Morning Coffee

October 26, 2020

One Stop Investment Avenue

GEPL CAPITAL

Market Updates

Asian Markets	Close	Abs. Change	Per. Change
HANG-SENG	24597.90	(156.52)	(0.63%)
NIKKEI 225	23488.80	(150.66)	(0.64%)
STRAIT TIMES	2521.09	(4.52)	(0.18%)

Global Bellwethers	Close	Abs. Change	Per. Change
DOW JONES 30	28210.82	(97.97)	(0.35%)
NASDAQ	11484.69	(31.80)	(0.28%)
FTSE UK	5776.50	(112.72)	(1.91%)

Indian Benchmarks (21Oct2020)	Close	Abs. Change	Per. Change
NIFTY 50	11937.65	40.85	0.34%
NIFTY 200	6135.85	16.30	0.27%
NIFTY 500	9756.60	23.60	0.24%
Indian Broader Markets			
NIFTY MIDCAP 100	17065.45	42.20	0.25%
NIFTY SMLCAP 100	5897.70	(6.65)	(0.11%)
NSE Sector indices			
NIFTY BANK	24635.05	323.25	1.33%
NIFTY FINANCIAL SERRVICES	11964.40	143.60	1.21%
NIFTY IT	21577.65	(116.70)	(0.54%)
NIFTY ENERGY	14643.55	114.40	0.79%
NIFTY FMCG	29684.10	(280.50)	(0.94%)
NIFTY AUTO	7878.05	(18.65)	(0.24%)
NIFTY METAL	2416.05	52.70	2.23%
NIFTY CONSUMPTION	5009.45	(21.00)	(0.42%)
NIFTY PHARMA	11645.70	1.30	0.01%
NIFTYINFRA	3122.05	28.90	0.93%
NIFTY REALTY	236.85	9.90	4.36%
NIFTY MEDIA	1444.85	(8.85)	(0.61%)
NIFTY MNC	13976.95	(93.00)	(0.66%)

Fund Flow

Participant ` in crore	Latest	MTD Calendar	YTD (FY)
FIIs	46.00	(20785)	(48495.48)
DIIs	(797.00)	17106.04	91053.42

Source: BS = Business Standard, ToI: Times of India, MC = Money Control, B = Bloomberg

Stocks in News

- Tech Mahindra to acquire Tenzing Group, Momenton for Rs 293 crore. IT company Tech Mahindra on Friday said it will acquire complete stake in New Zealand-based Tenzing Group and Australian IT firm Momenton for a cumulative amount of around Rs 293 crore.
- Tata Motors bags order for 6413 Ace vehicles from AP Civil Supplies Corpn. Tata Motors on Friday said it has secured an order from the Andhra Pradesh Civil Supplies Corporation for supply of 6,413 Tata Ace Gold vehicles.
- BPCL to launch 2 high-end synthetic lubricant variants next week. Bharat Petroleum Corporation Ltd (BPCL) will next week launch two high-grade synthetic lubes for premium cars and bikes.
- Nestle India to invest Rs 2,600 cr over four years to boost production. Some part of the funds will also be used for its plant in Sanand, Gujarat, which is currently under construction.
- IGL to facilitate conversion of diesel generators to natural gas gensets. Indraprastha Gas Ltd on Friday said it will help housing societies as well as commercial establishments to replace diesel in generators to environment-friendly natural gas.
- NTPC granted permission to use drones for research at 3 thermal plants. The ministry said the conditional exemption is till December 31 or till the full operatalisation of Digital Sky Platform, whichever is earlier.
- Ashok Leyland launches BOSS LX and LE trucks; prices start at Rs 18 lakh. The two models start at Rs 18 lakh, the ex-showroom prices in Mumbai, Delhi, and Chennai.
- Lanco Infratech and lessons from a failed group resolution of troubled debt. The firm fundamentally has no assets, say experts. Ten of its subsidiaries are under corporate insolvency, most holding either a single or a group of road or power assets.

Economic News

- India's Personal Data Protection Bill may tighten compliances for Big Tech. People in the know said that officials from companies such as Google, Twitter and digital payments firm Paytm are expected to make the presentations during the last week of this month.
- Govt left with 25,000 tonnes of buffer onion stock, says Nafed's Chadha. Currently, Nafed is offloading onion buffer stock in the market to boost domestic availability and check onion prices which surpassed Rs 75 per kg in some parts of the country in the last few weeks.
- Forex reserves rise by $3.61 bn to touch life time high of $555.12 bn. In the previous week ended October 9, 2020, the reserves had increased by USD 5.867 billion to reach USD 551.505 billion.

Global News

- Global money laundering monitor says coronavirus fraud on the rise. The international organisation that monitors protections against money laundering and terrorism financing said Friday that fraud related to coronavirus is on the rise.
- Oil slips as Covid-19 may force Russia to support extending output cuts. Brent crude rose 6 cents, or 0.1%, to $42.52 a barrel by 0810 GMT having risen 1.7% on Thursday. U.S. crude fell 7 cents, or 0.2%, to $40.57.

Technical Snapshot

Name	Previous Close	Reversal	Support 2	Support 1	Pivot Point	Resistance 1	Resistance 2	Trend
NIFTY-NEAR MONTH	11934.00	12016.80	11868.43	11901.22	11940.53	11973.32	12012.63	BEAR
BANKNIFTY-NEAR MONTH	24527.90	24034.82	24155.63	24341.77	24565.38	24751.52	24975.13	BULL
NIFTY MIDCAP 100	17306.20	16882.20	17172.70	17239.45	17305.80	17372.55	17438.90	BULL
NIFTY SMALLCAP 100	5994.10	5828.40	5969.00	5981.55	5993.85	6006.40	6018.70	BEAR

Key Highlights:

The Nifty forms Doji candle pattern, however it closes above 11900 mark on weekly charts....

NIFTY SPOT: 11930.35 (0.28%)

DYNAMIC PARAMETER: Nifty formed an Inside Day candle.

TRADING ZONE:

Resistance: 12025 (Swing High) / 12090 (Key Resistance)

Support: 11820 (Intraday Support) / 11750 (Key Support)

BROADER MARKET: OUTPERFORMED

MIDCAP 17306 (0.79%), ***SMALLCAP*** 5994 (0.62%) ***Advance-Decline***: 1219/ 645

VIEW: Bullish above 12025 (Swing High)

BANKNIFTY SPOT: 24478.30 (-0.02%)

DYNAMIC PARAMETER: Index formed an Inside Day candle.

TRADING ZONE:

Resistance: 24823 (3 Day High) / 25000 (Key Resistance)

Support: 24250 (Day Low) / 24099 (2 Day Low)

VIEW: Bullish till above 23377 (200 Day SMA)

Stocks to Watch:

BULLISH	BEARISH
M&M	NMDC
BHARATFORG	ACC
TATASTEEL	COFORGE
NAUKRI	RBLBANK
MARUTI	BIOCON

Sector view:

Bullish Sectors	Bearish Sectors
AUTO	REALTY
MEDIA	PHARMA

Stock view for the day:

Stock	View	Duration	CMP	Support	Resistance
BHARATFORG	BULLISH	INTRADAY	495	487	508
COFORGE	BEARISH	INTRADAY	2380	2335	2412

Derivatives Snapshot

	Nifty Spot	Nifty Futures	Nifty Futures Prem. / Disc	Nifty Futures Basis	Nifty Futures OI	Nifty Futures Change in OI	Nifty Futures Volume (in cr.)	Highest Total OI Call Strike	Highest Total OI Put Strike	Nifty OI PCR	NSE VIX
Current	11930.35	11934.35	4.00	24.30	10387350	22200	0.77	12500	10500	1.11	21.83
Previous	11896.45	11898.65	2.20	24.70	10365150	-378675	1.12	12500	10500	1.24	22.64
Change	33.90	35.70	-	-	-	-	-	-	-	-	-0.81
% Chg	0.28	0.30	-	-	-	-	-	-	-	-	-3.58

Key Highlights:

- **Nifty October Futures ended 35.70 points up @ 11934.35 with a premium of 4 points.**
- **Nifty futures open interest increased by 0.22 lakh shares with October series total open interest stands at 1.04 crore shares.**
- **Nifty 12500 call has highest OI, whereas 10500 put holds the highest OI and Banknifty 25000 call has highest OI and 24000 put has highest OI.**
- **Nifty 12500 call saw addition of 10.77 lakh shares in OI, whereas 11800 put saw addition of 7.47 lakh shares In OI.**
- **India VIX ended 3.58% down @ 21.83 against the previous close of 22.64**

FII Derivatives Statistics

	Buy (in Crs.)	Sell (in Crs.)	Net Buy / Sell (in Crs.)	Cumulative (in Crs.)
INDEX FUTURES	2904.46	3505.85	-601.39	3375
INDEX OPTIONS	126415.59	126379.98	35.61	8377
STOCK FUTURES	20485.25	20170.11	315.14	-2606
STOCK OPTIONS	7232.17	7203.31	28.86	-74

Securities in Ban for Trade

Sr. No	Stock Name	Sr. No.	Stock Name
1	BHEL	5	NATIONALUM
2	CANBK	6	PNB
3	ESCORTS	7	VEDL
4	IDEA	8	-

Open Interest Summary

Short Build Up (- +)

Stock	Price %	OI %
COFORGE	-3.51	18.54
INFRATEL	-1.71	14.63
SBILIFE	-1.24	9.12
MGL	-1.00	8.68
KOTAKBANK	-0.67	8.63

Long Build Up (+ +)

Stock	Price %	OI %
AMARAJABAT	1.87	29.67
IDEA	1.68	22.13
M&MFIN	1.43	21.27
APOLLOTYRE	5.90	10.64
EXIDEIND	1.18	10.55

Y Axis

X Axis

0

Long Unwinding (- -)

Stock	Price %	OI %
AMBUJACEM	-2.62	-11.68
ACC	-1.56	-8.11
LICHSGFIN	-0.47	-5.37

Short Covering (+ -)

Stock	Price %	OI %
ASIANPAINT	0.57	-14.95
ASHOKLEY	3.03	-10.64
POWERGRID	2.97	-9.42

- **Long Build Up: When price of a particular stock/Index future rises along with the rise in Open Interest.**
- **Short Build Up: When Price of a particular stock/Index future falls with the rise in Open Interest.**
- **Short Covering: When price of a particular stock/Index future rises with the fall in Open Interest.**
- **Long Unwinding: When price of a particular stock/Index future falls along with the fall in Open Interest.**

Equity Technical Recommendation:

Sr. No.	Date	Action	Company	Product *	Reco. Price	Target 01	Target 02	Stop Loss	Remarks
1	18-Sep-20	BUY	BIOCON	STD	434	500	555	390	Open
2	21-Sep-20	BUY	VINATIORGA	STD	1227	1450	1600	1140	Open
3	21-Oct-20	BUY	ADVENZYMES	5 DAY	338	355	375	318	Stop Loss
4	23-Oct-20	BUY	JUBILANT	STD	746 / 705	830	900	11880	Open
5	23-Oct-20	BUY	NIFTY OCT FUT	INDEX RECO	11946	12000	12055	11880	Open

Equity Technical - Product Profile				
Product	**Maximum Open Recommendations**	**Return Objective**	**Segment**	**Duration**
Intraday	5	1%	Cash + F&O	Intraday
BTST / STBT	2	1-2%	F&O	1 Day
5-Day	5	2-4%	F&O	T + 5
Smart Trader Delivery	10	3-15%	Cash Only	Week to 3 Months
Rolling Reversal	1	Variable subject to market	F&O	-

Fundamental Recommendation:

Quality Picks 2020

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	25-Mar-20	HDFC Ltd.	QUALITY PICK	2,061	1,646	2,137	25%	Open
2	25-Mar-20	HDFC Bank Ltd.	QUALITY PICK	1,236	856	1,307	44%	Open
3	25-Mar-20	Asian Paints	QUALITY PICK	2,119	1,593	2,150	33%	Open
4	25-Mar-20	Sun Pharmaceutical Ltd.	QUALITY PICK	484	347	563	40%	Open
5	25-Mar-20	Pidilite Industries Ltd.	QUALITY PICK	1,502	1,271	1,370	18%	Target Achieved
6	25-Mar-20	HDFC Life Insurance Ltd.	QUALITY PICK	564	434	625	30%	Open
7	25-Mar-20	Reliance Industries Ltd.	QUALITY PICK	2,113	1,082	2,160	95%	Open
		Average Returns as on 23-Oct-2020					**41%**	

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	25-Mar-20	Ircon International	VALUE PICKS	81	61	88	32%	Open
2	25-Mar-20	Cochin Shipyard	VALUE PICKS	363	228	400	59%	Open
3	25-Mar-20	Tata Elxsi	VALUE PICKS	1,652	770	1,100	115%	Target Achieved
4	25-Mar-20	Procter and Gamble Hygiene and Health Care Ltd.	VALUE PICKS	10,297	9128	10,180	13%	Target Achieved
5	25-Mar-20	Westlife Development	VALUE PICKS	368	310	420	19%	Open
6	25-Mar-20	MCX Ltd.	VALUE PICKS	1,800	937	1,780	92%	Target Achieved
7	25-Mar-20	Kotak Mahindra Bank	VALUE PICKS	1,383	1337	1,421	3%	Open
8	25-Mar-20	Indraprastha Gas Ltd.	VALUE PICKS	392	343	473	14%	Open
		Average Returns as on 23-Oct-2020					**43%**	

Beaten Down Picks 2020

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	25-Mar-20	United Spirits Ltd.	BEATENDOWN	526	465	580	13%	Open
2	25-Mar-20	Avenue Supermarts Ltd.	BEATENDOWN	2,112	1,899	2,145	11%	Open
3	25-Mar-20	SBI Life Insuarance Ltd.	BEATENDOWN	770	587	990	31%	Open
4	25-Mar-20	Biocon	BEATENDOWN	417	271	490	54%	Open
		Average Returns as on 23-Oct-2020					**27%**	

Fundamental Recommendation:

Mid Cap Thematic Picks 2020

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	16-Sep-20	Sanofi India	MIDCAP	8,430.45	8,850.00	9,572.00	-5%	Open
2	16-Sep-20	Mphasis Ltd.	MIDCAP	1,381.70	1,217.00	1,350.00	14%	Target Achieved
3	16-Sep-20	Bharat Electronics Ltd.	MIDCAP	92.55	103.45	115.00	-11%	Open
4	16-Sep-20	PI Industries Ltd.	MIDCAP	2,156.50	2,024.00	2,216.00	7%	Open
5	16-Sep-20	Alembic Pharma Ltd.	MIDCAP	973.70	966.00	1,150.00	1%	Open
		Average Returns as on 23-Oct-2020					**1%**	

Pharma Thematic Picks 2020

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	13-Apr-20	Divis Labs	PHARMA	3,067.25	2,341.00	3,270.00	31%	Open
2	13-Apr-20	IPCA	PHARMA	2,173.00	1,552.00	2,100.00	40%	Target Achieved
3	13-Apr-20	Cipla	PHARMA	756.85	592.00	820.00	28%	Open
4	13-Apr-20	Cadilla	PHARMA	423.85	353.00	410.00	20%	Target Achieved
5	13-Apr-20	Ajanta Pharma	PHARMA	1,598.85	1,370.00	1,758.00	17%	Open
		Average Returns as on 23-Oct-2020					**27%**	

Our recommendation of New Year Picks 2020

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	12-Dec-19	State Bank of India	New Year Pick	202.75	321.00	382.00	-37%	Open
2	12-Dec-19	Godrej Consumer Products	New Year Pick	681.30	660.00	765.00	3%	Open
		Average Returns as on 23-Oct-2020					**-17%**	

Our recommendation of Diwali Picks 2019

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	12-Oct-19	ICICI Lombard General Ins Co. Ltd.	Diwali Pick	1,257.50	1,207.00	1,425.00	4%	Open
2	12-Oct-19	Bajaj Finance Ltd.	Diwali Pick	3,317.35	3,973.00	4,720.00	-17%	Open
3	12-Oct-19	Hindustan Unilever Ltd.	Diwali Pick	2,144.05	2,005.00	2,400.00	7%	Open
		Average Returns as on 23-Oct-2020					**-2%**	

***Product profile**

Value Picks : Multi-bagger stocks with more than 2 years horizon.
Initiating coverage(IC) : Average returns of 20-30% with a 12-24 months horizon.
Sales Note : Average returns of 15-20% with a 10-15 months horizon.
Diwali Picks : Average returns of 15-20% with a 10-15 months horizon.

Debt Market Snapshot

Forex Rates	Prev. Close	Abs. Change	Change (%)
USD/INR	73.66	0.01	0.01
EUR/INR	87.044	0.24	0.27
GBP/INR	96.355	(0.08)	(0.09)
JPY/INR	70.22	0.10	0.14

Particulars	Latest	Previous	Chg (bps)
5 Year GOI Bond	4.62	4.68	(0.06)
10 Year GOI Bond	5.84	5.91	(0.07)
15 Year GOI Bond	6.27	6.33	(0.06)
Call Money (WAR)	3.22	3.14	0.08
CBLO (WAR)	3.08	3.08	-
US 10 Year	0.85	0.82	0.03
Crude Oil (in $/bl)	42.46	41.73	0.73
Inflation (Monthly CPI)	7.34	6.69	0.65

Government Security Market:

- The Inter-bank call money rate traded in the range of 1.50% - 3.50% on Friday ended at 3.25% .
- The benchmark 5.77% GOI 2030 closed at 5.8433 on Friday Vs. 5.9149% on Thursday .

Global Debt Market:

U.S. Treasury yields extended their move higher on Friday as investors monitored signs of progress on a stimulus deal in Washington. The yield on the benchmark 10-year Treasury note climbed for a seventh straight day to 0.859%, the highest level since June. Yields climbed after House Speaker Nancy Pelosi suggested Thursday that progress was being made in negotiations with the White House over an economic stimulus package and an expected a deal could be signed "pretty soon.

10 Year Benchmark Technical View:

10 year Benchmark (5.77% GS 2030) yield likely to move in the range of 5.82% to 5.86% level on Monday .

Highly Traded Govt. Bonds (Top 5)

Security	Volume	High	Low	LTP
5.77% GS 2030	24740	99.45	99.00	99.45
6.19% GS 2034	10310	99.8675	99.42	99.8350
5.22% GS 2025	8280	100.3925	100.0650	100.3525
5.79% GS 2030	1980	99.45	99.20	99.44
6.45% GS 2029	1630	103.4575	103.22	103.4575

Tax free Bonds in Secondary Market:

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
HUDCO	8.1	4.5172	1,098.00	9,526	5-Mar-22
NHAI	8.3	4.2524	1,224.00	4,806	25-Jan-27
IRFC	7.64 (7.35)	4.53	1,232.00	2,575	22-Mar-31
NHAI	8.75 (8.50)	4.24	1,342.02	1,643	15-Feb-29
PFC	8.92 (8.67)	4.21	1,517.00	1,210	16-Nov-33

Taxable Bonds in Secondary Market:

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
NTPC	8.49	5.7144	14.21	13,722	25-Mar-25
TCFSL	8.9	6.32	1,074.00	3,093	27-Sep-23
ECLFINANCE	10.15	12.24	941	1,228	4-Jan-29
TCFSL	9.1	7.019	1,130.00	1,064	27-Sep-28
SRTRANSFIN	9.03	9.92	977.1	1,000	12-Jul-28

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