

Market Outlook

Indian markets are likely to open flat to positive on the back of mixed global cues and with a slow start for Asian peers. However, global news flows and earnings outcomes of domestic companies would be key monitorables.

Markets Yesterday

- Domestic markets ended strongly higher on the back of positive global cues
- US markets ended higher amid hopes of further economic relief support to battle Covid-19 and release of healthy manufactured goods data

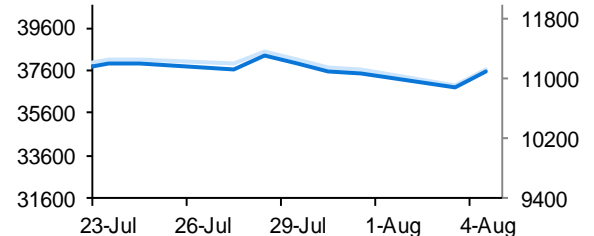
Key Developments

- RBI has approved the appointment of Sashidhar Jagdishan as new MD & CEO of HDFC Bank with effect from October 27, 2020 for three years. Mr Jagdishan has played a pivotal role in HDFC Bank. The appointment remains positive as it ensures smooth management transition and continued focus on digitisation and business growth while maintaining asset quality
- Sun Pharma has launched antiviral drug Favipiravir, under the brand name FluGuard, for mild to moderate Covid-19 patient treatment at an economical price of ₹ 35 per tablet (200 mg) in India. The drug will be available in the market from this week onwards
- Lupin has received tentative approval from USFDA for the generic version of Boehringer Ingelheim's Jardiance (Empagliflozin) tablets, 10/25 mg in US. The drug, indicated for the treatment of type-2 diabetes mellitus, had annual sales of US\$4.4 billion as per IQVIA MAT March 2020

Today's Highlights

Results: Apollo Tyre, Inox Leisure, Cadila Healthcare, Adani Gas, Jyothy Labs, Hawkins Cooker, Dwarikesh Sugar, Birlasoft, JK Lakshmi Cement

Index Movement



— BSE (LHS) — NSE (RHS)

	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	37,688	36,940	2.0	0.2	-8.6	24.1
Nifty	11,095	10,892	1.9	0.2	-8.8	23.5

Institutional Activity

	CY18	CY19	YTD CY20	Yesterday	Last 5 Days
FII (₹cr)	-68,503	40,893	-59,438	704	6,960
DII (₹cr)	107,388	44,478	84,543	-666	-1,603

World Indices – Monthly performance

	Nasdaq	Shanghai	Kospi	BSE	NSE
	10,941	3,372	2,280	37,688	11,095
	7.2%	6.9%	5.9%	4.6%	4.6%
	Dow Jones	Nikkei	Germany	U.K.	France
	26,828	22,574	12,601	6,036	4,890
	3.9%	1.2%	0.6%	-2.0%	-2.4%

Nifty Heat Map

Reliance Ind.	2,151 7.0%	Zee Ent.	143 6.2%	HDFC Bank	1,042 4.0%	JSW Steel	228 3.4%	Vedanta	119 3.3%
Maruti	6,359 3.1%	Hero Moto	2,706 2.8%	Axis Bank	429 2.8%	HDFC Ltd	1,781 2.4%	Dr Reddy	4,635 2.4%
ICICI Bank	351 2.3%	UPL	462 2.1%	Bajaj Finance	3,236 1.9%	Sun Pharma	529 1.8%	Bajaj Auto	2,970 1.8%
Kotak Bank	1,324 1.2%	Adani Ports	315 1.2%	Bharti Infratel	191 1.1%	Eicher	21,016 1.1%	Britannia	3,818 1.1%
Bajaj Finserv	6,162 1.0%	M&M	603 0.9%	L&T	924 0.9%	IOC	87 0.9%	Hindalco	162 0.6%
ITC	194 0.5%	Asian Paints	1,714 0.5%	Cipla	714 0.5%	Nestle	16,580 0.3%	Bharti Airtel	549 0.3%
Coal India	129 0.3%	ONGC	76 0.3%	NTPC	86 0.0%	Power Grid	178 -0.2%	Wipro	281 -0.2%
TCS	2,250 -0.2%	Titan	1,075 -0.2%	HUL	2,198 -0.3%	Tata Steel	372 -0.3%	SBI	192 -0.3%
Shree Cement	21,594 -0.7%	Infosys	950 -0.7%	GAIL	93 -1.0%	Ultratech	4,004 -1.0%	Grasim Ind	625 -1.4%
Tata Motors	111 -1.4%	HCI Tech	693 -1.9%	Indusind Bank	493 -2.1%	BPCL	409 -2.2%	TechM	653 -3.1%

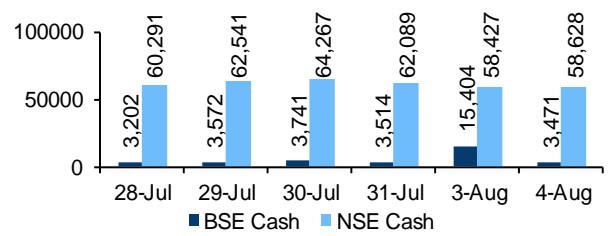
Markets Today (ADR Data updated till yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹10 gm)	54,612	53,717	1.7	0.0	37.7
Silver (₹kg)	69,962	65,748	6.4	1.0	40.5
Crude (\$/barrel)	44.3	44.2	-0.3	0.4	-34.1
Copper (\$/tonne)	6,453	6,490	-0.6	1.1	5.6
Currency					
USD/INR	75.0	75.1	-0.1	-0.3	-4.9
EUR/USD	1.2	1.2	0.1	0.0	5.0
USD/YEN	106.1	106.2	-0.1	-0.2	2.4
ADRs					
HDFC Bank	45.8	46.8	-2.1	-2.1	-27.8
ICICI Bank	9.3	9.4	-1.0	-1.0	-38.4
Tata Motors	7.5	6.8	9.2	9.2	-42.4
Infosys	12.9	12.9	0.5	0.5	25.2
Dr Reddys Labs	60.1	60.8	-1.1	-1.1	48.2
Wipro	4.3	4.3	-1.4	-1.4	13.6

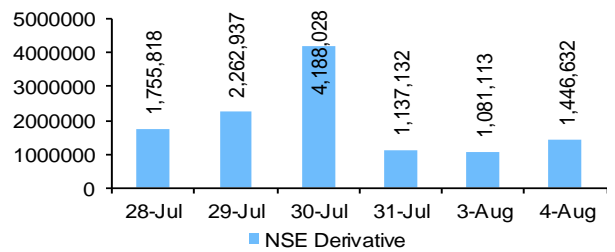
Key Data Points

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	3.00%	4.00%
RBI Repo Rate	N/A	4.00%	4.40%
RBI Reverse Repo Rate	N/A	3.35%	3.75%
CPI Yy	Jun	6.09%	5.84%
Current Account Balance	Q1	-0.6bn \$	-1.4bn \$
Exports - USD	Jun	21.91 bln\$	19.05 bln\$
FX Reserves, USD Final	Jun	517.64 bln\$	506.8 bln\$
GDP Quarterly yy	Q1	3.10%	4.70%
GDP Annual	FY 20	4.20%	6.10%
Imports - USD	Jun	21.11 bln \$	22.2 bln \$
Industrial Output yy	Jun	-34.70%	-55.50%
Manufacturing Output	Jun	-39.30%	-64.30%
Trade Deficit Govt - USD	Jun	0.79 bln \$	3.15 bln \$
WPI Food yy	May	1.10%	2.60%
WPI Fuel yy	May	-19.83%	-10.12%
WPI Inflation yy	May	-3.12%	-
WPI Manuf Inflation yy	May	-0.42%	-

Exchange Cash Turnover (₹ crore)



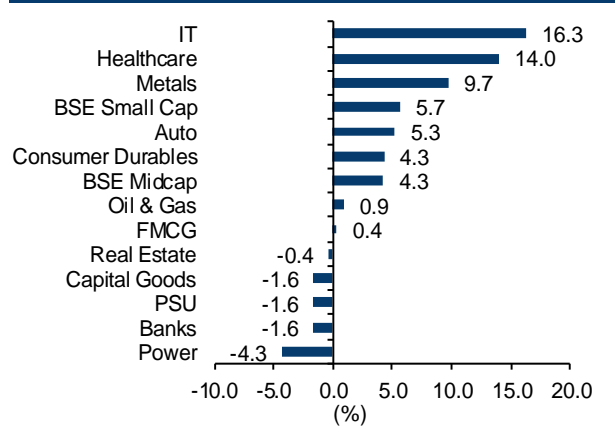
NSE Derivative Turnover (₹ crore)



Corporate Action Tracker



Security name	Action	Ex Date	Record Date	Status	Price (₹)
Sun Pharma	Buyback			Ongoing	425.00
Sterlite Technologies	Buyback			Ongoing	150.00
Bosch	Dividend	3-Aug-20	-		105.00
Lupin	Dividend	3-Aug-20	-		6.00
Saregama India	Dividend	3-Aug-20	-		1.50
Titan	Dividend	3-Aug-20	-		4.00
Goodyear India	Dividend	5-Aug-20	-		13.00
Bharti Infratel	Dividend	5-Aug-20	6-Aug-20		2.30
L&T	Dividend	5-Aug-20	-		8.00
Voltas Ltd	Dividend	5-Aug-20	-		4.00
Bharti Airtel	Dividend	6-Aug-20	7-Aug-20		2.00
Hexaware Tech	Dividend	6-Aug-20	7-Aug-20		1.50
Tata Steel	Dividend	6-Aug-20	-		10.00





Sectoral Performance – Monthly Returns (%)






Key News for Today

Company/ Industry	News	View	Impact
Narayana Hrudayalaya	Q1FY21 revenues de-grew 49.4% YoY to ₹ 394 crore on account of full impact of Covid-19 induced lockdown and travel restrictions coming in. EBITDA margin came in at -23.1% (13.2% in Q1FY20) due to negative operating leverage. Subsequently, Narayana registered an operating loss of ₹ 91 crore vs. operating profit of ₹ 103 crore in Q1FY20. Reported loss for the quarter was at ₹ 120 crore vs. ₹ 30 crore net profit in Q1FY20	As expected, results were sharply impacted by lockdown owing to Covid-19 pandemic. We will provide our outlook post management discussion	↕

<p>Tata Consumer Products</p>	<p>Revenue grew 43% to ₹ 2713.9 crore (I-direct estimate : ₹ 2418.0 crore) after including the acquired salt & pulses business. Like to like revenue growth was 13.4%. India beverage business (largely tea business) saw growth of 11.0%. International business (largely Tetley & EOC) revenue grew 15%. Acquired food business saw strong 18.9% sales growth & non branded (largely India coffee) business grew 8.9%. The entire food & beverage portfolio has benefited from lockdown due to increased in-home consumption. We believe this benefit would continue given 'out of home' activity is still restricted in most states. On a like-to-like basis, gross margins were up 170 bps despite sharp increase in tea prices. We believe tea prices have started rising from June onwards & TCPL may have been carrying sufficient inventory in Q1. Moreover, it would have benefited from crude based packaging cost. Marketing spends, employee spends & overhead spends (as % to sales) were down 60 bps, 50 bps & 30 bps, respectively, leading to operating margin expansion of 310 bps to 17.8%. PAT (before exceptional items) grew 57.9% to ₹ 325.8 crore</p>	<p>Contrary to our expectation, demand for tea segment was resilient with higher 'in-home' consumption. Moreover, TCPL would have gained market share from smaller semi-branded companies. Gross margins improved despite sharp increase in tea prices. We believe sharp increase in tea prices (more than 50% increase) would pressurise gross margins in coming quarter. Nonetheless, first quarter of merger has seen a positive impact of sales growth (through external factors) & operating margins (through cost rationalisation). We believe the merger of food & beverage business would create efficiencies & possibility of sustainable operating margins above 17-18% through synergies is high from a long term perspective. We remain positive on the stock</p>	
<p>Varun Beverage</p>	<p>Varun Beverage's Q2CY20 results were on expected lines with 41.6% sales decline and 46.4% volume de-growth. Realisations improved 8.9% with cut down in promotions & product mix change (decline in water business was even more severe). The results were impacted by lockdown with manufacturing, supply chain operations remaining disrupted in April. Though the company started production quite early in April, demand conditions were slack with significant decline in 'on the go' consumption. Moreover, shutting down of restaurants, cafes, multiplex (which constitutes ~10% to the sales) also negatively impacted volumes. Volumes were down 75% in April but slowly improved in June with 25% decline with start of unlocking phase. Operating margins were down 500 bps to 23% with employee spends & overhead spends (% to sales) up 506 bps & 207 bps, respectively, largely due to negative operating leverage. However, some of this was mitigated by 212 bps gross margin expansion. Gross margin expansion was largely due to 12.5% decline in PET chip prices & 6% decline in sugar prices (in April & May). PAT was down 64.7% to ₹ 143 crore impacted by lower</p>	<p>Carbonated drinks, juices & water businesses are discretionary in nature with ~70% of sales contributed by 'on the go' consumptions with single serve pack selling the most. The current disruption has significantly curtailed down 'out of home' activity impacting growth. Moreover, being the bottler, the company does not have A&P lever to reduce the cost to protect margins. We expect the full recovery would only in Q1CY21 with sales coming back to CY19 levels</p>	

Grindwell Norton	For Q1FY21, Grindwell Norton (GNO) reported revenues at ₹ 232.4 crore, down 43.5% YoY. Abrasive segment revenue de-grew 57.7% to ₹ 103.2 crore, YoY, ceramics and plastic segment de-grew 36.3% to ₹ 87.4 crore, YoY while 'new initiatives' segment posted growth of 21.1% to ₹ 42.6 crore, YoY. EBITDA margins were at 8.4%, down 860 bps YoY. This was primarily impacted by operating loss in abrasive business for the quarter. PAT de-grew marginally by 33.8% to ₹ 28.3 crore, YoY, primarily aided by lower effective tax rate and higher other income, which grew 128% to 26 crore, on a YoY basis	Grindwell Norton (GNL) reported muted Q1FY21 numbers across operational parameters owing to overall automotive/ industrial/ construction/ engineering slowdown. Going forward, we expect stable growth in plastics segment due to niche value added products in life sciences. However, industrial/automotive slowdown will continue to affect abrasive, ceramics segments	
Hikal Ltd	Q1FY21 revenues fell 12.5% YoY to ₹ 353 crore impacted by Covid-19 lockdown. Crop protection segment fell 30.2% YoY to ₹ 139 crore whereas pharma segment grew 4.8% YoY to ₹ 214 crore. EBITDA for the quarter included additional costs of ~ ₹ 4.7 crore (₹ 3 crore in employee + ₹ 1.7 crore in other expenses) on account of the pandemic. EBITDA margins contracted 210 bps YoY (adjusted: 77 bps contraction) to 14.9% (adjusted: 16.2%) due to higher staff & other expenses partially offset by better gross margins. Subsequently, EBITDA de-grew 23.3% YoY to ₹ 52 (adjusted: ₹ 57) crore. PAT fell 40.5% YoY to ₹ 15 crore	The numbers prima facie look dismal. It seems that while most other players have had positive implications on account of Covid, Hikal was negatively impacted. We will have a word with the management for more details	
Gujarat Gas	Gujarat Gas' revenues in Q1FY21 fell 58.6% YoY to ₹ 1082.9 crore due to sharp fall of 54.7% YoY in sales volume during lockdown. EBITDA was at ₹ 185.7 crore, down 60.2% YoY and reported PAT declined 74.9% YoY at ₹ 58.7 crore	Results were largely in line with our estimates on the profitability front. While sales volume at 4.1 mmscmd was below estimates, gross margins at ₹ 9.4/scm improved ₹ 1.4/scm YoY due to better than expected realisations and low gas costs. Sales volume witnessed healthy recovery post lockdown and is currently near normal levels at 9.5 mmscmd with full recovery in the industrial segment	
Astral Poly	Astral Poly Technik reported better than expected performance during Q1FY21 with consolidated sales down 33% YoY. Gross margins fell 164 bps YoY mainly due to change in product mix. However, consolidated EBITDA margin at 13.4% (down by 190 bps YoY), came in better than our estimate of 11.3% mainly due to significant saving in other expenditure. PAT declined 58% YoY, mainly tracking lower sales	The Q1FY21 performance was impacted as the sales in first 30 days were insignificant for both pipe and adhesive segments. While the company witnessed a significant recovery in the sales in May-July'20, we would await management commentary on recovery process amid intermediary lockdowns in the most regions	

BPCL	As per media reports, a delay in inviting bids for BPCL stake sale will delay the entire process and divestment is unlikely to happen in FY21	The deadline for bidding for BPCL stake sale has already pushed ahead for third time. Postponement of stake sale to FY22 will result in delay in value unlocking of the stock, which will be a negative for existing shareholders	
Voltas	According to media sources, the government is planning to hike basic custom duty on ACs from 20% to 30% and on AC compressors from 12.5% to 20% over a five year period to promote domestic manufacturing	Voltas' imported components contribute ~35% of its UCP sales. To offset the custom duty hike the company may have to take a price hike of 6-7% over the next five years. We believe since the hike is spread out over a period of five years, there may not be any meaningful impact on sales volumes in the immediate term	
Consumer durables sector	According to media sources, large capacity home appliances such as refrigerators, washing machines, microwave ovens and television witnessed ~40-70% YoY surge in demand in July 2020	We believe changing consumer habits as more people stay home due to lockdown and with a rise in work from home culture has led to a revival in demand for home appliances in urban India in July. Opening up of shops (post ease in restrictions) along with festive season around the corner are likely to drive demand for premium appliances of players like Voltas Beko, Whirlpool and Havells India	

Key developments (Continued...)

- TajGVK hotels revenue for Q1FY21 dropped by 95.5% YoY to ₹3.3 crore due to lockdown impact. The company operated only one hotel out of seven properties during the quarter. EBITDA loss and net loss came in at ₹ 14 crore and ₹ 21 crore respectively for the quarter. The company pruned down operating expenditures from ₹54 crore to ₹17 crore during the quarter. Loss from JV property in Mumbai was at ₹ 4.3 crore. Tourism has been severely impacted sector due to ongoing lockdown and there would be continuing impact on tourism business till the time restrictions on travel gets fully lifted globally
- PI industries reported revenue growth of 41% YoY to ₹ 1060 crore assisted by domestic growth of 76% YoY to ₹ 446 crore. The revenue from CSM business was up by 23% YoY to ₹ 614 crore. Despite there has been decline in gross margins by 280bps YoY due to change in product mix, OPM improved by 140bps YoY to 22% largely on the back of absorption of fixed overheads, leading to EBITDA growth of 55% YoY to ₹ 153 crore. PAT increased by 43% YoY to ₹ 146 crore
- Geojit reported healthy set of numbers on all fronts. Total revenue for the quarter was up 22.9% to ₹ 91.1 crore on the back of steady ADTO and improved yields. Healthy topline and steady opex led to a strong PAT growth of 669% YoY to ₹ 23.8 crore. In terms of revenue breakup, Equity related growth came in at ₹ 70.4 crore, up 28% YoY. Financial product income witnessed sequential regressive growth to ₹ 10.2 crore mainly on account of slowdown of mutual fund & insurance distribution income. ADTO for the quarter broadly flattish at ₹ 2156 crore, down 1% QoQ with Cash ADTO at ₹ 690 crore. Equity yields were up 9 bps QoQ to 0.127%. Total MF AUM was down 9.2% YoY to ₹ 6286 crore. The company added 10600 new customers during the quarter which took total customer count to 10.6 lakh customers
- Neuland Labs Q1FY21 revenues grew 13.5% YoY to ₹ 205 crore led by strong growth in Speciality (up 33% YoY – 27% of revenues) and CMS (up 25% YoY – 21% of revenues) segments. Prime segment (46% of revenues) grew 4.4% YoY in the quarter. EBITDA margins expanded 615 bps YoY to 16.5% on the back of change in product mix towards margin accretive speciality and CMS segment and lower travel and promotional spends. Subsequently, EBITDA grew 81.2% to ₹ 34 crore. Net Profit grew 165% YoY to ₹ 15 crore due to better operational performance
- Paushak registered a fall in revenues by 10% YoY to ₹ 32 crore. Better gross margins assisted company to maintain operating margins at 31.8% resulting into EBITDA fall of 8.8% YoY to ₹ 10.26 crore. Lower other income led PAT fall of 14% YoY to ₹ 8.6 crore
- KPIT Technologies reported Q1FY21 numbers. The company's revenues declined 13.8% QoQ (in CC terms) in Q1FY21. EBIT margin declined by 150 bps QoQ to 6.7%. The net profit declined by 34.8% QoQ. The company expects recovery from Q3FY21E. The company has won US\$60 million deal to be executable over 5 years. The company is trading at 13x PE on TTM basis

Key developments (Continued...)

- Mangalore Refinery & Petrochemicals (MRPL) topline for Q1FY21 declined 63.5% QoQ to ₹ 6408.5 crore due to significant drop in demand for petroleum products. EBITDA loss was reported at ₹ 487.7 crore. MRPL reported net loss of ₹ 519.9 crore in the quarter
- For Apollo Tyres we expect consolidated revenues to drop 54.9% YoY to ₹ 1,954 crore in Q1FY21E amid ~40-50 days of lockdown impacted operations, although high share of aftermarket in channel mix is seen limiting topline damage when compared with OEM clients. Benefit of softer input prices, both in India and Europe is seen aiding in gross margin expansion. Negative operating leverage, however, is seen leading to subdued overall EBITDA margins of 5.4%. We expect ATL to post loss at PAT level of ₹ 196 crore
- We expect JK Lakshmi Cement's sales volumes to decline 31% YoY in Q1FY21E. Owing to its presence in the northern region, we expect a healthy rise of 5.9% QoQ in realisations. Supported by a strong growth in realisations, the EBITDA/t is expected to decline only 9.3% YoY (lowest among peer group) to ₹ 661 per tonne. Absolute EBITDA is expected to decline 37.4% YoY to ₹ 106 crore for the quarter. Net profit is expected at ₹ 15.3 crore for the quarter
- Cadila Healthcare's Q1FY21E revenues are expected to remain subdued, growing 2.5% YoY to ₹ 3584 crore mainly due to Covid-related lockdown impact on the wellness segment. The domestic segment is also likely to post a weak quarter due to Covid-related impact despite possible windfall from hydroxychloroquine sales. EBITDA margins are likely to improve 137 bps YoY to ~19.4% mainly due to better gross margins. Subsequently, net profit is expected to grow 20% YoY to ₹365 crore on the back of a better operational performance
- For Inox Leisure, the quarter witnessed a complete shutdown of theatres leading to nil footfalls. Consequently, no box office and F&B revenue is likely to be reported. Exhibition cost and footfalls linked expenses like F&B cost are also expected to be zero. No ad revenues are anticipated. The company has invoked Force Majeure and is not expected to incur rental & CAM expenses during the quarter and also cut its fixed costs sharply. EBITDA loss (ex-Ind-AS) is expected at ₹ 49.7 crore against EBITDA of ₹ 89.1 crore in Q1FY20
- Jindal Steel & Power(JSPL) has reported production and sales volume for the month of July 20'.For the month of July consolidated production & sales volume increased by 13%YoY & 25%YoY to 7,40,000 tonnes (6,56,000 tonnes in July19') & 7,62,000 tonnes (6,11,000 tonnes in July19') .Furthermore, JSIS Oman, recorded 11%YoY & 6%YoY increase in Production & Sales to 1,37,000(1,23,000 tonnes in July 19') & 1,25,00 tonnes(1,18,000 tonnes in July 2019), respectively
- Info Edge India Ltd at its meeting held on August 4, 2020 has approved the launch of ₹1875 crore QIP (~4.8% of market cap).The floor price for QIP is ₹3177.18 and the company might offer ~5% discount to floor price. Info edge will meet on August 7, 2020 to approve the date of closing of the QIP, the issue price of the Equity Shares of the company to be issued in the QIP, including a discount, if any. Additionally in a separate filing the company has disclosed billing details from April-15 July 19 to April-15 July 20 under which overall billing has declined by 41% YoY led by 42.5% YoY decline in recruitment segment and 68% YoY decline in 99 Acres billing
- As per BSE filing, five trade unions of Coal India (CIL) have served notice of one-day strike in CIL and its subsidiaries on August 18, 2020
- Ashok Leyland's UK based EV subsidiary Optare PLC has delivered the first of its 21 battery electric 'Metrodecker' EV double decker buses to First York. Total Metrodecker order book is of 107 units
- NIIT Technologies name has been changed to Coforge limited
- Consumer spend across ITC's 25 mother brands in FMCG space has crossed ₹ 19,700 crore in fy20 with Aashirvaad atta, Sunfeast biscuits, Bingo! chips, and Yippee! noodles accounting for more than 71%. Aashirvaad had an annual consumer spend of more than ₹ 6,000 crore, Sunfeast was at ₹ 4,000 crore, Bingo! ₹ 2,700 crore, and Yippee ₹ 1,300 crore. In FY19, the consumer spend was ₹ 18,000 crore.
- As per commerce ministry data, Indian imports of solar equipment declined by 83% in the April-June quarter of current fiscal, totalling US\$69 million (₹ 515 crore) as compared to US\$399 million (₹ 2,970 crore) during the same period last year. On a QoQ basis, Indian solar imports fell by 54% in April-June quarter, from US\$150.5 million (₹ 1,120 crore) in the January-March period
- Oil PSUs have spent 13% of guided annual capex i.e. ₹ 12900 crore during Q1FY21
- Government said any entity with a net worth of at least ₹ 500 crore will be eligible for obtaining the licence to sell petrol and diesel to retail & bulk consumers and ₹ 250 crore net worth will be requirement for obtaining the license to sell either to either retail or bulk consumers
- Indian PSU & a private refiners have initiated annual maintenance shutdowns at some of the refineries in July and August
- As per media reports, Bharti Airtel is set to sign a strategic alliance with Amazon Web Services (AWS), the cloud services arm of retail giant Amazon, to tap small-and-medium businesses (SMBs). The partnership will evolve further in the coming time. Airtel will act as a channel partner for AWS to tap startups and SMBs

Key developments (Continued...)

- As per media reports, Vodafone Idea has paid the telecom department most of its Rs 1,200 crore dues towards licence fee and spectrum usage charge (SUC) for the April-June period, after a delay of over a month
- As per media sources, NTPC's power generation grew 13.3% % to 26.73 billion units in July as compared to 23.59 billion units in June. Coal stations registered a growth of 5.6% YoY with generation of 21.89 billion units
- As per media sources, ICRA estimated that nationwide lockdown led securitisation volumes during Q1FY21 to witness a sharp decline to ₹ 7500 crore as against ₹ 50000 crore during Q1FY20 with two-third's of the volume gain in the month of June itself
- As per media sources, Marriot has cut outsourcing to Cognizant and Tata Consultancy Services (TCS) due to Covid 19 pandemic. We believe most of the impact was already factored in Q1FY21 results of TCS. Travel & Hospitality account for 4% of company's topline. In another news, TCS and two other vendors have been shortlisted by RBI for implementation of integrated market surveillance system

Nifty Daily Chart



Technical Outlook

Equity benchmarks snapped four sessions losing streak and ended Tuesday's session on a positive note, tracking firm global cues. Nifty settled at 11102, up 204 points or 1.9%. In the coming session, Nifty futures is likely to open on a soft note tracking mixed global cues. We expect Nifty to maintain a higher higher-low formation. Thus, intraday dip towards 11060-11085 should be used to create long position for target of 11177.

Going ahead, we expect the Nifty to prolong the ongoing consolidation in the broad range of 10900-11400 with a stock specific action amid ongoing Q1FY21 result season, based on following thesis: a) Broader market continued to relatively outperform as both Nifty midcap and small cap indices closed above July high. In the process Nifty small cap settled above 200 SMA for the first time since February 2020. B) In past seven weeks, on fourth occasion Bank Nifty bounced from 21000 amid oversold placement of daily stochastic oscillator (at 19), indicating impending pullback.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	37687.9	37202	36716	37960	38232
Nifty 50	Positive	11095.3	10979	10862	11142	11188
ACC Ltd	Negative	1401.5	1388	1376	1421	1442
Axis Bank Ltd	Neutral	429.2	421	412	435	440
HINDALCO INDS	Neutral	162.4	161	159	165	167
SBI	Neutral	191.6	190	189	194	195
HINDUSTAN PETRO	Negative	215.0	209	203	221	227
MUTHOOT FINANCE	Neutral	1286.0	1271	1254	1307	1328
Tata Motors	Positive	111.5	109	108	113	116
MRF LTD	Neutral	61270.1	60950	60629	61646	62021
BAJAJ AUTO LTD	Neutral	2970.0	2929	2887	3006	3041
TCS	Negative	2249.7	2226	2203	2271	2293
ITC LTD	Positive	193.7	192	191	195	197
CIPLA LTD	Neutral	713.9	705	696	721	728
PIRAMAL ENTERPRI	Negative	1466.1	1439	1412	1487	1508
Reliance Industries	Neutral	2150.6	2045	1939	2212	2273
BHARTI AIRTEL	Negative	549.0	545	542	552	557
EQUITAS HOLDINGS	Negative	47.7	47	46	49	50

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Range Bound
Support	11070-11025	10900
Resistance	11150-11200	11400
20 day EMA	0	10899.0
200 day EMA	0	10586.0

Advances/Declines

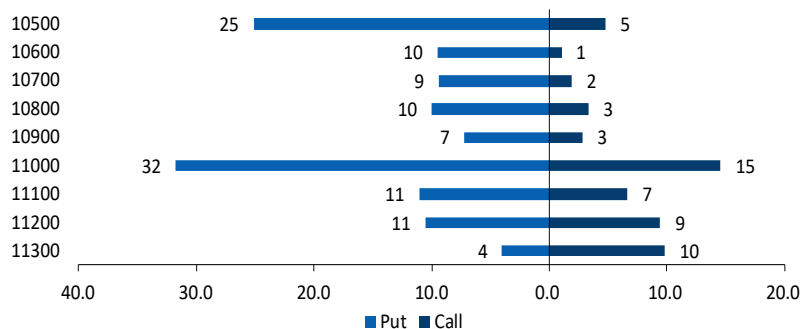
	Advances	Declines	Unchanged
BSE	1686	948	148
NSE	1220	643	92

Daily Technical Calls

- Daily Technical Calls**
- Buy NIIT Technologies in the range of 1940.00-1946.00
 - Buy Bharat Forge in the range of 393.50-394.50
- All recommendations of August Future

[See Momentum Pick for more details](#)

Nifty Call – Put Strike (Number of shares in lakh) – August 2020



Intraday Derivative Strategy

i) Voltas

Buy VOLTAS AUG Fut at ₹609.00-610.00
 CMP: 609
 Target 1: 615.5 Target 2: 624.5
 Stop Loss: 603.5

ii) United Spirits

Sell UNISPI AUG Fut at ₹579.00-580.00
 CMP: 579.5
 Target 1: 574.7 Target 2: 567.5
 Stop Loss: 584.3

[See Derivatives view for more details](#)

Results/Events Calendar

20	July Monday	21	July Tuesday	22	July Wednesday	23	July Thursday	24	July Friday	25	July Saturday
Swaraj Engines,ACC NRB Bearings EU Current Account JP Natl CPI (YoY)		Mahindra CIE,Bajaj Finserv Syngene,Tata Elxsi,HUL HDFC Life Ins.Ltd.,Axis Bank Bajaj FinanceLtd.,Heidelberg Hind Zinc,Polycab,SBI Life		Bajaj Auto,Music Broadcast Larsen & Turbo Ltd.,JSPL Rallis,Heidelberg,JSPL Dhanuka Agritech Astec Lifescience		HDFC AMC,Zensar Mphasis,Biocon,SKF India Radico,GM Breweries Sterlite Tech., Dish TV Tube Investments		Asian Paints,TCI Express Ambuja Cement,Atul,GHCL JSW Steel,ITC,Ambuja Cement Schaeffler,Zee Ent(Q4FY20) Coromandel Interl,CPCL		Persistent Systems Supreme Industries Control Print	
27	July Monday	28	July Tuesday	29	July Wednesday	30	July Thursday	31	July Friday	01	August Saturday
Marico,Bharat Elec.,Escorts United Spirits,Havells India Bharti Infratel,Pfizer,Tech Mah. Kotak Mahindra Bank,VGuard Royal Orchid,Orient Electric		Nestle,IDFC First,Hexaware Orient Cem.,Quess Corp Sunteck Realty,NIIT Tech,Castro Oriental Hotels,Indulnd Bank UltraTech Cement, Sanofi		Mahindra Lifespace,SIS Dr.Reddy,GSK,Bharti Airtel Sagar Cement,Colgate,Mastek Maruti Suzuki,Navin Fluorine Phoenix Mills, MM Forging		Dabur,JM Fin.,Tata Comm., HDFC Ltd.,Torrent Pharma Mahindra Logistics,Apcotex Ajanta Pharma,Essel Propack Dhampur Sugar,Hester Bios		IOC,Bluedart,Tata Metaliks Jagran Prakashan, SBI,MOSL Sun Pharma, Zydus Wellness Tata Chemicals,Tata Motors Saregama,Teamlease		Relaxo Footwear	
03	August Monday	04	August Tuesday	05	August Wednesday	06	August Thursday	07	August Friday	08	August Saturday
VST Ind., Kansai Nerolac Exide Industries Bank of India UK Manufacturing PMI EU Manufacturing PMI		Tata Consumer Prod.,Astral Poly Taj GVK Hotels,PI Industries Gujarat Gas,Grindwell Norton Narayana Hrudayalaya,MRPL Varun Beverage,Hikal		Birla Soft,Inox Leisure Cadila Healthcare,Adani Gas Jyothy Labs,Hawkins Cooker Dwarikesh Sugar,Apollo Tyres JK Lakshmi cement		HPCL,GSPL,JK Tyre Gujarat Pipavav Port,Lupin VSSL,Sumitomo Chemicals Torrent Power,Indian Hotels Pidilite Ind.,Vodafone Idea		TV Today,Balrampur Chini Mahanagar Gas,Ramco Cem. Container Corp.,ENIL,Abbott Kajaria Cera.,Sobha Ltd.,Bata Mahindra&Mahindra,Cipla		DCB Bank Divi's Labs Affle India Wonderla Holidays Shaily Engineering	
10	August Monday	11	August Tuesday	12	August Wednesday	13	August Thursday	14	August Friday	15	August Saturday
TTK Prestige,Bank of Baroda Sonata Software,Dlink India Titan ,IPCA Labs,KEC Int.,HEG Action Const.,Caplin Point,ACE Triveni Eng.,Cochin Shipyard		Bosch,Indoco Remedies AIA Engineering,Symphony Motherson Sumi,Ratnamani Ador Welding,Bajaj Electricals Ashoka Buildcon		Ashley Leyland,Bharat Forge Firstsource,Wabco India Century Plywood,Thermax Gulf Oil Lubricants,Aster DM Natco Pharma		Endurance Tech,GAIL Eicher Motors,Timken Hero Motocorp Engineers India CH Industrial Production		United Breweries,Voltas Berger Paints EU Trade Balance US Industrial Prod YoY US Retail Sales (MoM)		JP GDP QoQ	
17	August Monday	18	August Tuesday	19	August Wednesday	20	August Thursday	21	August Friday	22	August Saturday
JP Industrial Production MoM EU Reserve Assets		JP Exports, JP Imports JP Trade Balance		EU Current Account UK CPI (YoY) EU CPI (YoY)		EU Construction Output JP Manufacturing PMI		EU Manufacturing PMI EU Services PMI UK Retail Sales (MoM) US Manufacturing PMI		JP Manufacturing PMI EU Consumer Confid.	

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
03-Aug	Manufacturing PMI	UK	July	53.30	53.60
03-Aug	Manufacturing PMI	EU	July	50.90	51.30
04-Aug	Services PMI	JP	July	45.40	45.20
Date	Event	Country	Period	Expected	Previous
05-Aug	Services PMI	UK	July	56.60	47.1
05-Aug	Retail Sales(MoM)	US	July	5.50%	17.80%
05-Aug	Trade Balance	US	July	-50.30B	54.60B
05-Aug	Imports	US	July	--	199.12B
06-Aug	Reserve Repo Rate	IN	July	3.10%	3.35%
06-Aug	Construction PMI	UK	July	57.00	55.30
06-Aug	Initial Jobless Claims	US	July	1,400K	1434K
06-Aug	Interest Rate Decision	IN	July	3.8%	4.0%
07-Aug	Trade Balance	CH	July	42.50B	46.42B
07-Aug	Imports	CH	July	1.0%	2.7%
07-Aug	Exports	CH	July	-0.6%	0.5%

Result Preview

Company	Revenue Chg(%)			EBITDA Chg(%)			PAT Chg(%)		
	Q1FY21E	YoY	QoQ	Q1FY21E	YoY	QoQ	Q1FY21E	YoY	QoQ
Apollo Tyres	1,954.0	-55.0	-46.0	105.0	-78.0	-78.0	-196.0	PL	PL
Inox Leisure	0.0	NM	NM	-52.0	PL	PL	-112.3	NA	NA
JK Lakshmi	733.8	-29.6	-30.9	106.3	-37.4	-47.4	15.3	-61.1	-84.8
Cadila HC	3,584.3	2.5	-4.5	697.0	10.3	-11.9	364.6	20.0	15.9

Recent Releases

Date	Report
August 04,2020	Defence Sector Update
August 04,2020	Result Update – India Oil Corporation
August 04, 2020	Result Update – Exide Industries
August 04,2020	Result Update – Saregama India
August 04,2020	Result Update – VST Industries



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