



# RUDRA

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## RUDRA WEEKLY INSIGHT

SIMPLIFYING INVESTMENT DECISIONS

17th MAY 2025

### CORPORATE AND ECONOMY NEWS

- IOCL targets \$1 trillion revenue by 2047, to enter data centres, nuclear power, battery and mining sectors
- Stepping up activities to regain market share, passionate about domestic dominance: Hyundai Motor India Ltd COO
- IREDA files second bankruptcy case against Gensol Engineering over alleged fraud
- HAL says first LCA Mk1A to roll out in a couple of months, 12 to be delivered this year
- Piramal Pharma's Nandini Piramal eyes FY30 milestone amid muted FY26 outlook
- Vodafone Idea cautions Centre, can't operate beyond FY26 without support: Sources to CNBC-TV18
- Apex Frozen Foods, Avanti Feeds shares rise as PM Modi chairs meet to boost seafood exports
- NSE shareholder base crosses 1 lakh-mark as it still awaits IPO nod
- JSW Paints emerges as the frontrunner to acquire Akzo Nobel India
- SBI Card partners with Apollo Pharmacy for premium credit card
- Jio Credit raises Rs 1,000 crore in maiden bond issue
- Axis Max Life Insurance plans to list its stock directly
- Empty seats, big losses: PVR Inox stuck in a cliffhanger as Hollywood, Bollywood blink
- GE Vernova T&D shares rise on Rs 140 crore investment from NYSE-listed parent for electrical equipment capex
- Cipla eyes growth in FY26 driven by new launches, GLP-1 wave despite Revlimid headwinds
- Biocon geared up to be major supplier of insulins, GLP-1 weight loss drugs: Kiran Mazumdar-Shaw
- Britannia unlikely to hike prices further unless input costs rise again, says MD and CEO Varun Berry
- Tata Motors pins hopes on new EVs, stronger demand to lead FY26 comeback
- L&T Energy Tech wins IOC's first green H2 tender
- PNB takes aim at 3-4 specific sectors as it gears up for big loan play
- Expect India PV wholesale growth at 1-2% in FY26, Maruti to outpace industry growth: Suzuki

### MARKET SCAN

(Closing price as on 16<sup>th</sup> May.2025)

INDIAN INDICES		
INDEX BSE	CLSG	CHG
BSE SENSEX	82330.59	(0.24)%
NIFTY	25019.80	(0.17)%
BANK NIFTY	55354.90	-
INDIA VIX	16.55	(2.01)%
SECTOR INDEX NSE		
IT	37972.35	(0.84)%
INFRA	9053.65	(0.17)%
ENERGY	35664.80	0.85%
FMCG	57061.80	0.66%
PHARMA	21633.20	(0.08)%
AUTO	23953.15	0.62%
METALS	9201.85	(0.09)%
MIDCAP	57060.50	0.94%
NIFTY 500	22870.90	0.36%
DII / FII INVESTMENT IN CR		
DII	+5187.09	
FII/FPI	+8831.05	
COMMODITY MARKET		
Gold (Rs /10g)	92480	(0.74)%
Silver(Rs /kg)	95297	(0.64)%

Source: Bloombergquint, Economic Times, Business Standard, Business Line, Times of India, Mint, Indian Express, Business Today, Indian Express, Money Control, in.investing, Cnbctv18.

## TECHNICAL CHART

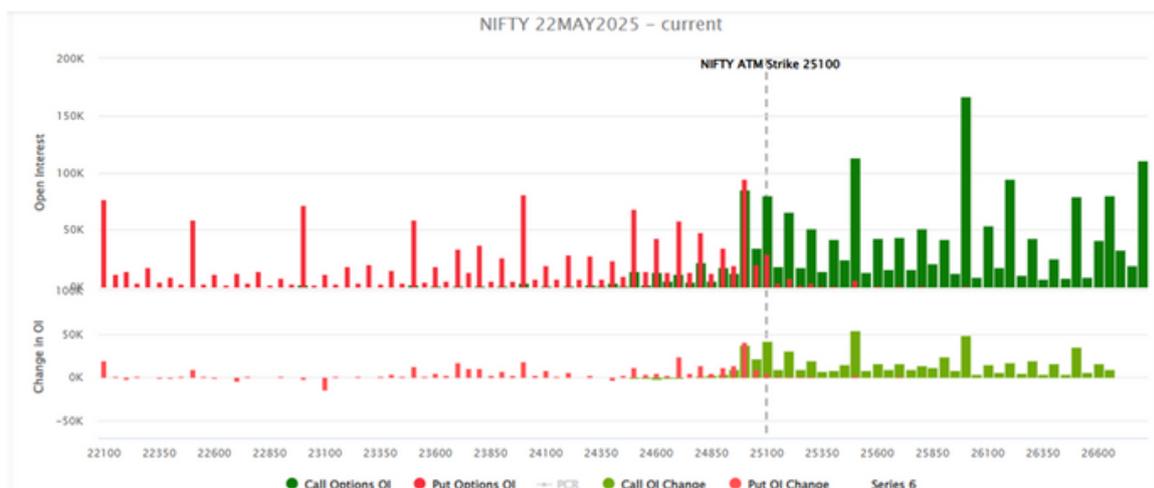


## TECHNICAL OUTLOOK

**NIFTY:** Sentiments changed rapidly over the weekend and massive rally has been witnessed across all the indices. Every time during the phase of geo political tension, market initially reacts with panic but these panic driven dips turned out into golden buying opportunity. This time was also not an exception, Nifty50 rallied on the back of de escalation of Indo-Pak war news and closed above major resistance level of 24,860. Moving ahead, for the coming week, the bullish bias is likely to continue and minor dips are likely to be bought into. The immediate support range is placed in 24,800-24,770 zone and any dip till this zone is likely to provide buying opportunity to traders. As the index trading above all its major moving averages and momentum indicators and positively poised, the rally could extend till 25,400. Though minor hurdle is placed at 25,280-25310 range and any move above this could further strengthened the bulls towards 25,400.

**BANKNIFTY:** Bulls continued having an upper hand last week. The classic bear trap formation was witnessed, where the support level was breached and immediate pullback was witnessed resulting in bear trap. The immediate support range for short term is continue to be in 54,000-53,960 zone and any fall above this level could provide buying opportunity to traders. For the week ahead, support levels are placed at 54,800 and 54,360 while the resistance for the coming week is placed in 56,080-56,120 range. The momentum indicators like Relative Strength Index (RSI) suggests that bullish momentum is likely to continue and private banks are likely to outperform.

## WEEKLY OPTIONS OPEN INTEREST



OPEN INTEREST (SOURCE - OPSTRA)

### The option chain reflecting towards certain points

- 1) The At The Money strike of 25,000 holds significant open interest in both call as well as put option. Slightly higher OI in put option indicating the bullish bias.
- 2) The open interest on call side is declining in every OTM strikes and next major OI is placed in 25,500 strike suggests there is no major hurdle till 25,500
- 3) The immediate support level is placed at 23,700 as the put option of same strike price holds the OI of 57,400 contracts approximately
- 4) Put Call Ratio (PCR) at 0.76 suggests, index is still not over bought.

## EDUCATION CORNER/ RATIO ANALYSIS

### GROSS MARGIN RATIO

Gross Margin Ratio (also called Gross Profit Margin) is a financial metric that shows how efficiently a company produces its goods or services compared to its revenue. It is expressed as a percentage and reflects the portion of revenue that exceeds the cost of goods sold (COGS).

$$\text{GROSS MARGIN RATIO} = \text{GROSS PROFIT} / \text{REVENUE} * 100$$

#### Interpretation:

- **High GMR** → Strong pricing power, low production cost, premium product or service.
- **Low GMR** → Intense competition, commoditized products, or high cost structure.

**Example: Revenue : 1,00,00,000 ; Gross Profit : 40,00,000**

$$\text{GROSS MARGIN RATIO} = 40,00,000 / 1,00,00,000 * 100 = 40\%$$

Software / SaaS	70-90%	High-margin due to low marginal costs; scalable with minimal incremental expense.
Pharmaceuticals	60-80%	High R&D-based pricing; patents allow premium pricing and strong margins.
FMCG	40-60%	Strong branding allows premium pricing; efficient distribution keeps costs low.
Retail	20-40%	Low margin due to heavy competition and discounting; relies on volume.
Automobile	10-25%	Capital and labor-intensive; high competition; profit in services/financing.
Metals & Mining	10-30%	Price-taker industry; margins fluctuate with global commodity prices.
Oil & Gas (Upstream)	40-60%	High gross margins when crude prices are high; very cyclical.
Oil & Gas (Downstream - Refining)	5-15%	Low margins due to heavy regulation and high capex; earns through volume.
Telecom	50-70%	High fixed costs but low marginal costs per user; stable gross margins.
Banking/Financials	Not applicable	Uses Net Interest Margin (NIM), not GMR. Gross margin doesn't apply.
IT Services	30-50%	Skilled manpower is key input; margin depends on billing rates and utilization.
Real Estate	25-40%	Project-based income; margins depend on land cost, location, and regulatory delays.
Logistics / Transportation	10-25%	Asset-heavy, fuel-sensitive; margin driven by

#### Interpretation:

- **High-GMR Industries** (e.g., SaaS, Pharma) rely on **intellectual property, R&D, or digital delivery**, which allows for strong margins with low variable cost.
- **Low-GMR Industries** (e.g., retail, auto, refining) face **commoditization, high input cost, or are volume-driven**.
- **Cyclical Industries** (e.g., metals, oil) see **GMR fluctuation** based on market conditions.
- **Brand-driven Industries** (e.g., FMCG) maintain better margins **through pricing power and customer loyalty**.

#### 📌 POINTS TO WATCH

- Compare **GMR year-on-year and vs peers** in the same industry.
- Analyze **the trend in GMR with revenue**: declining margins with rising sales may signal discounting or cost pressures.
- Consider **operating leverage**: industries with high fixed costs can expand margins rapidly as revenue grows.

## CORPORATE ACTION

EX DATE	COMPANY NAME	PURPOSE
20-May-25	INDIGRID INFRASTRUCTURE TRUST	Income Distribution (InvIT)
21-May-25	COLAB PLATFORMS LTD	Stock Split From Rs.2/- to Rs.1/-
21-May-25	ZODIAC-JRD-MKJ LTD	Right Issue of Equity Shares
22-May-25	ADITYA BIRLA FASHION AND RETAIL LTD	Spin Off
23-May-25	DHAMPUR SUGAR MILLS LTD	Buy Back of Shares
23-May-25	HIMALAYA FOOD INTERNATIONAL LTD	Right Issue of Equity Shares
23-May-25	INTERISE TRUST	Income Distribution (InvIT)
23-May-25	PURPLE FINANCE LTD	Right Issue of Equity Shares
23-May-25	SEPC LTD	Right Issue of Equity Shares
23-May-25	VIKSIT ENGINEERING LTD	Resolution Plan -Suspension

*Note: Dividend detail of only such companies is mentioned where the dividend yield is greater than or equal to 2%.*

## FORTHCOMING EVENTS

DATE	DATA	COUNTRY
19th May 2025	US Leading Index (MoM) (Apr)	US
20th May 2025	API Weekly Crude Oil Stock	US
21st May 2025	Core CPI (YoY) (Apr) CPI (MoM) (Apr) CPI (YoY) (Apr) Crude Oil Inventories Crude Oil Imports Cushing Crude Oil Inventories Gasoline Inventories	UK UK UK US US US US
22nd May 2025	S&P Global Manufacturing PMI (May) S&P Global Services PMI (May) Public Sector Net Borrowing (Apr) S&P Global Composite PMI (May) S&P Global Manufacturing PMI (May) S&P Global Services PMI (May) Chicago Fed National Activity (Apr) Continuing Jobless Claims Initial Jobless Claims Natural Gas Storage Existing Home Sales (Apr) KC Fed Manufacturing Index (May) Fed's Balance Sheet Reserve Balances with Federal Reserve Banks	INDIA INDIA UK UK, US UK, US UK, US US US US US US US US US
23rd May 2025	Core Retail Sales (MoM) (Apr) Retail Sales (YoY) (Apr) Bank Loan Growth , Deposit Growth FX Reserves, USD	UK UK INDIA INDIA

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