

# THE DAILY

Date: 06 April 2021



## DOMESTIC INDICES

	Close	Points	% Change
SENSEX	49159	-871	-1.74
NIFTY	14638	-230	-1.54
MIDCAP	20284	-233	-1.13
SMALL CAP	20845	-227	-1.08

## SECTORAL INDICES

	Close	Points	% Change
IT	27294	524	1.96
TECK	12231	201	1.67
METAL	15273	145	0.96
Healthcare	21572	43	0.20
POWER	2543	-1	-0.05
OIL & GAS	14804	-282	-1.87
CG	21028	-419	-1.95
CD	32098	-712	-2.17
AUTO	21998	-593	-2.63
Finance	7212	-243	-3.26
BANKEK	36913	-1326	-3.47
REALTY	2581	-97	-3.62

## BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
ATGL	10.03	UBL	-7.47
ADANITRANS	9.72	APOLLLOTYRE	-6.31
SAIL	6.98	CANBK	-6.08
HINDZINC	6.23	BAJFINANCE	-5.81
LALPATHLAB	6.08	INDUSINDBK	-5.64

## ADVANCE/DECLINES

	BSE	%
ADVANCES	1058	34
DECLINES	1898	60
UNCHANGED	185	6

## INSTITUTIONAL ACTIVITY

Rs Cr	05/04/21	01/04/21	Apr Total
FII	-932	149	-1750 (prov.)
DII	75	-297	5744 (prov.)

**Indian markets could open flat to mildly higher, following mixed Asian markets today and despite higher US markets on Monday.....**

US stock-market benchmarks swept to fresh highs on Monday on another round of good economic news from the services sector, adding to the array of indicators showing improving activity, including a stellar March jobs report from last Friday. Shares of Facebook Inc., Google parent Alphabet Inc. and Microsoft Corp. closed at record highs Monday, cresting a wave of strong U.S. job growth last month despite a wave of criticism over their outsize influence on the economy and in the lives of Americans.

On Monday, the Institute for Supply Management said its services index jumped to 63.7% in March, its highest since 1997, from 55.3%. Orders for U.S. manufactured goods fell 0.8% in February. This was the first decline since the depth of the coronavirus recession last April. Orders were up 2.7% in January. Economists were expecting a 0.6% decline in February factory orders.

U.S. crude futures slid \$2.80, or 4.6%, to settle at \$58.65 a barrel on the NYME after OPEC+ eased production curbs. In precious metals, the most active futures contract for gold closed fractionally higher, up 40 cents to settle at \$1,728.80 an ounce on Comex as investors rotated to riskier assets.

The prospect of a sharp economic recovery, powered by a \$1.9 trillion COVID aid package, with President Joe Biden also backing a \$2.3 trillion infrastructure program, has also stoked worries that the economy may overheat and compel the Federal Reserve to raise interest rates sooner than initial projections for 2023 or 2024. Treasury Secretary Janet Yellen called for a global minimum corporate tax as she supports the Biden administration's efforts to finance its infrastructure plan.

Asian equities are mixed but largely higher on Tuesday after the S&P 500 and Dow indexes set records on Monday as a streak of strong U.S. economic data fueled optimism even as a smaller-than-expected climb in 10-year Treasury notes eased inflation concerns. A recovery in China's services sector picked up speed in March as firms hired more workers and business optimism surged, although inflationary pressures remained, a private sector survey showed on Tuesday. The Caixin/Markit services Purchasing Managers' Index (PMI) rose to 54.3, the highest since December, from 51.5 in February, well above the 50-mark that separates growth from contraction on a monthly basis.

Indian benchmark equity indices began the new trading week on April 05 on a negative note, as rising coronavirus cases kept a check on investor sentiment. At close, the Nifty 50 index ended 1.5% or 230 points lower at 14,637.

On April 05, Nifty filled the upgap made on March 30 in the morning weakness. Severely adverse advance decline ratio suggests broad nervousness in the markets. RBI's credit policy and Q4 earnings numbers create some added uncertainty for traders when Covid cases are on the rise. Indian markets have underperformed severely. Nifty could remain in the 14471-14814 band for the next few days with downward bias.

## GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	33527	373.98	1.13
S & P 500	4078	58.04	1.44
NASDAQ	13706	225.49	1.67
FTSE	6737	23.67	0.35
CAC	6103	35.73	0.59
DAX	15107	98.83	0.66
NIKKEI	30069	-20.25	-0.07
SHNAGAI	3484	18.06	0.52
HANG SENG	28939	560.39	1.97
BOVESPA	117518	2265.13	1.97

## EXCHANGE RATES

	Value	% Change
USD/INR	73.3	0.20
EURO/USD	1.182	0.03
USD/GBP	1.391	0.06
USD/JPY	110.3	0.08

## COMMODITIES

	Value	%
Gold (\$ / Oz)	1735.4	0.38
Silver (\$ / Oz)	25.0	0.90
Crude Oil Futures	59.4	1.24
Brent Oil (\$ / Barrel)	62.8	0.95

## BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.123	-0.053

## ADR

	Value \$	%
Dr Reddys Labs	62.1	-0.96
HDFC Bank	75.8	-2.44
ICICI Bank	15.8	-2.34
Tata Motors	20.9	-0.48
Wipro	6.54	0.62
Vedanta Ltd	12.80	0.71
INFOSYS	19.37	1.89

### Gross NPAs of banks may rise to 9.6-9.7% by March-end: Report

As the impact of various relief measures, including a moratorium on loan repayment and asset classification standstill wanes off, gross non-performing assets of banks may likely rise to 9.6-9.7 per cent by March 31, 2021. According to ICRA Ratings, GNPA's (gross non-performing assets) of banks may worsen further to 9.9-10.2 per cent by March 31, 2022.

### HDFC Bank advances up 14%, deposits rise 16% at end of March 2021:

HDFC Bank's advances registered nearly 14 per cent growth by end of March 2021 at Rs 11.32 lakh crore, while deposits were up by over 16 per cent at Rs 13.35 lakh crore. The domestic retail loans at end of March 2021, were up by around 7.5 per cent and the domestic wholesale loans grew by around 21 per cent year-on-year. Bank's CASA ratio stood at around 46 per cent as of March 31, 2021, as compared to 42.2 per cent as of March 31, 2020

### IndusInd Bank's advances up 3% YoY, while total deposits rose by 27% YoY:

IndusInd Bank has reported that its deposits have increased by 27% YoY during the fourth quarter, while advances saw an increase of 3% both YoY and QoQ for the same period. The CASA ratio has improved to 41.8% compared to 40.5% in Q3FY21.

### Federal Bank gross advances up by 9% at Rs 1.35 lakh crore by March 21; deposits up 13%:

Federal Bank reported a 9 per cent increase in its gross advances to nearly Rs 1.35 lakh crore (Rs 1,34,876 crore) by the end of March 31, 2021. Total deposits were up by 13 per cent at Rs 1,72,655 crore as against Rs 1,52,290 crore. Liquidity coverage ratio grew to 206.91 per cent as against 196.65 per cent for the period under review. While the CASA ratio moved up to 33.81 per cent as of March 2021 from 30.50 per cent by year ago month.

### Yes Bank loans, advances up 0.8% at Rs 1.73 lakh crore by March-end; deposits up 55%:

Yes Bank said its loans and advances grew by a marginal 0.8 percent on a year-on-year basis to Rs 1,72,850 crore at the end of March 2021. The gross retail disbursements during March quarter was at Rs 7,828 crore, up by 154.3 percent from year ago quarter's Rs 3,078 crore. The credit-to-deposit ratio stood at 106.1 percent at end of FY21, lower than 162.7 percent in the year-ago period.

### Avenue Supermarts Limited - Q4FY21 Business Update:

Standalone Revenue from operations for the quarter stood at Rs 7,303.13 crore up 17.9% YoY. The total number of stores as of March 31, 2021 stood at 234. (During FY 2020-21, the company opened 22 new stores and converted 2 stores into fulfilment centers for Avenue E-commerce Limited).

## **Parag Milk Foods to raise Rs 316 crore from IFC, Sixth Sense Venture Advisors, promoters:**

Parag Milk Foods plans to raise a total of Rs 316 crore by preferential allotment of equity shares, foreign currency convertible bonds (FCCBs) and other instruments from IFC and Sixth Sense Venture Advisors and promoters. IFC and Sixth Sense Venture Advisors, will invest Rs 155 crore and Rs 50 crore, respectively. Promoter and family will further invest Rs 111 crore, maintaining the promoter stake at 46 per cent, Parag Milk Foods said in a regulatory filing.

## **Airtel, Apollo 24/7 join hands to provide e-healthcare services:**

Bharti Airtel partnered with health app Apollo 24/7 to offer a wide range of e-healthcare services to its customers as part of their exclusive Thanks benefits. Under the collaboration, Airtel Platinum and Gold customers will get complimentary membership to Apollo Circle. This will include virtual consultation with top doctors and specialists from Apollo, online test booking along with home sample collection facility, home delivery of medicines with cashback benefits etc.

## **JK Tyre inks partnership with JBM Auto:**

JK Tyre and Industries said it has inked a supply agreement with JBM Auto. As per the pact, the tyre maker will supply its 'SMART' radial tyres for JBM Auto's Citylife (CNG) and Ecolife electric buses. SMART Tyre is an indigenous product from JK Tyre, which provides real-time information about the health of the tyres through smart sensors.

## **Tech Mahindra to launch 'Stablecoin-as-a-Service' Blockchain Solution with Quantoz for Global BFSI Customers:**

Tech Mahindra and Quantoz, Netherlands-based innovative Blockchain technology application incubator, specialized in building and implementing Blockchain-based solutions, to launch 'Stablecoin-As-A-Service' blockchain solution for global banks and financial institutions. The usage of Stablecoins as a payment mechanism has significant potential to reduce transaction costs and processing time, while providing auditability and enhancing security. Tech Mahindra will help customers integrate Quantoz' NEXUS platform into their legacy infrastructure, which will enable automated token, crypto and fiat transaction processing for a variety of banking and payment functions.

## **RDIF and Panacea Biotech agree to produce 100 million doses of Sputnik V vaccine:**

The Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund), and Panacea Biotech announced cooperation to produce 100 million doses per year of Sputnik V, the world's first registered vaccine against coronavirus. Production of Sputnik V at Panacea Biotech sites will help facilitate global supply of Sputnik V to international partners of RDIF. To date Sputnik V has been registered in 59 countries globally with total population of over 1.5 billion people. Efficacy of Sputnik V is at 91.6% as confirmed by the data published in the Lancet, one of the World's oldest and most respected medical journals. The vaccine is based on a proven and well-studied platform of human adenoviral vectors and uses two different vectors for the two shots in a course of vaccination, providing immunity with a longer duration than vaccines using the same delivery mechanism for both shots.

## **Important news/developments to influence markets**

- The IHS Markit India Manufacturing PMI decreased to 55.4 in March 2021, the lowest since last August, from 57.5 in the previous month.
- The au Jibun Bank Japan Services PMI was revised higher to 48.3 in March 2021, from a preliminary estimate of 46.5, signaling a softer, albeit sustained contraction in activity.
- The IHS Markit US Services PMI was revised higher to 60.4 in March 2021, from a preliminary estimate of 60.0 and above the previous month's reading of 59.8, signaling the fastest output growth since July 2014.
- The ISM Services PMI jumped to 63.7 in March of 2021 from 55.3 in February, well above forecasts of 59. The reading pointed to the strongest growth in services activity ever.
- New orders for U.S.-made goods fell in February, likely weighed down by unseasonably cold weather. The Commerce Department said on Monday that factory orders dropped 0.8% after surging 2.7% in January. Orders increased 1.0% on a year-on-year basis.

## Daily Technical View on Nifty

### *Weakness at the hurdle again...*

**Observation:** After showing a sustainable upside bounce on Thursday, Nifty witnessed sharp fall on Monday and closed the day lower by 229 points amidst a recovery from the lows. A sustainable intraday upside recovery has emerged from a day's low of 14459 and Nifty finally closed the day by erasing some of intraday loss.

A long negative candle was formed on Monday on the daily chart with lower shadow. This indicate a sharp profit booking from the highs-resistance and the emergence of buying from the lower supports. The crucial overhead resistance of around 14880 has proved to be a tough task for the market as of now (resistance as per change in polarity), we observe that the market not able to sustain above this hurdle for the second occasions recently, despite closing at the edge of it.

Nifty as per intraday timeframe like 60 mins has formed a promising upside reversal pattern on Monday afternoon and showed upside bounce from the lows. Currently, this upside bounce has been facing stiff resistance around 14680 levels and a decisive move above this area could pull market to retest the crucial upper resistance of around 14880 levels again in the coming sessions.

The Monday's sharp weakness has not changed the sentiment as per daily chart. The long lower shadow on the daily candle signal chances of Nifty moving up again to retest the key overhead resistance of 14900 levels again in the next few sessions. A sustainable move only above 14900 could open more upside for the near term.

**Conclusion:** The short term trend of Nifty is range bound around 14900-14400. The pattern of selling at resistance and buying at support continued. Present daily and intraday chart setup signal chances of yet another upside bounce towards 14900 levels again in the short term, before showing another round of weakness from the highs. Intraday resistance is now placed at 14700.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14637	Buy on dips	14400	Positive	14260
	Target 14880		Target 15050	





## SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	1-APR-21	BUY	LUPIN APR FUT	1028.75-1010	1034.4	998.0	1061.0	3	6-APR-21
2	5-APR-21	SELL	M&M APR FUT	782.25-802	781.0	811.0	754.0	3	14-APR-21
3	5-APR-21	BUY	WIPRO APR FUT	424.75-415	428.6	412.5	437.7	2	8-APR-21
4	5-APR-21	BUY	BHARTI AIRTEL APR FUT	530.8	530.6	521.0	545.0	3	6-APR-21
5	30-MAR-21	BUY	TORRENT PHARMA	2511.50-2415	2521.6	2390.0	2675.0	6	8-APR-21
6	1-APR-21	BUY	ELECON ENGINEERING	65-67.50	65.5	63.0	74.0	13	15-APR-21
7	5-APR-21	BUY	ALEMBIC	106.65-102.75	105.9	100.7	114.0	8	14-APR-21

## OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	28-JAN-21	BUY	BIOCON*	384.3	406.5	352.0	415.0	450.0	11	28-APR-21
2	11-FEB-21	BUY	SUN TV	522.0	469.2	390.0	640.0	735.0	57	10-AUG-21
3	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	379.7	325.0	475.0	523.0	38	15-AUG-21
4	3-MAR-21	BUY	TRIVENI ENGINEERING	90.4	81.4	79.0	104.0	104.0	28	1-JUN-21
5	3-MAR-21	BUY	FLURO CHEMICALS	607.7	608.4	530.0	682.0	682.0	12	1-JUN-21
6	1-APR-21	BUY	GSFC	85.1	86.0	78.0	93.0	104.0	21	30-JUN-21
7	5-APR-21	BUY	LAURAS LAB	374.9	373.8	340.0	422.0	480.0	28	4-JUL-21

\*= 1st Target Achieved

## OPEN DERI POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	19-MAR-21	BUY	BANK OF BARODA APR FUT	73.6	73.0	66.0	79.0	88.0	21	TILL 29TH APR 21
2	1-APR-21	BUY	RBL BANK APR FUT	215.0	207.2	203.0	232.0	250.0	21	TILL 29TH APR 21
3	1-APR-21	BUY	CUB APR FUT	161.5	157.3	149.0	170.0	190.0	21	TILL 29TH APR 21
4	5-APR-21	SELL	BAJAJ FINANCE APR FUT	5055.6	4998.9	5350.0	4761.0	4466.0	11	TILL 29TH APR 21
5	5-APR-21	SELL	ICICI BANK APR FUT	566.4	575.1	600.0	532.0	499.0	13	TILL 29TH APR 21
6	5-APR-21	BUY	LTI APR FUT	4264.5	4321.6	4025.0	4550.0	4810.0	11	TILL 29TH APR 21

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	23-NOV-20	BUY	BATA INDIA*	1464.0	1396.6	1330.0	1630.0	1850.0	32	23-MAY-21
2	1-APR-21	BUY	NALCO	57.6	57.8	53.0	62.2	72.0	25	1-OCT-21
3	5-APR-21	BUY	TATA ELXSI	2804.4	2855.8	2580.0	3050.0	3250.0	14	5-JUL-21

\*= 1st Target Achieved

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