

# SECTORAL REPORT

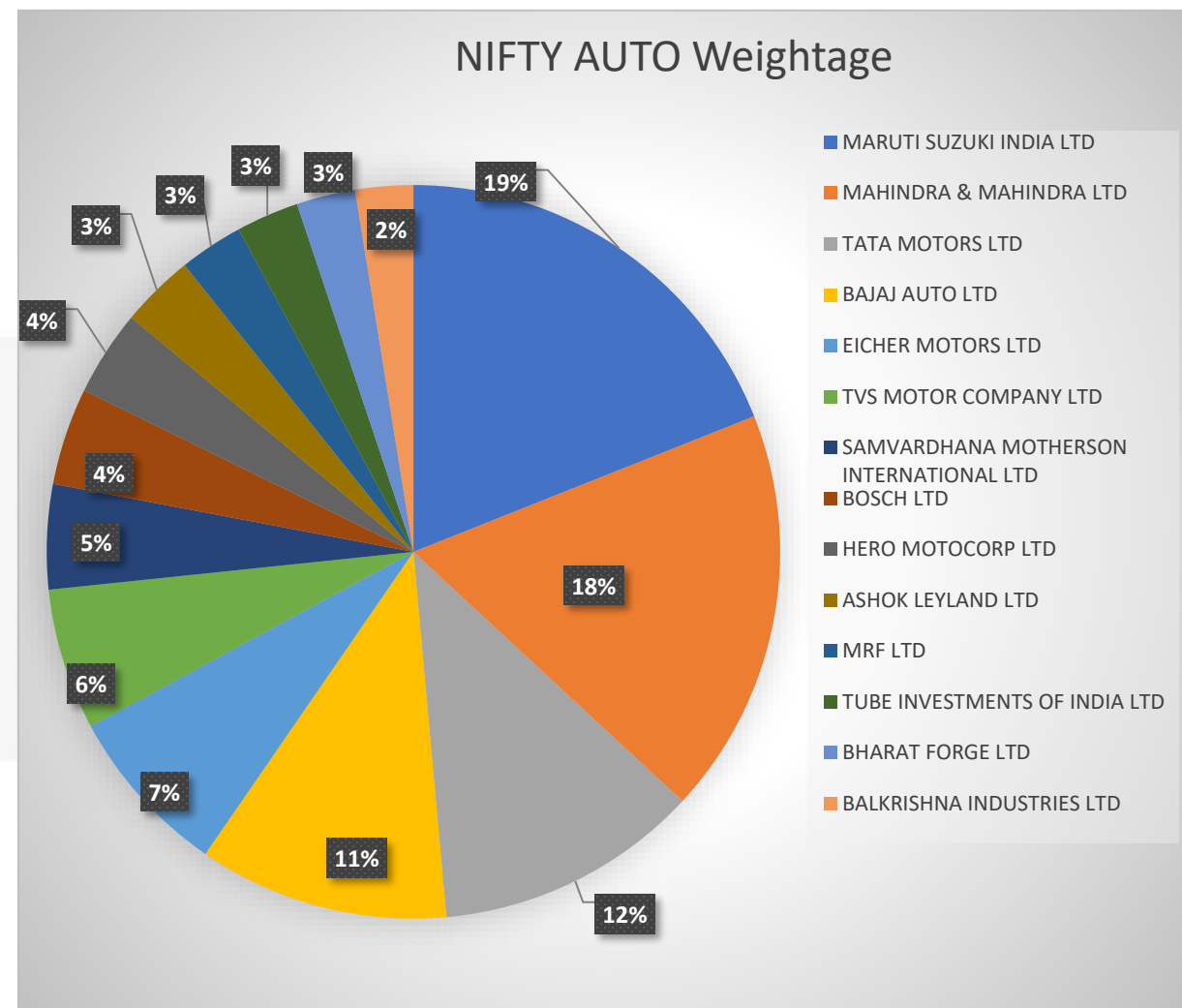
## AUTO



# Indian AUTO industry introduction.

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The two-wheelers segment dominates the market in terms of volume, owing to a growing middle class and a huge percentage of India's population being young. Moreover, the growing interest of companies in exploring the rural markets further aided the growth of the sector. The rising logistics and passenger transportation industries are driving up demand for commercial vehicles. Future market growth is anticipated to be fuelled by new trends including the electrification of vehicles, particularly three-wheelers and small passenger automobiles.

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world. India's annual production of automobiles in FY23 was 25.9 million vehicles. India has a strong market in terms of domestic demand and exports. In December 2024, the total production of passenger vehicles\*, three-wheelers, two-wheelers, and quadricycles was 19,21,268 units.



# Market size.

The Indian passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027 while registering a CAGR of over 9% between 2022-27. The global EV market was estimated at approximately US\$ 250 billion in 2021 and by 2028, it is projected to grow by 5 times to US\$ 1,318 billion.

Two-wheelers and passenger cars accounted for 75.04% and 21.38% of market shares, respectively, in FY25\*. In FY25 (April-September), the total production of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles was 1,56,22,388 units.

India accomplished a significant milestone, with the sale of 1,00,000 EVs in CY24 compared to 82,688 in CY23.

A study by CEEW Centre for Energy Finance recognised a US\$ 206 billion opportunity for electric vehicles in India by 2030. This will necessitate a US\$ 180 billion investment in vehicle manufacturing and charging infrastructure.

According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach US\$ 50 billion (Rs. 3.7 lakh crore) by 2030.

A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, the projection for the EV battery market is expected to expand at a CAGR of 30% during the same period.

Indian automotive industry is targeting to increase the export of vehicles by five times during 2016-26. In FY23, total automobile exports from India stood at 47,61,487. Indian automobile exports of two-wheelers stood at 36,52,122 in FY23.



# TECHNICAL OVERVIEW NIFTY AUTO – 22,308.40 (Weekly CHART)

- Nifty AUTO has been one of the few indices that outperformed the broader market. While the Nifty index closed positive (3.46%) on a monthly basis, Nifty PSUBANK managed to end on positive note with (4.76%).
- On the weekly chart, the index managed to breach the resistance of 20-week exponential moving average (20 WEMA), which was acting as a key resistance level. It also managed to breach the resistance of falling trendline and closed above it. RSI has given a positive crossover.
- **To continue its upward trajectory, the index needs to break above the 22,525 resistance level, which could further strengthen the bullish trend. On the downside, 21,680 will act as an initial support level, and a break below this could lead to increased selling pressure.**



# SECTOR REPORT PERFORMANCE

DATE	MONTHLY SECTOR	PERFORMANCE
01/04/25	NIFTY PSUBANK	UP BY 4.45% IN THE MONTH OF APRIL
03/03/25	NIFTY FINANCE	UP BY 8.88% IN THE MONTH OF MARCH
01/02/25	NIFTY AUTO	DOWN BY -10.36% IN THE MONTH OF FEB
01/01/25	NIFTY IT	DOWN BY -1.56% IN THE MONTH OF JAN
02/12/24	NIFTY METAL	DOWN BY -4.25% IN THE MONTH OF DEC
4/11/24	NIFTY FINANCE	UP BY 0.52% IN THE MONTH OF NOV
1/10/24	NIFTY METAL	DOWN BY -6.22% IN THE MONTH OF OCT
2/09/24	NIFTY AUTO	UP BY 3.26% IN THE MONTH OF SEPT
1/08/24	NIFTY MEDIA	TRADE NOT INITIATED.

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CIN NO: U74120MH1994PLC077946

ITI House, 36, Dr. R. K. Shirodkar Road,

Parel, Mumbai - 400 012,

Boardline - (91) 22 69093600 Fax- 022 69093700

For queries, write to us at [iti.research@itiorg.com](mailto:iti.research@itiorg.com)