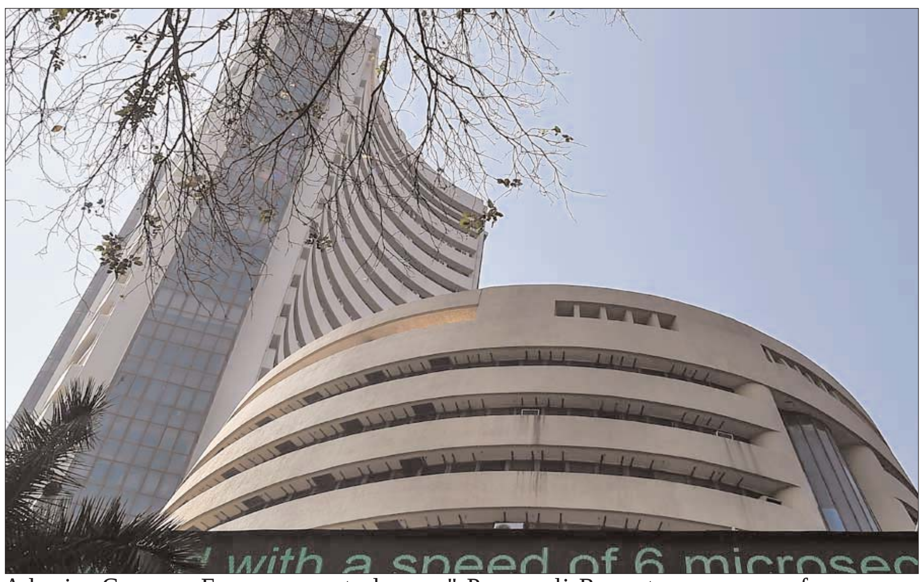
Q1 earnings, developments in West Asia, crude oil key drivers for markets this week: Analysts



NEW DELHI, JULY 19: Trading in the stock market this week would be influenced by a host of quarterly earnings from corporates such as IT major Infosys, geopolitical situation in West Asia and crude oil prices, analysts said.

Besides, progress of southwest monsoon and trading activity of foreign investors would be key drivers for market movement, they added.

"This week is expected to be driven by a combination of corporate earnings, domestic macroeconomic releases, and global developments. Progress of the southwest monsoon and kharif sowing activity will also remain important monitorables, given their implications for rural demand, food inflation, and the Reserve Bank of India's future policy stance.South Asians & Diaspora

"Globally, investors will continue to track developments surrounding geopolitical tensions in West Asia and their impact on crude oil prices and global risk sentiment," Ajit Mishra â€“ SVP, Research, Religare Broking Ltd, said.

Among major quarterly earnings to be announced this week are from One97 Communications, UltraTech Cement, Adani Energy Solutions, Bajaj Auto, Adani Green Energy, Adani Power, BPCL, Dr Reddys, Hindustan Petroleum Corporation Ltd, IndusInd Bank, JSW Energy, Nestle India, Infosys, Bank of Baroda and SBI Life Insurance Company.

"Investor focus this week will remain firmly on the evolving geopolitical situation in the Middle East as tensions between the United States and Iran continue to dominate global market sentiment.

"Any signs of de-escalation could improve risk appetite and support financial markets, while further military escalation or disruptions to shipping through the Strait of Hormuz could trigger renewed volatility across global asset classes," Ponmudi R, CEO - Enrich Money, an online trading and wealth tech firm, said.

Domestically, investor focus is expected to shift increasingly towards stock-specific opportunities as the first-quarter earnings season gathers pace, he added.

On Monday, Reliance Industries, HDFC Bank, ICICI Bank, Kotak Mahindra Bank and Axis Bank are expected to be in focus after reporting their quarterly numbers over the weekend.

Reliance Industries Ltd, India's most valuable company, reported record quarterly core profit and EBITDA for the June quarter, powered by strong performances across its oil-to-chemicals and telecom businesses.

HDFC Bank on Saturday reported a 5 per cent increase in standalone profit to Rs 19,060 crore for the June quarter.

ICICI Bank reported a 13.88 per cent jump in June quarter consolidated profit at Rs 15,440 crore on the back of faster credit growth.

Private lender Kotak Mahindra Bank logged a 22.55 per cent rise in consolidated net profit to Rs 5,480.46 crore for the first quarter.

Axis Bank recorded a 22.23 per cent jump in consolidated net profit for the June quarter at Rs 7,632.31 crore.

Naveen Jindal Group in talks with US, French tech companies for proposed nuclear projects

NEW DELHI, JULY 19: Naveen Jindal Group has initiated discussions with global nuclear technology providers including France-based EDF and Westinghouse of the US for its proposed nuclear power projects in India, a person in the know said.History

The Group is also in discussions with state-owned Nuclear Power Corporation of India (NPCIL) to explore possibilities of sourcing technology for future nuclear projects with large module reactors (LMRs) of 700 MW and above.

The steel-to-ports conglomerate plans to develop around 18 GW of nuclear power capacity across multiple states with an estimated investment of Rs 2 lakh crore, contributing to the government's target of achieving 100 GW of nuclear power capacity by 2047.

While evaluating sites across more than nine states, the Group has simultaneously initiated discussions with leading global nuclear technology providers. These include France's EDF, US-based Westinghouse and several other international technology companies, alongside NPCIL, to evaluate advanced reactor technologies for deployment in India, the person said.

The discussions include EDF's 1,650 MW European Pressurised Reactors (EPRs), Westinghouse's 1,150 MW AP1000 reactors, NPCIL's indigenous 700 MW Pressurised Heavy Water Reactor (PHWR) technology, as well as other globally available reactor technologies under evaluation.

The final technology mix will be selected after assessing safety, scalability, commercial viability and long-term operational performance, the person added.

Naveen Jindal Group is among the few corporate houses to announce plans to invest in India's nuclear power sector following the legal amendments introduced by the government to facilitate greater private sector participation.

Jindal Nuclear Power Private Limited, a wholly-owned subsidiary of Jindal Renewables, is evaluating potential sites in Gujarat, Odisha, Andhra Pradesh, Tamil Nadu, Jharkhand and Chhattisgarh, among other states.

The proposed projects will deploy large module reactors of 700 MW and above.

Tata Power and NTPC -- which is implementing nuclear projects through a joint venture with NPCIL in Rajasthan -- have also announced plans to develop nuclear power projects of varying capacities by 2047. (PTI)

Reliance Retail to scale online business in FY27, aims to double pre-tax earnings in 3 years

NEW DELHI, JULY 19: Reliance Retail Ventures Ltd (RRVL) will 'rapidly' scale its online business, expand dark stores and strengthen omni-channel capabilities, as the retailer expects these investments to translate into higher margins and earnings growth, a top company official said.

Outlining a three-year roadmap, Reliance Retail CFO Dinesh Taluja said the company will invest in the infrastructure of JioMart and omni-channel reach across platforms, even as margins have come under pressure from rising technology and dark-store investments.

"We are looking at growing our online businesses pretty rapidly during this year. We will expand dark stores. We will grow our omni-channel platforms. We will grow JioMart," Taluja said in the company's earnings call.

Besides, it will also focus on improving the operational metrics around availability, speed, and reliability with a market-by-market focus on achieving positive unit economics. "Each market, the unit economics, we need to have a clear path to positive unit economics. Accordingly, we are evaluating each and every market and focusing our investments in that manner," Taluja said.

By FY28 and FY29, the company expects to convert scale into value by increasing repeat rates, basket size and customer lifetime value. In the next three years, Reliance Retail has an ambition of "2Ã— Operating EBITDA".

According to him, the scale being built this year is expected to create value through improved margins and stronger cash generation over the next two years as customer acquisition, repeat purchases and basket sizes improve. The company also plans to improve profitability through a higher share of private labels, increased monetisation opportunities and greater marketplace income.

"We will use all these levers to improve economics, which will start reflecting meaningfully in the numbers over the next two years," he said. Taluja said the current year will be focused on laying a strong foundation while pursuing disciplined growth, with emphasis on customer quality rather than merely chasing volumes.

The company has set internal targets around metrics such as order density at dark stores, repeat purchase rates, fulfilment costs and contribution margins, and will calibrate investments based on performance.

"We will grow quite quickly, but we will also look at the quality of business, not just the volume," he said.

As benefits from higher order density, better product mix, productivity gains, improved inventory turns and monetisation initiatives begin to accrue, Reliance Retail expects returns on capital to improve, with EBITDA and cash generation accelerating in the coming years, Taluja added.

The company is also witnessing strong traction from its omni-channel strategy. According to Taluja, omni-channel customers spend about 2.7 times more than pure offline customers, while their spending has grown 20-25 per cent year-on-year.

Expect strong double-digit growth in FY27, bullish on domestic demand: CEAT MD & CEO

NEW DELHI, JULY 19: Tyre maker CEAT Ltd expects strong double-digit growth in FY27, riding on bullish domestic demand post GST cut and robust international business despite disruptions from the war in West Asia, according to its MD & CEO Arnab Banerjee.

The company, which has announced a Rs 1,205 crore investment towards capacity expansion, also expects the availability of more capacity to help drive growth, Banerjee told PTI.

"We expect a strong double-digit growth, overall in FY27," he said when asked about the outlook for FY27.

On a consolidated basis, CEAT Ltd had posted a 22 per cent year-on-year revenue growth of Rs 4,318 crore in the first quarter of the ongoing fiscal.

Banerjee further said, "We are very bullish on overall market expansion post GST cut. Rural markets are doing very well. Our Q1 top line growth was good."

Stating that some more capacities are coming on stream, Banerjee said, "We expect robust growth to continue."

CEAT had announced a capex of Rs 1,205 crore, primarily to expand production capacity for two-wheeler tyres at its Nagpur plant, which is nearing full utilisation of existing capacity of 80,000 tyres per day. It plans to add about 53,000 tyres per day through the investment.

Banerjee, however, said the growth rate could "moderate" a bit going forward due to the price hikes that the company has undertaken to partially offset the rise in commodity costs and as further price hikes are expected.

"It (growth) will moderate a little as the price increases happen, but we expect margins to be better in the second half," he added.

Raw material cost is likely to keep going up in the second quarter also, he said, adding, "the best case scenario is that it can stabilise, but the average will be higher than the average of quarter one. So we would need further price increases (of our tyres)."

Asked if the company is also looking for double-digit growth in exports too, he said, "Yes. Definitely we will look at strong growth in our international business as well this year."

Exports are very dynamic, he said, adding, "We have a very good order base; we have about 60 days of order base, which is good. Price increases are happening in phases in exports."

The company has got strong orders from different parts of the world in passenger car tyres, off-highway tyres and trucks and bus tyres, Banerjee said, adding the West Asia market, which accounts for about 12-13 per cent of the company's international sales, is disturbed and "it is on and off". (PTI)

Deloitte projects 6.5-6.8 pc GDP expansion in FY'27, growth to strengthen in second half

NEW DELHI, July 19: Deloitte India on Sunday projected India's economy to grow at 6.5-6.8 per cent in the current fiscal, with growth expected to strengthen in the second half of the year supported by festive demand, monetary easing, and a gradual stabilisation in global conditions.

In its latest edition of Economic Outlook report, Deloitte said India entered 2026 in a Goldilocks phase, with macroeconomic fundamentals appearing unusually well balanced, but geopolitical developments altered the global landscape with tensions in the Middle East disrupting critical shipping routes, triggering volatility in commodity prices and weakening investor sentiment.

This resulted in a wider trade deficit, sustained capital outflows, and a sharp depreciation of the rupee against the US dollar within a matter of weeks.

Against this backdrop, the RBI had last month lowered India's GDP growth estimates for current fiscal to 6.6 per cent, from 6.9 per cent estimated earlier. GDP grew 7.7 per cent in the previous (2025-26) fiscal.

Deloitte India Economist, Rumki Majumdar said the global environment has become considerably more uncertain.

"While recent geopolitical developments and the RBI's policy measures may help cushion some of these risks, weather-related uncertainties, particularly the impact of El Nino on agricultural output and food prices, remain an important downside risk," she said.

"Deloitte expects India's economy to grow between 6.5 per cent and 6.8 per cent in FY2026-Â“27. Growth is likely to remain moderate in the first half before strengthening in the second half, supported by festive demand, monetary easing, and a gradual stabilisation in global conditions," Majumdar said. Despite near-term headwinds, Deloitte remains optimistic about India's medium-term growth prospects. One of the strongest reasons is India's accelerated pursuit of Free Trade Agreements (FTAs) with large and strategically important markets, the report said.

"As FTAs deepen, India's priority must be to convert market access into lasting competitiveness. Greater import resilience should not translate into permanent import dependence. Trade policy must therefore be complemented by industrial policy, world-class infrastructure, stronger domestic supplier ecosystems, easier compliance, and continued investment in innovation and skills to raise domestic value addition over time," Majumdar said.

Inflation remains one of the key risks to the growth outlook as higher prices of crude oil, fertilisers, essential minerals, and edible oils, together with a weaker rupee, are gradually feeding into domestic prices, the report said.

India's retail inflation (CPI) surged to an 18-month high of 4.38 per cent in June on higher food and fuel prices.

A weak monsoon could further raise inflationary pressure in the coming months as food prices respond first. Since food accounts for nearly 46 per cent of India's CPI basket, sustained food inflation can quickly become broad-based by influencing household inflation expectations and wage demands.

"Policymakers therefore face a delicate balancing act. They must contain inflation without relying excessively on subsidies, which would create difficult trade-offs between macroeconomic stability and fiscal discipline," Majumdar said. (PTI)

Emami Agrotech targets Rs 22,000 cr turnover in FY27; remains cautious on commodity volatility

NEW DELHI, JULY 19: Emami Agrotech, which mainly sells edible oil, is expecting 10 per cent growth in revenue this fiscal to Rs 22,000 crore on strong demand, even as it remains watchful of risks attached with geopolitical tension, weather situation and commodity price volatility.

A part of Kolkata-based Emami Group, the company posted a turnover of Rs 20,137 crore in 2025-26. It is the edible oil, biodiesel, and foods arm of Emami Group.

In an interview with PTI, Emami Agrotech CEO and Director Sudhakar Rao Desai said: "We will continue to grow in edible oils and are also making inroads into the foods category with atta, maida, suji, soya nuggets and spices."South Asians & Diaspora

The company, which operates in the edible oil category with brands as Healthy & Tasty and Best Choice, expects demand to remain robust during the upcoming festive season, aided by stable commodity prices and inventory replenishment across the trade channel.

"As we go into the next three-four months and the festive season, consumption is bound to increase. I also see stabilised prices in commodities, which should lead to some inventory building in the pipeline," he said.

Desai, however, cautioned about the geopolitical tensions and evolving weather conditions, including the impact of El Nino in India and key producing regions in Asia, which remain critical monitorables on the demand-supply front.

He also acknowledged that inflationary pressures on packaging materials have eased in recent months following a correction in global crude oil prices.

"Packaging inputs such as laminates, cartons and tin plates had become costlier earlier as global oil prices surged. However, with oil prices stabilising, these input costs have also softened, which should eventually benefit consumers," he said.

Desai said Emami Agrotech is broadening its presence beyond edible oils and is strengthening its foods portfolio with products such as atta, maida, suji, soya nuggets and spices.

"We are not only growing in refined edible oils but are also making inroads into the foods category," he said on the sidelines of an event organised by industry body FICCI.

The company operates with brands as Mantra Spices, Himani Best Choice, and Advans Soya Chunks in the food segment.

On the edible oils business, Desai said the company expects sustained volume growth, driven by its portfolio of premium and differentiated brands.

He added that Emami Agrotech would continue leveraging its multi-location manufacturing and distribution network to expand market reach and support growth across segments.

On profitability, Desai said the operating environment remains highly volatile, requiring agile management of commodity and currency risks.

"We are looking at normal growth in profitability. We have to manage the risks arising from commodity cycles and currencies. We are cautious but consistent on growth," he said.

On capital expenditure, Desai said the company has already invested substantially in refining and crushing capacities and will now focus more on brand building and expanding its food portfolio.