Rayyan Kuwari

AXIS SECURITIES

Synopsis

Topic

2024 in Retrospect: A Year of Growth for India's Markets

Yearly Technical Outlook & New Year Picks – Nifty at Crossroads: 23,000 Holds the Key to Upside

"As we bid farewell to 2024, we extend our warmest wishes for a Happy New Year to all our valued readers. With optimism and excitement, we step into 2025, looking ahead to a year brimming with prosperity, peace, and success for you and your loved ones.

We are excited to present our Yearly Technical Outlook & New Year Picks 2025, offering valuable insights into the market outlook for 2025 and strategically selected picks to guide your investment journey. Here's to a year of new opportunities, growth, and achieving your financial goals!"

2024: A Year of Growth for India's Market

- In 2024, the Indian equity market demonstrated remarkable strength, with the **Sensex and Nifty** delivering solid annual returns of **8.9% and 9.6%,** respectively. Sectoral indices witnessed notable gains, further underscoring the market's robust performance.

- The broader market significantly outpaced the benchmarks, with the **BSE Midcap 100 and BSE Smallcap 100** posting stellar returns of **25.8% and 29%**, respectively, reflecting strong investor confidence across segments.

- Our **Technical Outlook & New Year Picks 2024** report projected a **Nifty target of 23,500**, identifying **support levels between 20,800 and 20,300**, and recommended accumulating quality stocks within this range. We are delighted to report that our outlook played out precisely. Nifty recorded a low of 21,137 in late January 2024 before rebounding sharply. Surpassing expectations, it broke through our target to reach an impressive high of 26,277.

Our Last Year Performance Technical Picks 2024

Impressive 32% Return Over the Last Year vs. Nifty 50's 9.6%, Driven by Strong Performers: HUDCO (97%), VOLTAS (80%), and DIVISLAB (55%).

Company Name	Buy Range	Targets	Potential Upside (%)	CMP	Returns (%)*	Status
Punjab National Bank Ltd.	90-85	105-113	28%	101	15%	Both Target Achieved
Patanjali Foods Ltd.	1550-1490	1835-1950	28%	1748	15%	Both Target Achieved
Wipro Ltd.	227-221	265-285	33%	309	38%	Both Target Achieved
Divi's Laboratories Ltd.	3850-3730	4185-4450	17%	5881	55%	Both Target Achieved
Voltas Ltd.	960-930	1055-1170	23%	1705	80%	Both Target Achieved
GAIL (India) Ltd.	145-140	170-195	36%	192	35%	Both Target Achieved
JSW Steel Ltd.	870-845	985-1030	20%	913	6%	Both Target Achieved
Grasim Industries Ltd.	2100-2040	2320-2450	18%	2480	20%	Both Target Achieved
HUDCO Ltd.	120-110	148-165	42%	226	97%	Both Target Achieved
RCF Ltd.	150-142	185-200	36%	168	15%	Both Target Achieved
Maruti Suzuki India Ltd.	10000-990	11000-11500	16%	10941	10%	Both Target Achieved
NOCIL Ltd.	270-260	300-325	22%	243	-8%	Both Target Achieved

Source: Company, Axis Securities,
**Note: Returns till 27th December'24, Reco date: 29th December'23*

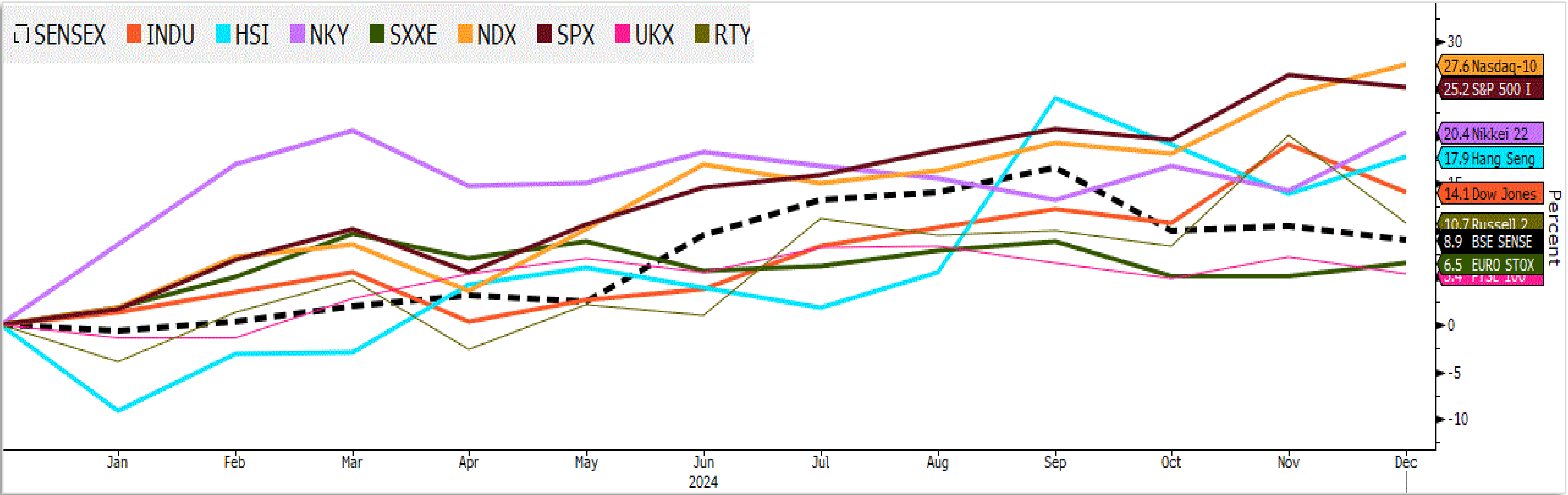
NEW YEAR PICKS 2025

Glimpse of the year 2024

Global Market Recap 2024: US Outshines Major Global Markets

S&P BSE Sensex Index delivered an impressive 8.9% annual return in 2024

- The Indian stock market, led by the Sensex, delivered a solid 8.9% return in 2024 but lagged behind most major global indices.
- The US markets stole the show, with the Dow Jones up 14.1%, the S&P 500 soaring 25.2%, and the NASDAQ-100 dominating with a stellar return of 27.6% in 2024. Even the small-cap Russell 2000 slightly outpaced the Sensex, gaining 8.9%.
- Japan's Nikkei 225 shone with a 20.4% return, while Hong Kong's Hang Seng rebounded sharply with a 17.9% gain, clawing back from its steep 16% drop in 2023.
- European indices trailed behind, with the Euro Stoxx adding 6.5% and the UK FTSE increasing by 5.4%.
- The S&P BSE Sensex Index recorded a substantial annual return in 2024, highlighting the resilience and growth of the Indian equity markets.



Source: Bloomberg, Axis Securities.

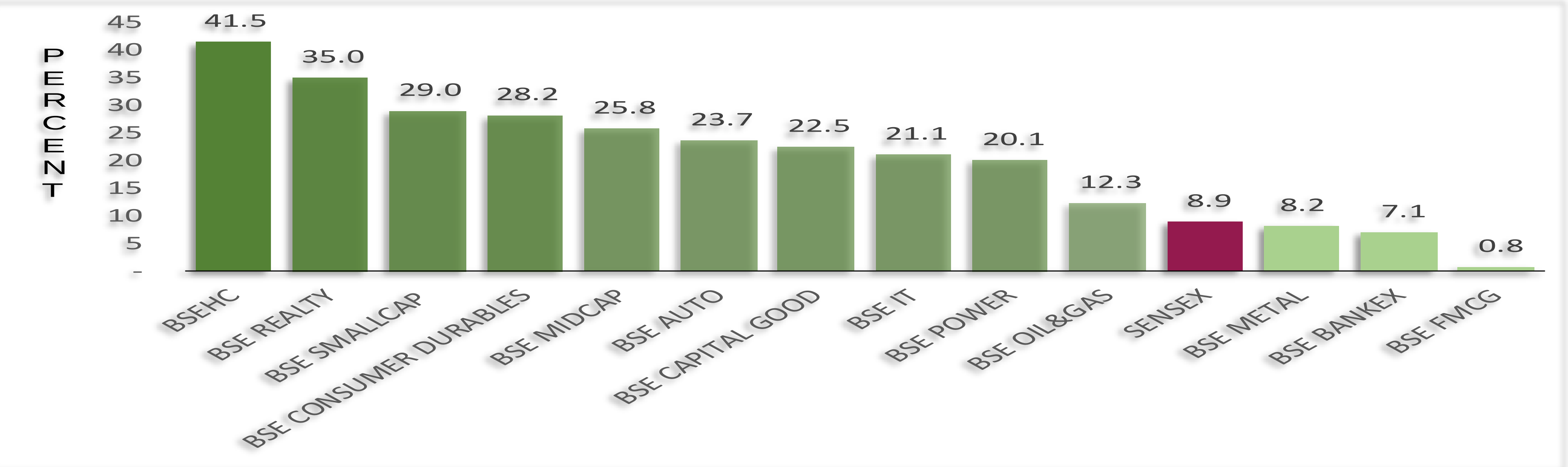
Data as of 27th Dec 2024.

** Bloomberg Index codes: Sensex- S&P BSE Sensex, INDU- Dow Jones Industrial Average (DJIA), HSI- Hang Seng Index, NKY- Nikkei 225 Index, SXXE- STOXX Europe 600 Index, NDX Nasdaq-100, SPX- S&P 500 Index, UKX-FTSE 100 Index, RTY-Russell 2000 Index.*

BSE Sector Performance in 2024

2024 Market Surge: Broad-Based Gains Lead to Strong Sensex & Sectoral Performance

- In 2024, the markets experienced a remarkable upswing, delivering impressive returns across sectors and reflecting strong positive sentiment and widespread investor participation.
- The BSE HC Index led the charge with an outstanding 41.5% gain, followed closely by BSE Realty, which delivered 35% returns. Other standout performers included BSE Auto, Healthcare, and Power, each showcasing significant gains. Meanwhile, BSE FMCG posted a modest increase of 0.8%.
- Notably, sectors such as Consumer Durables, Power, Capital Goods, Auto, and IT also contributed to the broad-based rally, reinforcing the market's bullish momentum.
- The BSE Midcap and Smallcap indices delivered outstanding performances in 2024, posting impressive gains of 25.8% and 29%, respectively, highlighting strong growth in broader market segments.
- The benchmark indices performed admirably, with the Sensex rising 8.9% and Bankex gaining 7.1%. However, all sectoral indices outperformed the Sensex, except Bankex and FMCG, highlighting the robust performance across diverse market segments.



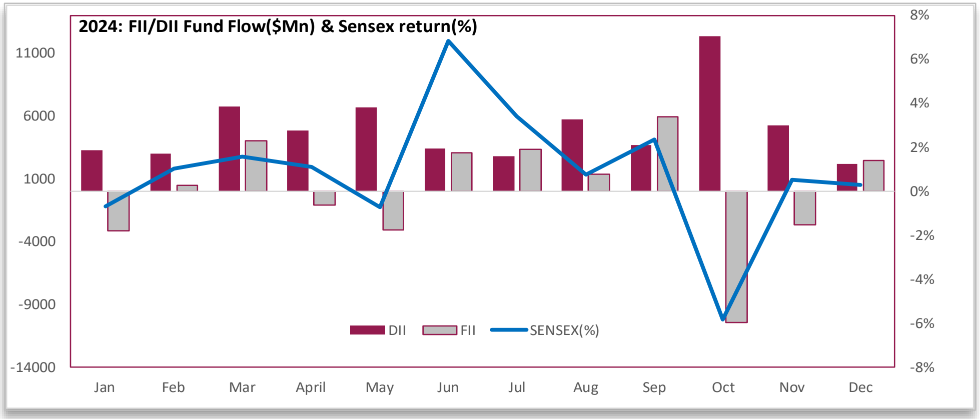
Source: LSEG-Refinitiv, Axis Securities

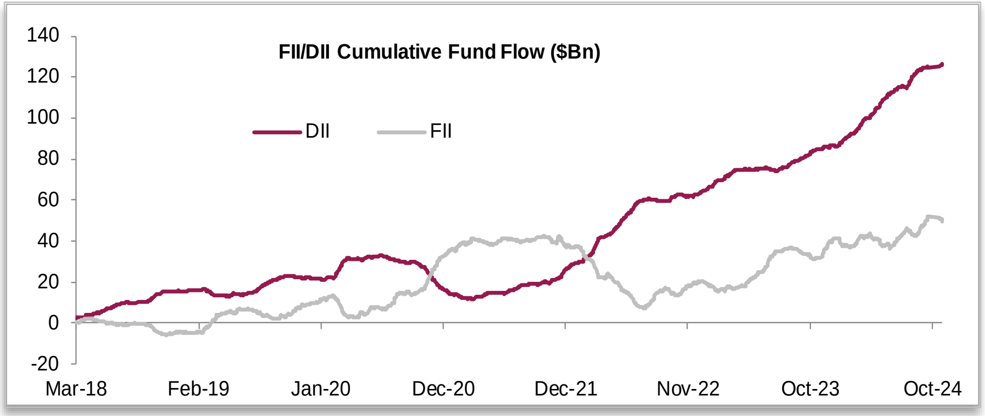
Data as of 27th Dec 2024.

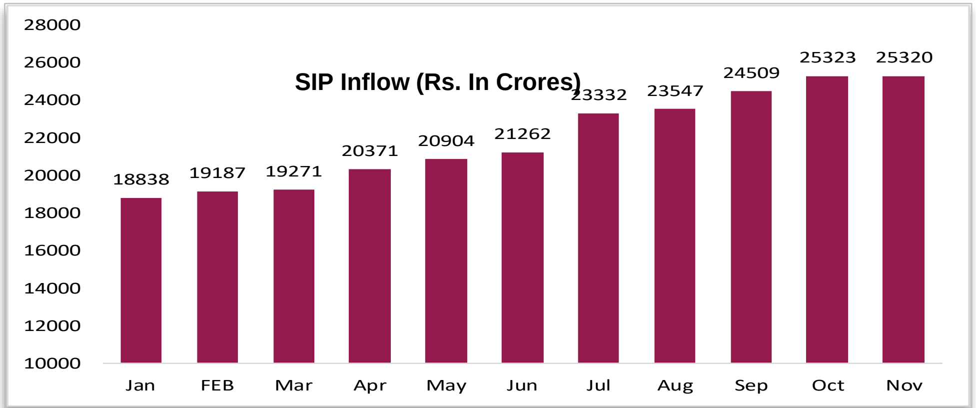
FII Selling, DII Buying and SIP: The Catalyst for Sensex Growth

DII Domination: Driving Market Momentum Since Early 2022

- **FII Outflows Pressure:** FII outflows in January, April, and May and heavy outflow in October caused sharp Sensex declines, with October seeing the steepest fall (~-6%).
- **DII Resilience:** Strong DII inflows in January, April, May, and October stabilised markets, countering FII selling pressure.
- **Mid-Year Upswing:** July till September saw combined FII-DII inflows, driving a bullish Sensex momentum.
- **Sensex Recovery:** After a slump in October, the Sensex rebounded in November, supported by DIIs and reduced FII outflows.







Sustained SIP Inflows: A Pillar of Stability in 2024

- In 2024, the market experienced a steady inflow of funds through the SIP route, with monthly contributions consistently rising.
- From Rs 18,838 crore in January, SIP inflows surged to Rs 25,320 crore by December.
- This sustained investor confidence helped stabilise the market, even amid the sell-off in October, underscoring the resilience of Indian retail investors.

Source: Bloomberg, Axis Securities.

Navigating the Volatility in 2024 with India VIX

India VIX Surged to 31.71 Amid Heightened Uncertainties Surrounding the General Election Outcome

- **Jan-April Period:** From the beginning of the year until the commencement of the 2024 General Elections, the Nifty delivered a modest 4% return. The India VIX declined during this period, reflecting a relatively stable market environment.
- **Election Period:** As the election phase progressed, the India VIX saw a significant uptick, peaking at 31.71 on the day of the results (June 4). Following the election outcome, the VIX sharply declined, dropping to 11.6 within just 11 days, signalling a return to calmer market conditions.
- **Market Sell-off:** In September, the market peaked, followed by an 11% profit booking. The India VIX rose from 8.98 to 20.75 during this correction, highlighting increased market uncertainty amid the sell-off.

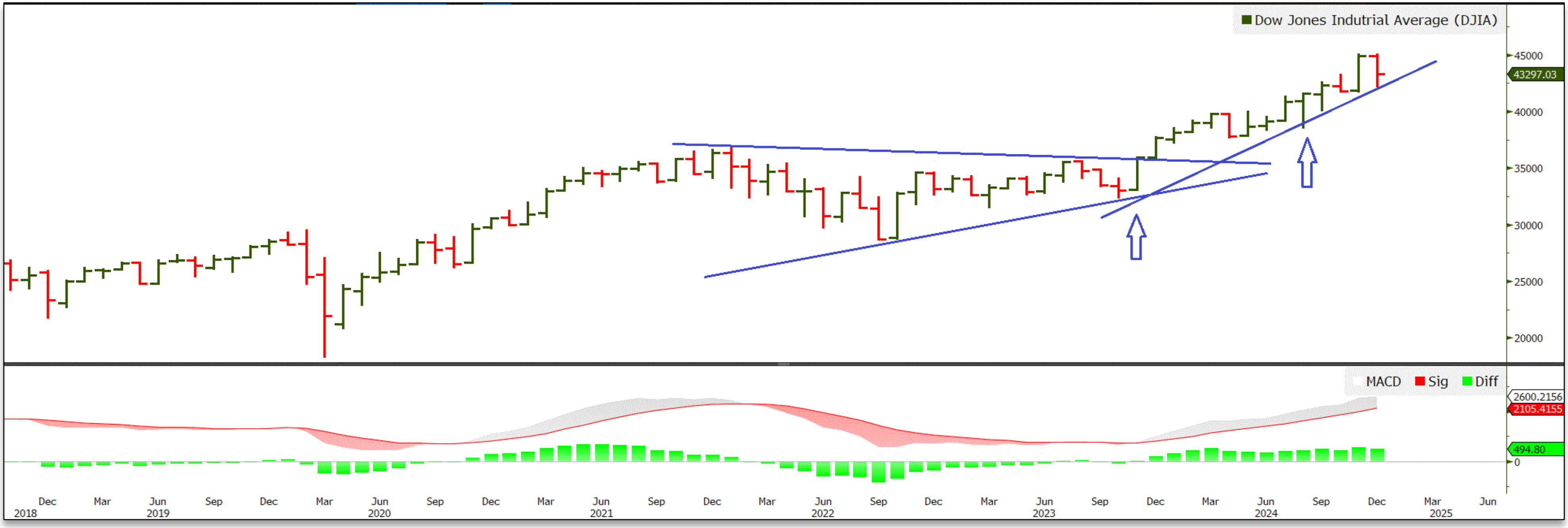
NEW YEAR PICKS 2025

Global Market outlook - 2025

Dow Jones: Sustained Uptrend Above Trendline

Sustained and Strong Uptrend Emerging Post Breakout

- The US Dow Jones Industrial Average (DJIA) index exhibited a decisive breakout from a consolidation pattern in November 2023, marked by a strong bullish candle reaffirming its long-term uptrend.
- Post-breakout, the index delivered an impressive 28% return, reflecting robust bullish momentum. On the monthly chart, the formation of higher highs and higher lows, coupled with the index's position above an upward-sloping trendline, underscores a sustained positive bias.
- The upward momentum will persist if the index respects the sloping trendline. The Monthly MACD, holding firmly above the zero line, also confirms the ongoing bullish momentum.



Source: Bloomberg, Axis Securities

- The DJIA maintains a strong and optimistic outlook, with the technical setup signaling the potential for continued gains. The index's ability to sustain above the upward-sloping trendline near 40,000 remains crucial for its long-term bullish momentum. This key support level, combined with robust technical indicators, underlines the ongoing strength in the trend and offers a positive bias for future performance.

UK FTSE & Euro Stoxx: Breakouts with Consolidation Above Key Levels

UK's FTSE 100 Breakout: Bullish Outlook Above 8000 Support

- The UK FTSE 100, on a monthly chart, broke above the long-standing 8000 resistance level established in 2017, which now acts as support under the principle of polarity. Since its breakout in April 2024, the index has entered a consolidation phase above this level, delivering a modest 5.4% return in 2024. The uptrend will persist if the index holds above the critical 8000 support zone.
- The RS (Relative Strength) line measures the performance of an asset relative to a benchmark, indicating whether it is outperforming or underperforming the comparison index. The RS Ratio line of the FTSE 100 against the Dow Jones Industrial Average (DJIA) continues to slope downward, suggesting that the FTSE will likely underperform the DJIA.

Source: Bloomberg, Axis Securities.

Eurozone's Euro Stoxx Index Breakout: Bullish Outlook Above Falling Channel

- The Euro Stoxx Index broke above a symmetrical triangle pattern on the monthly chart in April 2024, signaling a positive bias. However, after mid-2024, the index entered a falling channel. Once the index breaks above this channel formation, it is expected to continue rallying, resuming the post-breakout uptrend.
- The RS-Ratio line continues to slope downward, indicating that the Euro Stoxx is underperforming the DJIA. However, a shift to an upward tilt in the RS line, coupled with a breakout above the downward-sloping channel, would serve as a positive trigger, signaling potential outperformance.

Contrasting Trajectories - Nikkei 225 in Uptrend, Hang Seng in Consolidation

Japanese Nikkei 225 Outlook: Sustained Uptrend within the Rising Channel

- The Nikkei 225 Index remains within a rising channel, with the lower band providing support and the upper band acting as resistance. The index is poised to maintain its upward momentum as long as it holds above the lower band, despite recent consolidation since April 2024. The index delivered a strong 20.4% return in 2024, highlighting its solid performance earlier in the year.
- The RS line had been in an uptrend but has recently experienced a decline within a small falling channel. However, it is expected to break above this channel and resume its upward trajectory, signalling potential outperformance ahead.

Source: Bloomberg, Axis Securities.

Hang Seng Index Outlook: Key Breakout Levels Ahead

- The Hang Seng Index has broadly consolidated between 14,500–23,000 since June 2023. A breakout in either direction will determine the next trend. The index found support at the lower band this year, bouncing back sharply to deliver a 15.9% return, effectively recovering its losses from 2023.
- The RS line has turned flat, indicating a period of consolidation and a lack of clear outperformance or underperformance relative to the benchmark. This could suggest a wait-and-see phase before a new directional move.

Macro Economic Outlook 2025

Earnings Play to Drive Returns in 2025

☑ **Faith in India's Growth Story Continues:** The Indian economy continues to be a 'star performing' economy compared to other emerging markets. Moreover, we firmly believe it will likely continue its growth momentum in 2025 and remain the land of stability against the backdrop of a volatile global economy. Political stability after state elections and expected fiscal support are boosting confidence. Overall, the growth prospects are likely to improve in the forthcoming quarters. FY26 is expected to be better than FY25, driven by fiscal tailwinds, private capex revival, and easing credit conditions pst-CRR cuts.

☑ **Earnings Growth:** Nifty 50 EPS is projected to grow by 7.6% in FY25, with growth expected to accelerate to 13.7% in FY26 and 11% in FY27, reflecting a robust 14% CAGR over the FY23–27 period. This growth will be supported by the real estate cycle, private capex recovery, and strong construction activity during this period. Risks include global macro uncertainties, inflation pressures, and potential earnings downgrades post-Q3. Nonetheless, we remain optimistic about double-digit earnings growth over the next 2–3 years, driven by stable economic conditions, political continuity, and structural growth.

☑ **Key Monitorables 2025:** The majority of the events are now behind us, with most of the negatives related to earnings already factored into the price. From here onwards, the market will closely monitor the global developments around the following events: 1) Policies in the US government during the Trump presidency, 2) Trade policy, 3) Further rate cut by the US FED in 2025, and 4) The direction of Currency and Oil prices in 2025.

☑ On the domestic front, the market will closely monitor developments towards the upcoming budget and the rate cut trajectory in the Indian market. We anticipate one to two rate cuts from the RBI in 2025, contingent upon inflation trends and the broader growth dynamics. The recent development in the Maharashtra elections verdict was not entirely surprising. Still, the scale of domination of the ruling party after a lacklustre performance in the general elections was quite unexpected. Several factors can be attributed to the decisive win, but the biggest was the 'Ladki Baheen Yojana'. This indicates a shift in the economic regime. The past decade was defined by development-focused schemes, with the construction of roads, bridges, metro systems, and other infrastructure projects as benchmarks for the ruling party's success. However, the capacity creation phase has had challenges that resulted in lower allocation to social schemes. While capacity creation is one of the simplest means to deliver sustainable growth, reducing social schemes has also resulted in rural distress. Thus, social schemes like Laddo behen or Ladki Baheen have now become the success mantra in Indian politics.

☑ These events are expected to keep the Indian equity market volatile, and it could respond in either direction based on the developments. However, we expect the first half of 2025 to be more volatile. More concrete developments are expected in the second half. So, the majority of the return expectations are backend-loaded in 2025.

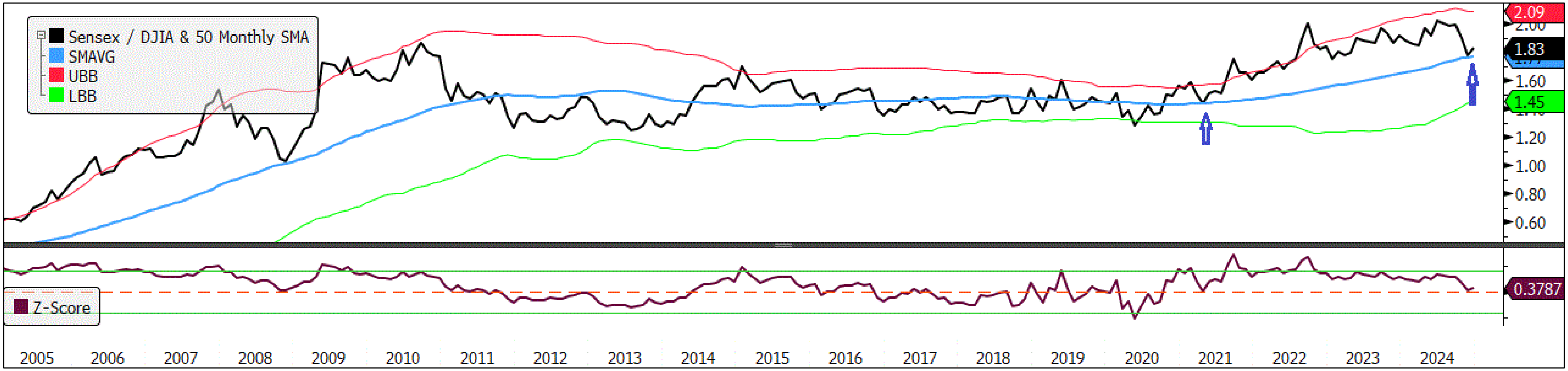
NEW YEAR PICKS 2025

Index outlook - 2025

Sensex Levels Revealed through Z-Score Analysis

Z-Score Analysis – Resistance & Support: Yearly: 91,800 / 70,200 | Medium-Term: 86,000 / 77,000

- **RS-Ratio:** The Relative Strength (RS) ratio evaluates a security's price performance against a benchmark index, indicating outperformance when trending upward. **This analysis leverages monthly data from the Sensex and Dow Jones Industrial Average, spanning back to 1988.**
- **Z-Score:** The 50-month SMA (Simple Moving Average) smooths out trends in the RS line, while the Z-Score quantifies deviations from the average, identifying overbought or oversold conditions. In November 2024, the Z-Score registered 0.08, with the current reading at 1.83 and the historical low at -2.6. The UBB (Upper Bollinger Band) and LBB (Lower Bollinger Band) represent two standard deviations from the 50-month SMA, providing a statistical range around the mean.



Source: Bloomberg, Axis Securities.

- **Z-Score Analysis:** Back-test results from 1988 to November 2024 show that in 12 instances, similar Z-Score levels of 0.08 have historically delivered an average return of 14.2% over the following year, with an average drawdown of 12.5%.
- **RS Ratio Analysis:** The RS line currently holds above the 50-month SMA. In 2021, it found support at this level and rebounded, with the Sensex delivering a 17% return the following year and a peak return of 26%. Historically, in three instances where the RS line broke below the SMA, the index declined to the lower Bollinger Band, experiencing a drop of -15%.
- **Key Levels as per Current Setup:** Based on the above study and taking a conservative view, Sensex's yearly resistance is projected at **91,780**, aligning with the 38% Fibonacci extension of the rally from the June 2022 low of 50,921 to the all-time high of 85,978, with the recent swing low of 76,803 serving as the starting point for the extension. The support is at **70,220**, coinciding with the June 2024 low of 70,234. Additionally, medium-term technical resistance and support are identified at **85,978** and **76,802**, respectively.

Yearly Technical Outlook: Sensex

- The benchmark index has delivered consecutive annual highs for eight years, showcasing the resilience of the ongoing bull market. In 2024, the **Sensex scaled a record peak of 85,978**, but profit-taking at elevated levels triggered a sharp correction of 11% (9,176 points) till November swing low.
- The index is encountering resistance at the upper band of a rising channel established in June 2022, triggering further profit-booking. However, it is nearing a key support zone at **76,800–76,500**, which coincides with the November 2024 low and the lower band of the rising channel.
- **The 76,500 level is a critical support for the index.** Sustaining above this could fuel a rally toward the all-time high of **85,978**, potentially extending gains to **91,800** in the coming year.
- **A breach below 76,500** may trigger a drop to **70,200,** the June 2024 swing low. Investors are advised to remain cautious and focus on stock-specific opportunities.

CMP: 78248	Support: 76500-73200-70200	Resistance: 82500-86500-91800

AXIS SECURITIES

Nifty at Crossroads: 23,000 Holds the Key to Upside

The Nifty Index is nearing the critical support level of 23000, a pivotal zone to watch for potential market cues.

- **Nifty**, since its March 2020 low of 7511, has experienced **eight average 10% declines, each followed by an average rally of 27%.**
- The recent 11% drop from 26277 to 23263 keeps the index above its medium-term rising channel. Holding the 23263 swing low supports a potential rally to 27500, aligning with the Fibonacci extension of the June 2022 rally (15183 to 26277), using 23263 as the base.
- A break below 23000 could trigger downside targets at 21800, reflecting the equality of the decline from 26277 to 23263, with the 50% Fibonacci retracement at 24790 now acting as interim resistance. **The 23000 level remains pivotal for sustaining the bullish outlook.**

- The RS-Ratio line of Nifty vs. DJIA has retraced to its 50-month SMA, indicating potential mean reversion. **Support at this level could trigger a reversal, while a breach may suggest further downside. In 2021, similar support resulted in a 31% surge.**

AXIS SECURITIES

Yearly Technical Outlook: Nifty 50 Index

CMP: 23666	Support: 23000-22200-21500	Resistance: 25000-26300-27500

- In 2024, the **Nifty reached a record high of 26,277**, followed by an 11% decline (3,014 points) due to profit-taking. However, the index remains in a rising channel in the long term, indicating a strong uptrend.
- The index is approaching a key support zone at **23,263–23,000**, aligning with the November 2024 swing low and the lower band of the rising channel formed in June 2022. This support zone could sustain medium-term upside momentum, while a breakdown may deepen the correction.
- **The 23,000 level serves as a pivotal support for the index.** Holding above this level could drive a rally toward the all-time high of **26,277**, potentially extending gains to **27,500** in the coming year.
- **A break below 23,000**, however, could trigger a decline to **21,800**, marking the 100% Fibonacci extension of the correction from the all-time high (26,277) to the swing low (23,263), anchored by the recent peak at 24,858.

Yearly Technical Outlook: Bank Nifty Index

- Bank Nifty has surpassed last year's high of 48,636, **reaching a new peak at 54,467,** indicating robust bullish momentum. Since September 2022, the index has been trending within a rising channel, recently rebounding from its lower band and heading towards the upper band.
- Currently, the index is consolidating within a broad range of 54,500–49,700 over the past seven months. **The 49,700 level is critical,** acting as a confluence of the lower boundary of the consolidation zone and the lower band of the medium-term rising channel.
- **If the index holds above 49,700**, it could target the upper boundary at **54,500**, with a breakout potentially extending gains to **56,500–58,500**, while a **break below 49,700** may lead to a decline toward **48,000–46,000.**
- With Bank Nifty's long-term uptrend intact, 'buying-on-dips' remains the preferred strategy.

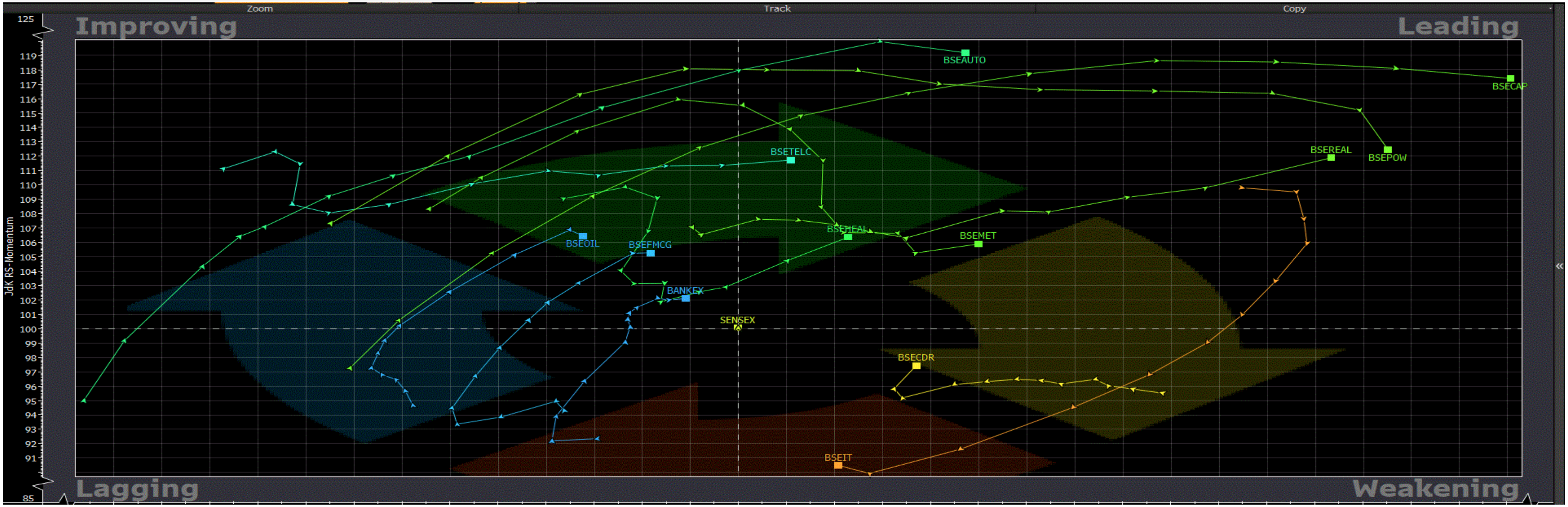
CMP: 51053	Support: 49700-48000-46000	Resistance: 54500-56500-58500

Sector Analysis - 2025

Relative Rotation Graph(RRG) Sector Analysis

Technical RRG Analysis – Sector Rotation

- **Leading Sectors:** BSE Healthcare, Auto, Telecom, Realty, Metal, Capital Goods, and Power maintain strong relative strength and momentum, staying in the Leading quadrant, signalling continued market leadership.
- **Improving Sectors:** BSE Bankex, FMCG, and Oil & Gas have moved to the *Improving* quadrant, presenting potential opportunities for bargain buying in quality stocks.
- **Weakening Sectors:** BSE IT and Consumer Durables are in the Weakening quadrant, suggesting profit booking, though a shift towards the *Leading* quadrant indicates potential for value buying in quality stocks.



Source: Bloomberg, Axis Securities

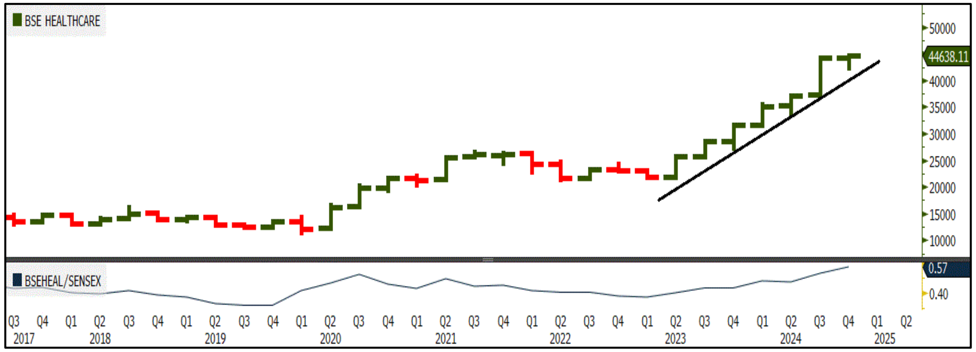
Fundamental Outlook - Six Golden Themes for 2025

Structural Play in Premium Consumption, Growth Story of the **Indian Healthcare Industry**, Companies with higher growth potential in the Infrastructure value chain, Pharma and **Telecom** as a Defensive Play, **Real Estate** led by Demand Visibility, Reasonable valuation play in **BFSI**, Right mix of Rate Cut Cycle, Defensive, Infra, and Consumption

AXIS SECURITIES

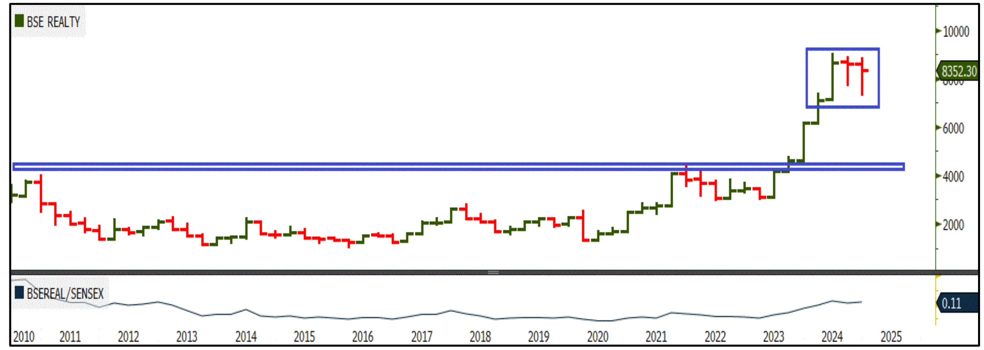
BSE Sectors Quarterly Chart Analysis

BSE Healthcare Quarterly Chart (Bullish)



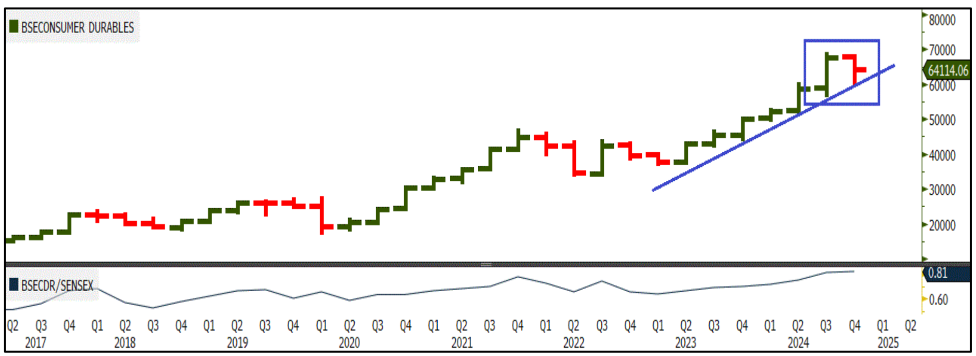
The BSE Healthcare Index, following a sharp rally, is consolidating in a narrow range, indicating a breather. The RS line is trending upwards and has surpassed its previous swing high, signalling the continuation of upward momentum.

BSE Realty Quarterly Chart (Bullish)



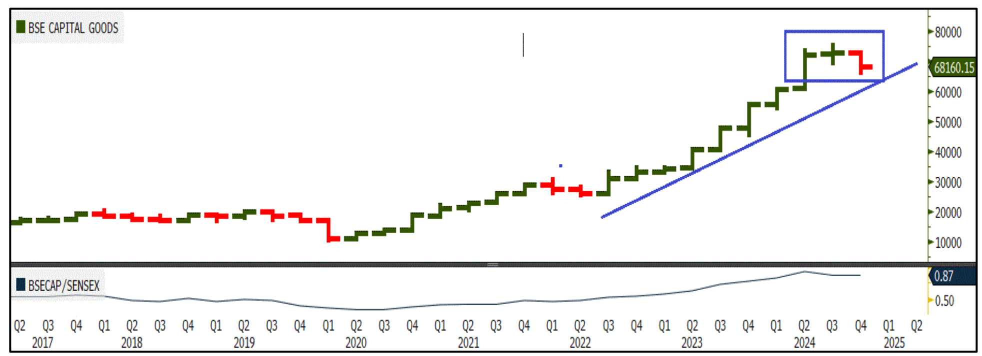
BSE Realty broke above a multi-year high of 4,600 in 2024 and saw a strong 35% rally. After a sharp rise, the sector is now consolidating for the last two quarters, but the upside momentum is expected to continue. The RS line is in an uptrend, indicating that the sector is likely to outperform the benchmark.

BSE Consumer Durable Quarterly Chart (Bullish)



BSE Consumer Durables remain in a strong uptrend but have witnessed consolidation this quarter. A breakout above the recent high of 69,044 is expected to resume the uptrend. The RS line has breached its swing high, suggesting the sector may outperform the Sensex.

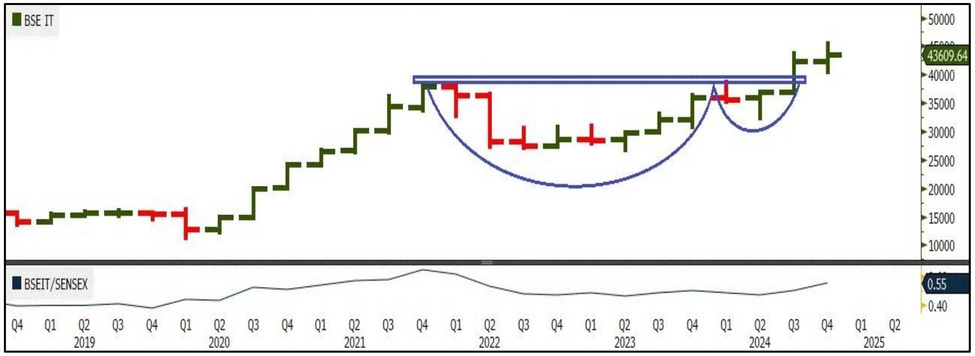
BSE Capital Goods Quarterly Chart (Bullish)



The index remains in a strong uptrend but has entered a consolidation phase following a sharp rally. A breakout above the recent high of 76,272 is expected to resume the uptrend. While still in an uptrend, the RS line has flattened, reflecting the ongoing consolidation.

BSE Sectors Quarterly Chart Analysis

BSE IT Quarterly Chart (Bullish)

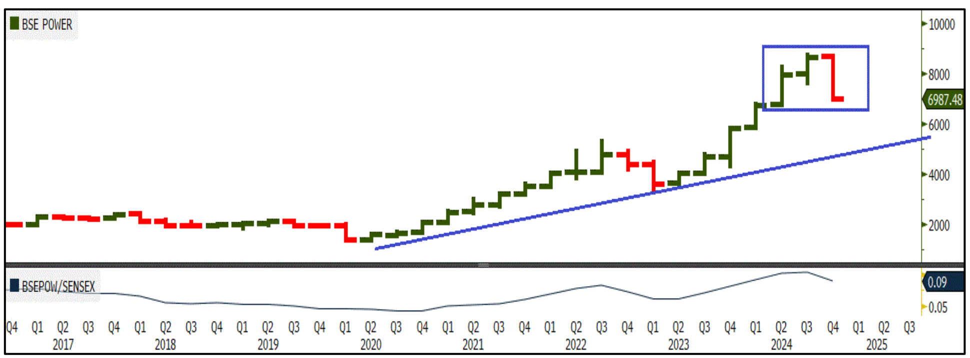


BSE IT broke above the Cup and Handle pattern and is sustaining above it, signalling a potential post-breakout rally. The RS line is holding above the 50 mark and is starting to shift upward, indicating strong uptrend potential for the sector.

BSE Metal Quarterly Chart (Neutral)

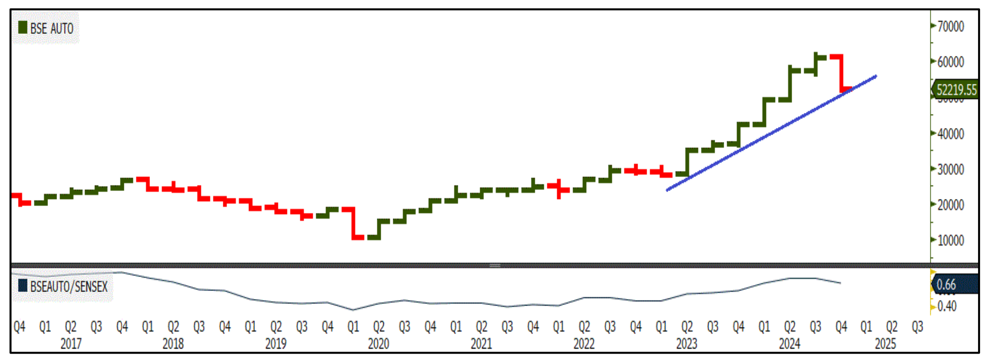
The BSE Metal Index rallied 132% from June 2022, but saw profit booking this quarter. It is expected to find support around 27,336, the 38% Fibonacci retracement of the June 2022–October 2024 rally. A breakout above 34,946 is required for the uptrend to resume.

BSE Power Quarterly Chart (Neutral)



The BSE Power Index experienced a 19% profit booking in the last quarter of the year and is nearing a crucial support zone between 6,500 and 6,700. The RS line, previously in an uptrend, has started to tilt downward, indicating a loss of momentum in outperforming the benchmark and a likely phase of consolidation ahead.

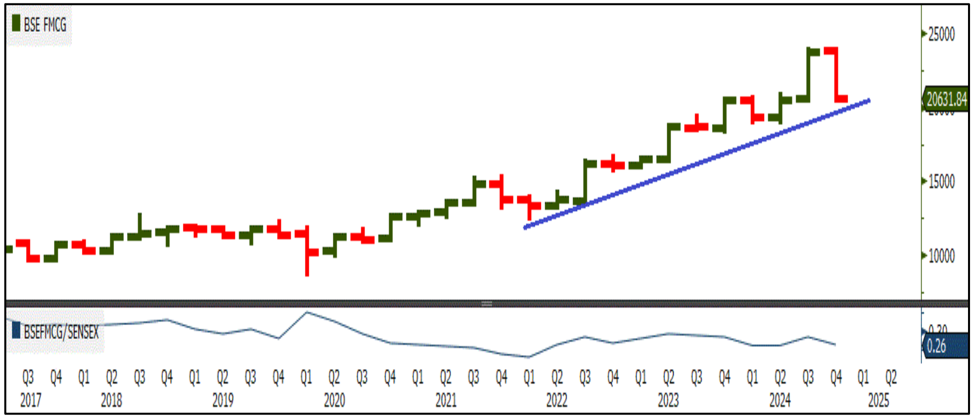
BSE Auto Quarterly Chart (Neutral)



Despite ongoing profit booking, the BSE Auto Index continues to hold above its medium-term upward-sloping trendline. A breach of this trendline could accelerate downside momentum, while the RS line's negative divergence signals potential consolidation or extended profit booking ahead.

BSE Sectors Quarterly Chart Analysis

BSE FMCG Quarterly Chart (Neutral)



The index experienced a sharp 13% decline in the last quarter of the year, approaching the crucial support at the upward-sloping trendline around 20,500. A decisive break below this level could open the door for further downside. The RS line shows negative divergence, indicating the potential underperformance.

BSE Oil-Gas Quarterly Chart (Neutral)

The BSE Oil & Gas Index recorded an 18.8% decline in the last quarter, forming a bearish engulfing pattern that engulfed the prior two quarters, signalling continued weakness. The index is approaching a critical support zone between 22,000 and 21,000.

Decoding Sector Trends: Leaders, Laggards, and Emerging Opportunities

Advanced RRG analysis combined with traditional charting techniques provides a nuanced perspective on sector performance.

- ✓ **Uptrend Sectors:** BSE Healthcare, Realty, and Capital Goods are poised to maintain their uptrend, confirmed by RRG and technical analysis.
- ✓ **Emerging Opportunities:** BSE IT and Consumer Durables, transitioning from the weakening to the leading quadrant in RRG, exhibit bullish technical patterns, offering bargain-buying prospects in quality stocks. Meanwhile, Bankex has moved into the improving quadrant, supported by a positive technical outlook, signalling a buying opportunity in select stocks.
- ✓ **Consolidation Ahead:** BSE Auto, Metal, and Power are likely to consolidate, as indicated by both RRG and quarterly technical charts.
- ✓ **Underperformers:** BSE Oil-Gas and FMCG are expected to face continued profit booking and underperform against the Sensex.

Source: Bloomberg, Axis Securities

Seasonality Insights: Quarterly Performance of the Sensex and Sectors

- **Jan-Mar:** Historically since 2008, the Sensex delivered an average return of -1.6% with a 53% probability since 2008. Most sectors underperformed, with BSE Realty (-6.6%) and Telecom (-5.1%) emerging as the weakest performers, holding probabilities of 41% and 35%, respectively.
- **Apr-Jun:** The strongest quarter, delivering an average return of 5.8% with a 76% probability. Broader markets, including BSE Mid Cap and Small Cap, outperformed the benchmark, with all sectors posting positive returns.
- **Jul-Sept:** This quarter delivered solid gains, averaging 3.7% with a 71% probability of positive performance. BSE IT led the pack, recording an average return of 8.3% and a 76% probability of positive performance.
- **Oct-Dec:** Momentum softened, with the Sensex averaging a 1.7% return and a 59% probability. Most sectors delivered marginally positive returns, except for outperformers like Bankex.

Quaterly Seasonality Analysis

INDEX/ BSE SECTORS	Jan-Mar		Apr-Jun		Jul-Sept		Oct-Dec	
	Average (%)	Win-Loss	Average (%)	Win-Loss	Average (%)	Win-Loss	Average (%)	Win-Loss
BSE SENSEX	-1.6	53%	5.8	76%	3.7	71%	1.7	59%
NIFTY	-1.2	53%	5.4	71%	3.9	76%	1.6	53%
BSE MIDCAP	-3.6	47%	8.6	53%	4.9	65%	2.4	65%
BSE SMALLCAP	-5.9	41%	10.4	53%	4.8	65%	2.6	71%
BSE IT	0.8	53%	3.5	53%	8.3	76%	3.5	65%
FMCG	0.4	47%	6.4	76%	5.5	65%	0.9	53%
BSE CONS DURA	0.2	47%	8.0	71%	8.0	65%	1.9	53%
BSE FMCG	-1.0	47%	4.5	59%	3.0	65%	0.1	53%
BSE OIL &GAS	-1.0	47%	4.5	59%	3.0	65%	0.1	53%
BSE AUTO	-1.2	47%	9.0	65%	6.8	71%	2.4	65%
BSE HEALTHCARE	-1.3	41%	7.4	76%	7.1	76%	2.0	59%
BSE CAP GOODS	-1.8	41%	11.2	71%	0.8	59%	2.6	53%
BSE BANKEX	-2.4	41%	7.9	76%	3.2	59%	5.0	65%
BSE POWER	-2.8	47%	5.7	53%	1.2	53%	1.7	59%
BSE METAL	-2.8	53%	6.6	41%	1.4	65%	3.9	65%
BSE TELECOM	-5.1	41%	5.6	65%	1.9	53%	1.0	47%
BSE REALTY	-6.6	35%	8.2	53%	1.3	47%	2.9	53%

Source: LSEG-Refinitiv, Axis Securities.

- Seasonality Analysis examines historical performance patterns over specific timeframes, identifying recurring trends and probabilities to predict potential market movements. It reveals predictable behaviors driven by factors like earnings cycles, seasonal demand, or economic events. By studying these patterns, investors can improve decision-making, optimize timing, and manage risks effectively. While it’s a valuable tool, it should be used alongside other analyses, as past trends may not always repeat.

Stock Investment Ideas CY25

New Year Technical Picks 2025

ABSLAMC

Buy Range	Target	Potential Upside (%)
750-715	1045	43%

ASTERDM

Buy Range	Target	Potential Upside (%)
485-455	685	46%

CAPACITE

Buy Range	Target	Potential Upside (%)
413-385	555	39%

FLUOROCHEM

Buy Range	Target	Potential Upside (%)
4200-4040	5213	27%

HDFCBANK

Buy Range	Target	Potential Upside (%)
1720-1670	2200	30%

HINDPETRO

Buy Range	Target	Potential Upside (%)
390-370	544	43%

INFY

Buy Range	Target	Potential Upside (%)
1840-1755	2335	30%

MANINFRA

Buy Range	Target	Potential Upside (%)
248-235	328	36%

MUTHOOTFIN

Buy Range	Target	Potential Upside (%)
1980-1885	2455	27%

NATCOPHARM

Buy Range	Target	Potential Upside (%)
1285-1235	1785	42%

PAYTM

Buy Range	Target	Potential Upside (%)
940-855	1265	41%

POLYPLEX

Buy Range	Target	Potential Upside (%)
1225-1150	1735	46%

New Year Technical Picks 2025

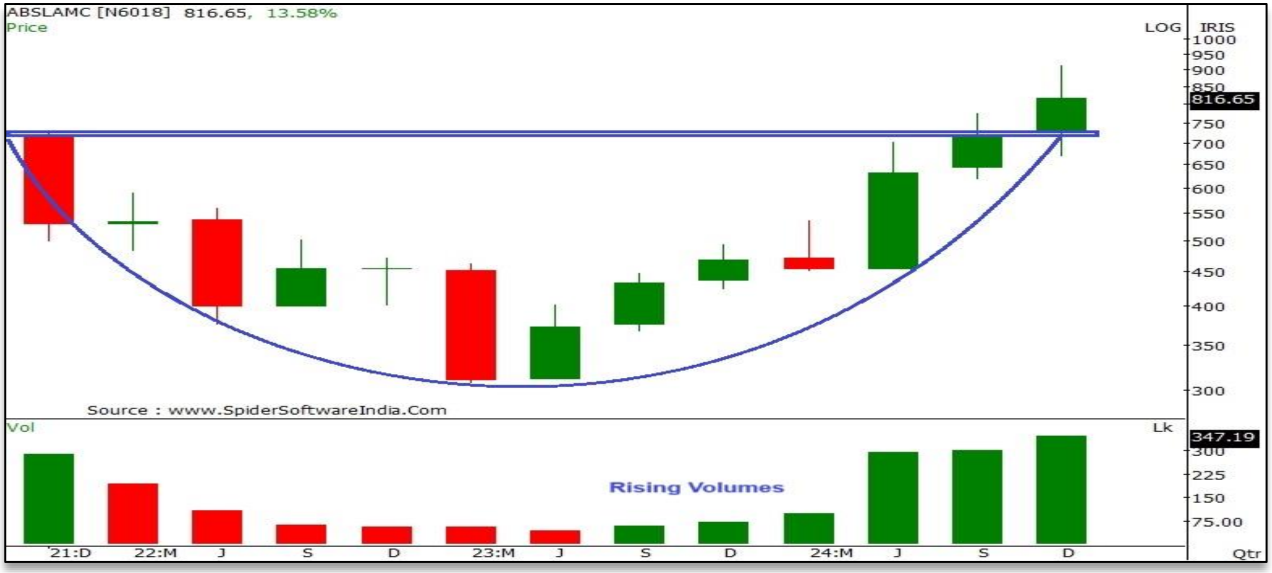
We suggest buying and accumulating the stocks in the mentioned range for a potential upside of 18% - 46%.

STOCK	BUY Range	CMP	Target First	Target Second	Upside (%)
Aditya Birla Sun Life AMC Ltd	750-715	827	950	1045	30-43
Aster DM Healthcare Ltd.	485-455	518	613	685	30-46
Capacit'e Infraprojects Ltd	413-385	431	513	555	29-39
Gujarat Fluorochemicals Ltd.	4200-4040	4106	4815	5213	17-27
HDFC Bank Ltd.	1720-1670	1784	1950	2200	15-30
Hindustan Petroleum Corporation Ltd	390-370	406	485	544	28-43
Infosys Ltd.	1840-1755	1898	2165	2335	20-30
Man Infraconstruction Ltd	248-235	244	295	328	22-36
Muthoot Finance Ltd	1980-1885	2110	2285	2455	18-27
Natco Pharma Ltd.	1285-1235	1392	1616	1785	28-42
One 97 Communications Ltd.(PAYTM)	940-855	1019	1150	1265	28-41
Polyplex Corporation Ltd	1225-1150	1274	1595	1735	34-46

CMP as of 30th Dec, 2024.

Aditya Birla Sun Life AMC Limited

| CMP: 827 **| Rec. Price:** 750-715 **| Target:** 950-1045**| Upside:** 30% - 43% **|**



Technical Outlook

- The quarterly price action confirms a “rounding bottom” breakout at 723, marking a strong bullish signal.
- Significant volume growth over the past three-quarters highlights increased market participation during rallies.
- The stock is consistently trending higher, forming a series of higher highs and lows across timeframes.
- We anticipate the uptrend to continue, with the stock targeting 950-1045 levels in the coming months.

Fundamental Outlook

- Aditya Birla Sun Life AMC Limited (ABSL AMC) is an India-based asset management company that provides asset management services to Aditya Birla Sun Life Mutual Fund.
- The company also offers various alternative strategies, including portfolio management services (PMS), real estate investments, and alternative investment funds (AIFs).
- The long-term outlook for the Indian asset management industry remains positive due to the low penetration levels in India compared to developed markets. ABSL AMC is well-positioned to benefit from the growing financialisation of savings in India.
- Moreover, the company's strong retail franchise and efforts to enhance distribution and product offerings are expected to support its growth prospects.

Aster DM Healthcare Limited

| **CMP:** 518 | **Rec. Price:** 485-455 | **Target:** 613-685 | **Upside:** 30%-46% |

Technical Outlook

- The BSE Healthcare index gained 41.5% in 2024, ranking among the top sectors, with momentum likely to continue in 2025.
- Stock is trending strongly within an upward channel on the quarterly chart, signalling a sustained bullish trajectory. Recently, it found support at the channel's lower band and is now advancing towards the upper band.
- Notably, volume activity has surged over the past three quarters, indicating increased participation from market players at the channel's lower support.
- We anticipate the stock's bullish momentum to strengthen further, targeting levels of 685, aligning with the upper band of the channel.

Fundamental Outlook

- Aster DM Healthcare's merger with Blackstone and TPG-backed Quality Care Hospitals (QCIL) will establish one of India's largest hospital chains, ranked third in bed capacity and second in revenue. Expected to close by Q3FY26, the merger will create a combined entity worth INR 422 billion, with a share swap ratio of 977:1000.
- The deal positions Aster as the largest healthcare provider in South India, expanding its presence across every state. The merger adds 38 hospitals and over 10,000 beds, with a 30%+ growth in capacity by FY27.
- QCIL's strong performance in Kerala, Telangana, and Bangladesh, along with a 10-15% EBITDA upside from synergies, will drive improved revenue and margins. Aster's ownership post-merger will be: promoters (24%), Blackstone (31%), public (33%), and QCIL/others (12%).
- The merger offers a compelling growth trajectory and positions Aster for a higher valuation.

Capacite Infraprojects Limited

| CMP: 431 **| Rec. Price:** 413-385. **| Target:** 513-555 **| Upside:** 29%-39% **|**

Technical Outlook

- The BSE Realty index broke above a multi-year high in 2024, rallying 35%, with momentum expected to persist into 2025.
- A stock within this index recently surpassed the multi-year high around 425 on the quarterly chart, signaling a continuation of its medium-term uptrend. The stock is forming higher highs and lows, reinforcing the strength of the uptrend.
- Both the quarterly and monthly RSI indicators are in bullish territory, holding above the reference line, further supporting a positive bias.
- We anticipate the stock to maintain its upward trajectory, with a target range of 513-555.

Fundamental Outlook

- Capacit'e Infraprojects Limited, incorporated on August 9, 2012, is a prominent player in the construction industry, specializing in residential, commercial, and institutional buildings, including super-speciality hospitals and factories.
- The company has established a strong track record, successfully completing over 60 projects across India in regions such as MMR, PMR, NCR, Varanasi, Bengaluru, Chennai, and Hyderabad, with a total constructed area of more than 64 million sq. ft.
- In H1FY25, Capacit'e Infraprojects reported robust growth, with revenue, EBITDA, and PAT increasing by 28%, 53%, and 152%, respectively, compared to the previous year, driven by improved execution and a healthy order book.
- As of March 31, 2024, the company has an order book of Rs. 9,011 crore, slated for completion over the next 3 to 3.5 years. Additionally, Capacit'e secured new orders worth approximately Rs. 1,114 crore in FY25, about five times its FY24 revenue, ensuring strong revenue visibility for the medium term.

Gujarat Fluorochemicals Limited

| CMP: 4106 **| Rec. Price:** 4200-4040 **| Target:** 4815-5213 **| Upside:** 17%-27% **|**

Technical Outlook

- FLUOROCHEM had been consolidating within a tight range of 3950-2500 since early 2022, reflecting a prolonged indecision phase.
- In September 2024, the stock broke out of this range with a strong bullish candle, signalling a shift in momentum and the onset of a medium-term uptrend.
- Since the breakout, the stock has maintained levels above the consolidation zone, confirming the strength of the breakout and indicating a continuation of its long-term bullish trajectory.
- With a 1500-point consolidation range, the stock is expected to target 4815-5213, signalling strong upside potential.

Fundamental Outlook

- Gujarat Fluorochemicals Limited (GFL), previously known as Inox Fluorochemicals, is a leading Indian producer of fluoropolymers, fluorospecialties, chemicals, and refrigerants. The company is a key global player in the fluoropolymers market, exporting to major regions such as Europe, the Americas, Japan, and Asia. GFL has established a strong presence in industries such as automotive, electrical, and industrial applications with its diverse product offerings.
- Looking to the future, GFL's medium-term growth strategy focuses on shifting its revenue base toward battery materials, driven by the growing demand for electric vehicles (EVs) and renewable energy solutions. The company plans to allocate a cumulative capital expenditure (Capex) of Rs 6,000 Cr by FY28, aiming to achieve an asset turnover of 2x and maintain EBITDA margins of 25% at optimal capacity utilisation.
- The stock is currently trading at an FY26 consensus estimate of approximately 35x, reflecting investor confidence in its strong growth prospects and its ability to capitalise on emerging opportunities in the battery materials and fluoropolymers sectors. With its strategic initiatives in place, GFL is well-positioned to experience significant growth in the coming years.

HDFC Bank Limited

| CMP: 1784 **| Rec. Price:** 1720 - 1670 **| Target:** 1950-2200 **| Upside:** 15% - 30% **|**

Technical Outlook

- The Bankex index has been in a strong uptrend since mid-2022. This momentum is expected to persist into 2025.
- On the quarterly chart, the stock has broken out of a four-year consolidation zone (1340-1740) at 1740, signaling the continuation of its bullish trend.
- Rising volumes over the past two years highlight growing market participation. The stock also holds above the 30-week SMA at 1692, a critical support zone.
- The monthly RSI (14) is positioned positively, reflecting sustained strength.
- We anticipate the stock to extend its upward momentum toward 1950-2200 levels.

Fundamental Outlook

- HDFC Bank (HDFCB), the second-largest bank in India with a balance sheet size of approximately Rs 36 trillion post-merger, boasts an extensive network of 8,738 branches and 20,938 ATMs across 4,065 Indian cities as of March 2024.
- Following its merger with HDFC Ltd., key subsidiaries under the bank's umbrella include HDFC Life, HDFC ERGO General Insurance, HDFC AMC, HDB Financial, and HDFC Securities.
- The bank has adopted an accelerated approach to reduce its Loan-to-Deposit Ratio (LDR) from the current level of around 100% to the pre-merger range of mid-to-high 80%. HDFCB is known for maintaining exceptional asset quality through strong underwriting practices and risk-calibrated lending. Despite broader stress in unsecured portfolios, HDFCB's unsecured portfolio remains resilient. Asset quality across other segments, including CRB, Agri, and Corporate, remains robust, reflecting the bank's ability to balance growth and risk effectively.

Hindustan Petroleum Corporation Limited

| CMP: 406**| Rec. Price:** 390-370 **| Target:** 485-544 **| Upside:** 28%-43% **|**

Technical Outlook

- Since 2017, the stock has consolidated within the 300-130 range. However, the strong up-move in 2024 propelled it past the “multiple resistance” at 300 levels on the yearly chart, signalling a robust bullish trend.
- The quarterly price formation confirms a “rounding bottom,” reinforcing positive bias, while a yearly Bollinger Band buy signal indicates growing momentum.
- Rising volumes over the past 2-3 years highlight increasing market participation, further supporting the bullish outlook.
- We project the stock to extend its uptrend from current levels, targeting 2300-2500 in the coming quarters.

Fundamental Outlook

- Hindustan Petroleum Corporation Ltd (HPCL) is a major player in India's oil and gas industry, refining, marketing petroleum products, and managing E&P blocks. The company operates large refineries in Mumbai, Visakhapatnam, and Bathinda, with a total refining capacity of ~34.5 MMTPA, expanding to 45.3 MMTPA by FY28.
- HPCL holds a 12.5% share in India’s refining capacity and a 19.4% market share in petroleum products. Revenue is driven by high-speed diesel (51%), motor spirit (26%), and LPG (13%).
- The company invests in network expansion and CAPEX of Rs 74,000 crores across renewable energy, petroleum, and gas. HPCL's subsidiaries, including HPCL Mittal Energy Ltd and Mangalore Refinery and Petrochemicals Ltd, support its growth while diversifying into petrochemicals, LNG, retail chains, hydrogen, and fuel cells.

Infosys Limited

| **CMP:** 1898| **Rec. Price:** 1840-1755 | **Target:** 2165-2335 | **Upside:** 20%-30% |

Technical Outlook

- The BSE IT index broke above the Cup and Handle pattern in 2024, signalling the onset of an uptrend in 2025 post-breakout.
- After forming a top at 1954 in March 2022, the stock experienced profit booking and retraced 38% of the Fibonacci move from 509 to 1954 (March 2020 - March 2022), finding support at the 1231 level. This sharp rebound confirms a strong medium-term support base.
- With the quarterly RSI indicators in bullish mode, indicating a positive bias.
- we expect the stock to continue its upward momentum, with a target of 2165 & 2335 levels.

Fundamental Outlook

- Infosys Ltd, India's second-largest IT company, offers consulting, technology, outsourcing, and next-gen digital services to help clients navigate their digital transformation. Approximately 57% of its revenue stems from digital services, including AI-driven analytics, cloud migration, IoT, and cybersecurity, while 43% comes from core services like application management and infrastructure support.
- The company serves major global clients, including 185 Fortune 500 companies, with a strong focus on financial services, retail, telecom, and healthcare.
- With a robust product suite, including Infosys Finacle, Panaya, and EdgeVerve, the company maintains a diverse revenue base across geographies, with North America contributing 62% of its revenues. Infosys is focusing on consulting-led end-to-end solutions and technology-driven margin improvement. Its employee base is approximately 315,000, although high attrition remains a challenge. With a strategic emphasis on intellectual property-based solutions, Infosys is poised for sustainable growth while strengthening its position in the global IT services market.

Man Infraconstruction Limited

| CMP: 244**| Rec. Price:** 248-235 **| Target:** 295-328 **| Upside:** 22%-36% **|**

Technical Outlook

- MANINFRA has been in a strong uptrend since mid-2020, consistently forming higher highs and lows while holding above its upward-sloping trendline.
- On the quarterly chart, the stock formed a bullish "Pennants" pattern following a sharp rally and broke above it this quarter, signalling the continuation of its medium-term uptrend.
- Rising volume at the breakout confirms strong market participation.
- We expect the stock to extend its bullish momentum post-breakout, with a projected longer-term target range of 295-328.

Fundamental Outlook

- Man Infraconstruction (MICL), established in 1964, transitioned from engineering contracting to real estate in 2012, focusing on asset-light, high-margin developments. Real estate now drives 87% of its portfolio, with key upcoming launches in Mumbai (Vile Parle, Marine Lines) offering sales potential of Rs 1,200 Cr and Rs 2,100 Cr, respectively.
- MICL's expertise positions it as a strong contender for the Rs 1,700 Cr Vadhvan Port project, boasting execution margins of ~21%-25%. Collections are projected to grow at a ~26% CAGR (FY24-FY27E), with robust EBITDA margins of ~25%. With a healthy project pipeline and strong operational metrics, MICL is poised for significant long-term growth.
- The company's solid financials, coupled with a proven execution track record, highlight its ability to deliver sustained value creation.
- We recommend a BUY with a target price of Rs 280/share.

Muthoot Finance Limited

| CMP: 2110**| Rec. Price:** 1980-1885. **| Target:** 2285-2455 **| Upside:** 18%-27% **|**

Technical Outlook

- MUTHOOTFIN exhibits bullish momentum with higher highs and lows across all timeframes.
- The stock is trending within an “up-sloping channel” on the yearly chart, reaffirming its strong uptrend.
- It also broke out of a four-year "multiple resistance zone" at 1500-1560, signalling further upside potential.
- The monthly and quarterly RSI indicators remain positive, underscoring sustained strength on a larger timeframe.

Fundamental Outlook

- Muthoot Finance (MUTHOOTFIN) is an India-based non-banking financial company (NBFC) specialising in providing business loans secured by gold jewellery or gold loans.
- The company primarily serves individuals who own gold jewellery but lack access to formal credit or need credit on short notice.
- Management remains confident in the strong growth potential of gold loans, revising its AUM growth guidance upwards to 25% YoY for FY25. With a 66% Loan-to-Value (LTV) portfolio, there is significant room for growth within the existing portfolio.
- Additionally, Muthoot Finance stands to benefit from the growing demand for gold loans as the overall demand for unsecured loans continues to slow down.

Natco Pharma Limited

| CMP: 1392 **| Rec. Price:** 1285-1235 **| Target:** 1616-1785 **| Upside:** 28%-42% **|**

Technical Outlook

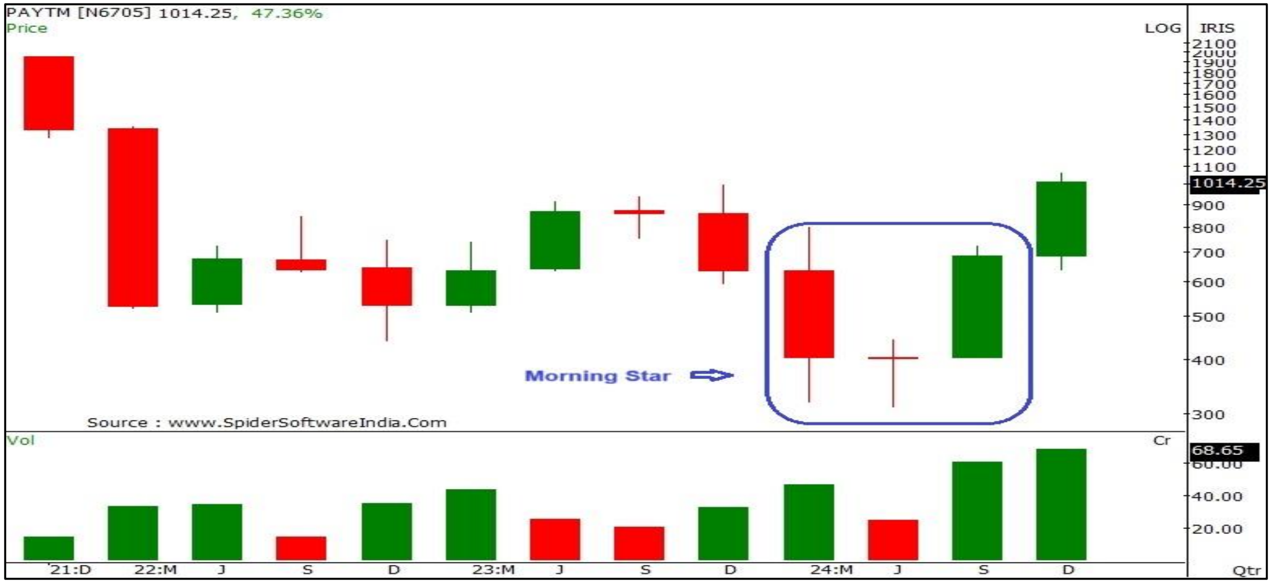
- NATCOPHARM, previously consolidating for eight years, has now broken out of its consolidation zone on the yearly chart, signalling a continuation of its long-term uptrend.
- The stock forms higher highs and lows while holding above an upward-sloping trendline, reflecting a positive bias.
- The breakout is validated by increased volume activity, indicating strong market participation and reinforcing the bullish momentum at the breakout level.
- With the breakout above a 600-point range, we anticipate the stock to resume its upward trajectory, targeting levels of 1616-1785.

Fundamental Outlook

- Natco Pharma is strategically focused on niche opportunities in the US, strongly emphasising Para IV and First-to-File (FTF) molecules. The company operates across three key segments in India: Oncology, Specialty Pharma, and Cardiology & Diabetology.
- In Q2FY25, Natco delivered a robust performance, driven by gRevlimid, with peak sales expected in FY26E, where Natco and Teva will hold a combined 1/3rd market share. Beyond FY26E, Natco's growth will be supported by several high-value FTF filings, including gSemaglutide (in collaboration with Mylan), gOlaparib for breast cancer, and gCapmatinib, a cancer treatment for which Natco holds 100% economic interest. gCapmatinib is expected to be commercialised in 1.5 to 2 years, contributing significantly to the company’s growth. Additionally,
- Natco is pursuing complex generic opportunities, with revenues from these expected between FY27E and FY29E. The stock is currently trading at a 12.5x P/E TTM, reflecting solid fundamentals and a promising pipeline, positioning Natco for sustained growth and making it an attractive investment in the generic pharmaceutical space.

One 97 Communications Limited

| CMP: 1019 **| Rec. Price:** 940-855 **| Target:** 1150-1265 **| Upside:** 28%-41% **|**



Technical Outlook

- On the quarterly chart, the PAYTM has decisively broken out of a four-year down-sloping trendline, signalling a major trend reversal.
- Additionally, a "Morning Star" reversal pattern highlights bullish sentiment. The stock has also surpassed the key resistance zone of 880-900 on a closing basis.
- With rising volumes indicating strong participation, we expect the stock to resume its upward momentum and move toward 1150-1265 in the coming quarters.

Fundamental Outlook

- One 97 Communications (Paytm) is a fintech company founded by Vijay Shekhar Sharma in 2010 and headquartered in Noida, Uttar Pradesh. It offers a range of digital services and aggregates financial products in India. Paytm's services include digital payments, microcredit, Buy Now Pay Later (BNPL), UPI payment platforms, and Soundbox.
- The company's long-term growth prospects are bolstered by cross-selling opportunities within its merchant business, new collaborations in the payments segment, and efforts to expand its customer base.
- Paytm's focus on judicious spending on marketing, employee expenses, and enhanced efficiency through automation is expected to improve margins.
- With strong consumer and merchant engagement, Paytm is well-positioned to tap into scalable markets, particularly in the mobile credit segment.

Polyplex Corporation Limited

| CMP: 1274 **| Rec. Price:** 1225-1150 **| Target:** 1595-1735 **| Upside:** 34%-46`% **|**

Technical Outlook

- Since 2000, the stock has been trending within an “up-sloping channel” on the yearly chart, underscoring a strong long-term bullish trend.
- The 2024 price correction saw the stock retest its lower-end support zone, followed by a sharp rebound, indicating robust buying interest at lower levels.
- Rising volumes over the past 4-5 years highlight increased market participation, reinforcing the bullish outlook.
- We anticipate the stock will extend its uptrend from current levels, targeting 2300-2500 in the coming quarters.

Fundamental Outlook

- Polyplex Corporation Limited is engaged in the manufacturing of plastic film substrates. It has 36 years of experience and operates from seven manufacturing facilities in five countries.
- The company offers a range of plastic films across various substrates, such as PET, biaxially oriented polypropylene (BOPP), cast polypropylene (CPP) and blown polypropylene (PP)/Polyplex Europa (PE). It is used in packaging for various industrial applications, including release liners, tapes, labels, thermal lamination, imaging and graphics, and photovoltaic and optical applications.
- Polyplex is working on adding a new PET film line and OLC in the USA, expanding the Blown Film Line in Thailand, and expanding OLC and TMP capacity in India. The stock currently trades at a trailing P/E ratio of 26x.

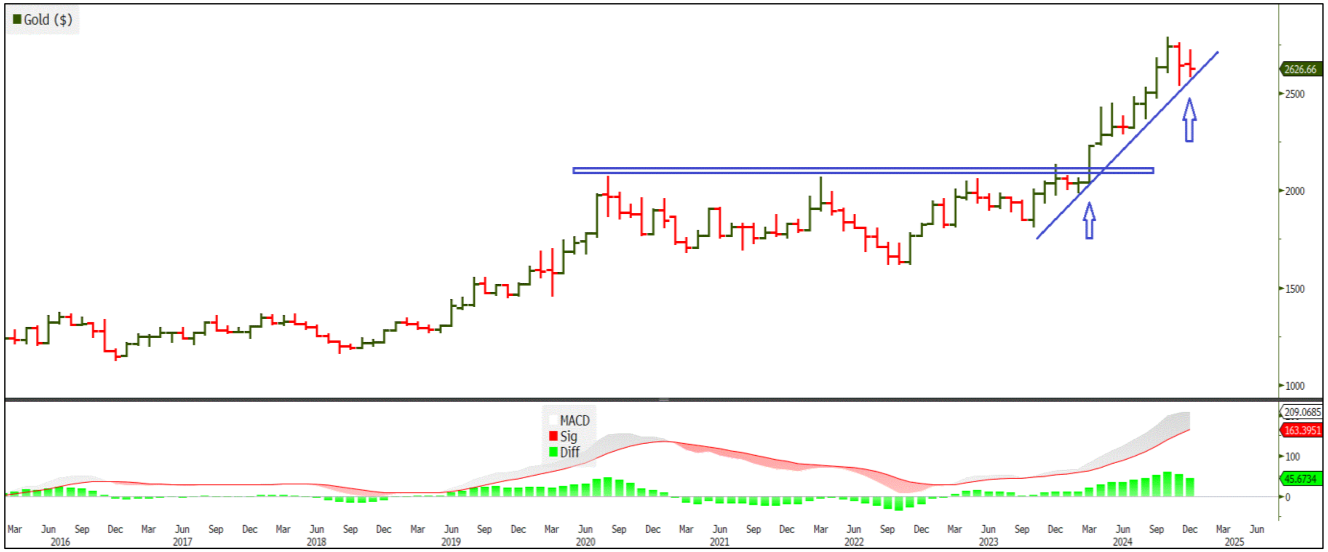
NEW YEAR PICKS 2025

Commodities & Currency Outlook CY25

Gold's 2025 Outlook: Balancing Uncertainty and Opportunity

Technical Outlook

- Gold (COMEX) has surged over 25% YTD, reaching a record high of $2,790 in October 2024. However, it experienced a pullback in November following Donald Trump's victory in the U.S. presidential election.
- It has been holding above an upward-sloping trendline since 2024, signalling a strong and sustained uptrend.
- The yellow metal remains in a solid uptrend, trading above its 9-period EMA at $2,500, with RSI above 70, signalling continued strength.
- As long as gold holds above $2,500, the outlook is bullish, with a potential retest of $2,790 and an upside toward $3,000. A break below $2,500 would shift sentiment, with support around $2,400.
- Gold could range from $2,400 to $3,000 on Comex, with MCX prices between Rs 73,000 and Rs 83,000, factoring in rupee depreciation.



Source: Bloomberg, Axis Securities

Fundamental Outlook

- **Strong 2024 Performance:** Gold has experienced a 28-30% surge globally and a 20% gain on MCX, significantly rewarding bullion investors with solid returns amid market volatility.
- **Constructive 2025 Outlook:** Despite potential headwinds from the Fed's cautious easing and Trump’s policies, gold remains a preferred asset for portfolio diversification, offering stability in uncertain markets.
- **Central Bank Buying:** Ongoing central bank purchases of gold, as part of reserve diversification strategies, are expected to continue driving demand and support price levels throughout 2025.
- **Geopolitical Uncertainties:** Heightened geopolitical tensions and global uncertainties will likely increase safe-haven demand, with gold serving as a protective asset during times of instability.
- **Late 2025 Rally Potential:** A potential rally in the second half of 2025 could be fueled by central bank buying, geopolitical risks, and the ongoing demand for gold as a hedge against inflation and market volatility.

44

Crude Oil Outlook for 2025: Balancing Geopolitics and Macro Trends

Technical Outlook

- NYMEX crude oil has been consolidating within a range of $65 to $85 over the past year, with 2024 seeing a slight decline of over 1% primarily due to demand concerns from major consumers.
- It consolidates within a descending triangle pattern in the medium term, with the upper band at $80 and the support base at $60.
- However, it has struggled to sustain above the $80 level in the short term, indicating a strong supply zone in this range. A confirmed monthly close above $80 would signal a bullish breakout, with a potential target of $90-$95.
- A break below the $65 support level could expose prices to further declines, with downside targets around $58 and $55, risking the bullish outlook.
- NYMEX crude could reach $95, Brent $83–$85, and MCX Rs 6,800–Rs 7,100, with strong support at Rs 6,400.

Source: Bloomberg, Axis Securities

Fundamental Outlook

- **Muted Performance in 2023-2024:** Crude oil experienced subdued returns due to weaker demand from China, though OPEC+ supply management helped stabilise prices.
- **Geopolitical Support:** The potential return of the Trump administration and ongoing global geopolitical tensions could offer structural support for oil prices moving forward.
- **Economic Stimulus:** Two anticipated rate cuts in 2025 and pro-growth measures in China could stimulate energy demand, providing upward momentum for crude prices.
- **Market Outlook:** With a balance between supply discipline and economic recovery, crude oil prices are poised for a potential recovery driven by geopolitical and economic factors.

USDINR Breakout Above the Consolidation: Analyzing the Pair Trajectory

Technical Outlook

- The USDINR pair has decisively broken above a Symmetrical Triangle pattern at 84, supported by a strong bullish candle. This breakout marks the continuation of its long-term uptrend following a prolonged consolidation phase since October 2023.
- The pair is currently trending within a rising channel, with the upper boundary positioned at 90, identifying 88 and 90 as critical resistance levels in the medium term.
- The breakout zone at 84 has now turned into a robust support level, with an additional support area identified at 82.
- Furthermore, the monthly MACD is on the verge of crossing above the zero line, strongly confirming bullish momentum. This setup suggests the potential for continued upward movement in the pair.

Source: Bloomberg, Axis Securities

Fundamental Outlook

- **Resilient Performance Amidst Dollar Strength:** The Indian rupee showcased relative stability in 2024, depreciating over 3% despite a nearly 7% rally in the Dollar Index fueled by Donald Trump's presidential victory.
- **RBI's Strategic Interventions:** The Reserve Bank of India adopted a hawkish monetary stance, implemented forex market measures, and suspended certain derivatives to stabilize the USD/INR pair.
- **Challenges Ahead in 2025:** The rupee faces potential volatility from "America First" policies under the Trump administration, coupled with the Federal Reserve's hawkish stance.
- **Divergent Scenarios for the Rupee**: Rising global uncertainties and crude prices could push USD/INR towards 88/90, while Fed rate cuts and easing risks may drive appreciation towards 84/82.

46

Disclaimer & Disclosures :

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has various subsidiaries engaged in businesses of Asset Management, NBFC, Merchant Banking, Trusteeship, Venture Capital, and Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited is registered as a
Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with the Securities and Exchange Board of India Corporate Agent with the Insurance Regulatory and Development Authority of India Point of Presence with Pension Fund Regulatory and Development Authority Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Maneesh Mathew, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us at helpdesk@axisdirect.in.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we have registered in the last five years. However, SEBI, Exchanges, Clearing Corporations, Depositories, etc. have conducted the routine inspection and based on their observations have issued advice/warning/show cause notices/deficiency letters/ or levied penalties or imposed charges for certain deviations observed in inspections or in the normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point in time.

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing. By referring to any particular sector, Axis Securities does not provide any promise or assurance of a favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promises or guarantees any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and/or the USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been a client during the twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis for any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

Disclaimer & Disclosures :

While we would endeavor to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein are solely for informational purposes and shall not be used or considered as an offer document or solicitation of an offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and/or tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipients. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see the Risk Disclosure Document to understand the risks associated with investing in the securities markets. Actual results may differ materially from those outlined in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed a public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimize conflict in the preparation of research reports. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with the preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and/or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm’s length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock'sprice movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.

Sr. No	Name	Designation	E-mail
1	Rajesh Palviya	SVP Research (Head Technical & Derivatives)	rajesh.palviya@axissecurities.in
2	Vaishnavi Jagtap	Technical Analyst	vaishnavi.jagtap@axissecurities.in
3	Rayyan Kuwari	Technical Analyst	rayyan.kuwari@axissecurities.in

NEW YEAR PICKS

2025

Thank You

AXIS SECURITIES