

NIFTY OUTLOOK


- Nifty gained over a percent amid volatility and settled at 11,075.90. The bias remained positive almost for the entire week and the majority of sectoral indices contributed to the move. Besides, the broader indices too witnessed noticeable recovery and settled with decent gains.
- We reiterate our positive yet cautious approach on Nifty and expect 11,150 to be tested shortly. Above that level, 11,250-11,300 would act as a strong hurdle. In the case of decline, 10,800 would provide the needed cushion.
- Since we're seeing mixed trend within the sectors, we maintain our view to focus more on stock selection and trade management. We believe rate-sensitive viz. private banks, auto, financials could outshine the others while defensive like FMCG and pharma may continue to underperform.

SECTOR WATCH

SECTOR	CMP	% CHANGE	TREND	STOCKS TO WATCH OUT FOR
AUTO	7360.60	3.63%	Sideways to Bullish	MOTHERSUMI, HEROMOTOCO, M&M
NIFTY BANK	28098.75	3.12%	Bullish	FEDERALBNK, ICICIBANK, SBIN
FIN SERVICE	12513.00	2.26%	Sideways to Bullish	BAJFINANCE, ICICIPRULI, KOTAKBANK
FMCG	28592.05	-0.20%	Sideways to Bearish	ITC, EMAMILTD
IT	15722.90	-1.94%	Sideways to Bearish	WIPRO, TATAELXSI
MEDIA	1917.00	0.59%	Sideways to Bearish	SUNTV, DISHTV
METAL	2444.10	3.66%	Bullish	VEDL, HINDALCO, HINDZINC
PHARMA	8033.05	-0.44%	Sideways to Bearish	SUNPHARMA, CIPLA, GLENMARK
ENERGY	14727.15	0.93%	Bullish	BPCL, IOC, POWERGRID
REALTY	268.10	5.43%	Sideways to Bullish	GODREJPROP

DERIVATIVES OUTLOOK

- Nifty futures volume weighted average price (VWAP) is at 11070 and Bank Nifty futures is at 27900.
- Maximum Nifty weekly option positions are at 11000 PE and 11100 CE. Nifty is expected to be in the range of 10950-11250.
- REALTY and BANK stocks gained the most during the week, where as PHARMA AND IT stocks lost the most during the week.
- FII's were net buyer of around Rs 1660 Cr in cash segment and DII's were net buyer of around Rs 1669Cr in cash segment during the week (Monday– to-Thursday).
- VIX is likely to hover around 13%-17% range for the next week.

Strategy - BATAINDIA added around 12% in open interest as long buildup was seen in it in this week. Current chart pattern also indicates further up move in its price. We suggest buying BATA in cash as per below levels.

Strategy:- Buy BATAINDIA @1560-1563 Stoploss at 1530, for a Target of 1610.

LONG BUILDUP (Weekly change)

SYMBOL	PRICE	% CHANGE IN PRICE	OPEN INTEREST	% CHANGE IN OI
YES BANK	68	12	151780200	10.6
ESCORTS	537	10.1	5049000	10.3
RBL	370	9.9	124668800	9.7

SHORT BUILDUP (Weekly change)

SYMBOL	PRICE	% CHANGE IN PRICE	OPEN INTEREST	% CHANGE IN OI
GLENMARK	367	-5.8	5004000	6.9
ICICI PRUDENTIAL	418	-4.6	6829500	5.3
HCL TECH	1070	-3.2	11220300	1

Weekly News

- **J Kumar Infraprojects** bagged an order worth Rs 1,998cr from Mumbai Metropolitan Region Development Authority (MMRDA). The order is received for several construction activities including that of flyover and underground station. The company's total order book at the end of Q1FY20 stood at Rs 9,606cr.
- **Lupin** announced that it has received approval for Propranolol Hydrochloride capsules from Health Canada. The medication is indicated for the treatment of hypertension and chest pain. Lupin is the first generic company to receive an approval for this medication in the Canadian market.
- **L&T Construction**, an arm of L&T, has secured orders having value between Rs 1,000-2,500cr in its water & effluent treatment segment in Maharashtra and Odisha. L&T's order book at the end of Q1FY20 stood at Rs 2,94,000cr. The company expects its order inflow to increase by 10-12% and sales to grow by 12-15% in FY20E.
- **Granules India** received establishment inspection report from the US FDA for Bonthapally unit facility in Hyderabad. This facility was inspected in July 2019 by the USFDA and there was one observation during the inspection.
- **JM Financial Asset Reconstruction Company Ltd (JMFARC)** – a subsidiary of JM Financial has acquired 4,916,104 CCDs (convertible into 49,161,040 equity shares as per the terms of issue) from the parent company for cash aggregating up to Rs 183.4 cr and for a face value of Rs 373 each.
- **Tata Motors'** global wholesales (including JLR) declined by 32% YoY to 72,464 units. The company's global CV and Tata Daewoo sales declined by 45% YoY while PV sales fell by 22% YoY. Geographically, JLR retail sales in China reported growth of 17% YoY while sales in all other regions i.e. Europe, North America and other overseas market declined in the range of 1-25%.
- **Power Mech Projects** bagged several orders worth Rs 275cr. The company bagged 3 orders worth Rs 198cr from BHEL and one order of Rs 77cr from South Central Railway. The company's order book as of FY19 stood at Rs 7,407cr.
- **Ashok Leyland** announced 5-18 non-working days in September at 5 of its manufacturing plants. The move comes after the company reported declining sales volume for the fourth straight month in August with total sales declining by 47% YoY while domestic sales declined by nearly 50% YoY.
- SIAM reported August sales numbers for the domestic **auto industry** wherein slowdown was seen across segments. CV sales witnessed the steepest fall of 39% YoY followed by PV sales of 1,96,524 units down by 32% YoY and two wheeler sales which declined by 22% YoY.

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Nature of Interest (if answer to F (a) above is Yes :

S. No.	Statement	Answer	
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS..No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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