

THE DAILY

Date: 08 April 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	49662	460	0.94
NIFTY	14819	136	0.92
MIDCAP	20653	167	0.82
SMALL CAP	21293	273	1.30

SECTORAL INDICES

	Close	Points	% Change
AUTO	22389	371	1.69
BANKEKX	37302	577	1.57
METAL	15643	233	1.52
Finance	7309	92	1.27
TECK	12391	133	1.08
IT	27656	292	1.07
REALTY	2634	28	1.07
OIL & GAS	14950	153	1.03
Healthcare	22129	202	0.92
CD	32259	232	0.72
CG	21132	62	0.30
POWER	2540	-6	-0.22

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
THERMAX	9.97	ATGL	-8.44
CHOLAFIN	7.14	ADANIENT	-5.06
ABCAPITAL	7.13	ADANITRANS	-4.96
CUB	6.63	ADANIPOINTS	-2.76
ATUL	5.17	LALPATHLAB	-2.55

ADVANCE/DECLINES

	BSE	%
ADVANCES	1837	59
DECLINES	1111	35
UNCHANGED	184	6

INSTITUTIONAL ACTIVITY

Rs Cr	07/04/21	06/04/21	Apr Total
FII	227	-1093	-2616 (prov.)
DII	381	417	6542 (prov.)

Indian markets could open mildly higher, following mixed Asian markets today and flat US markets on Wednesday.....

U.S. stocks closed nearly unchanged Wednesday in lackluster action, after the release of minutes from the Federal Reserve's March policy meeting showed that central bank staffers were in no hurry to tighten monetary support amid the coronavirus pandemic and were united on the need to see more progress on economic recovery before scaling back their bond-buying program. Traders have scaled back their most-aggressive positioning for the Federal Reserve to start raising rates by the end of next year.

The U.S. trade deficit surged to a record high in February as the nation's economic activity rebounded more quickly than that of its global rivals and could remain elevated this year, with massive fiscal stimulus expected to spur the fastest growth in nearly four decades. The trade deficit jumped 4.8% to a record \$71.1 billion in February. U.S. consumer borrowing accelerated in February and consumers started to use their credit cards again as the economy recovered from the coronavirus pandemic. Total consumer credit grew at a 7.9% annual growth rate, after remaining flat in January.

A second wave of Covid-19 infections is expected to slow India's economic recovery in the three months between April to June, according to Goldman Sachs. The investment bank on Tuesday lowered India's growth forecast for the quarter from 33.4% year-on-year previously, to 31.3%. It cited lower consumption and services activity likely due to increased social restrictions that are being put in place by India's state and federal governments to tackle the new outbreak. Goldman said it expects gross domestic product (GDP) to contract sequentially by 12.2% quarter-on-quarter on an annualized basis for the three months ending June — which marks the first quarter of India's fiscal year that began on April 1 and ends on March 31, 2022.

Capacity utilisation in India's manufacturing sector improved in the quarter ended December 2020 amid further easing of restrictions. The metric stood at 66.6% in the three-month period, up from 63.3% in the preceding quarter, according to data from the Reserve Bank of India's "Order Books, Inventories and Capacity Utilisation Survey". Consumer confidence dipped to 53.3 in March 2021 from 55.5 in January 2021, according to the RBI's survey on consumer confidence. Future expectations also dipped to 108.8 from 117.1 in the same duration.

Stocks in Asia-Pacific traded mixed on Thursday morning tracking Wall Street's cautious gains on Wednesday.

Indian benchmark equity indices ended higher for the second day in a row on April 07 as benchmark indices saw buying interest in banking, auto and technology names post the MPC meet outcome. At close the NSE Nifty 50 gained 0.92% or 135.5 points to end at 14,819. Indian markets rose the most in the Asian region boosted by the outcome of the MPC meet.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	33446	16.02	0.05
S & P 500	4080	6.01	0.15
NASDAQ	13689	-9.54	-0.07
FTSE	6885	61.77	0.91
CAC	6131	-0.68	-0.01
DAX	15176	-36.32	-0.24
NIKKEI	29607	-123.79	-0.42
SHNAGAI	3469	-10.48	-0.30
HANG SENG	28747	168.00	0.59
BOVESPA	117624	124.71	0.11

EXCHANGE RATES

	Value	% Change
USD/INR	74.4	0.20
EURO/USD	1.187	-0.03
USD/GBP	1.374	0.07
USD/JPY	109.8	-0.07

COMMODITIES

	Value	%
Gold (\$ / Oz)	1737.0	-0.27
Silver (\$ / Oz)	25.1	-0.62
Crude Oil Futures	59.4	-0.59
Brent Oil (\$ / Barrel)	62.8	-0.35

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.082	-0.041

ADR

	Value \$	%
Dr Reddys Labs	62.6	-0.60
HDFC Bank	74.6	-1.11
ICICI Bank	15.6	0.71
Tata Motors	20.5	-1.87
Wipro	6.54	0.15
Vedanta Ltd	12.76	-0.62
INFOSYS	19.21	-0.67

Nifty took resistance exactly from the anticipated level of 14880 on April 07 despite multiple attempts to breach it post 1100 Hrs and closed about 60 points lower. 14883 continues to be resistance for the Nifty while a breach of 14629-14776 could result in some more weakness. A move above 14883 could take the Nifty to 15050 soon.

RBI Monetary Policy: MPC holds repo rate at 4%, retains accommodative stance:

The MPC voted unanimously to leave the policy repo rate unchanged at 4% as expected and continues to maintain accommodative stance. The Marginal Standing Facility (MSF) rate and the Bank rate remain unchanged at 4.25%. The reverse repo rate stands unchanged at 3.35%. RBI has marginally increased the inflation guidance while retaining the GDP growth guidance for FY22 at 10.5%. CPI inflation is now projected at; 5.2% in H1FY22, 4.4% in Q3 and 5.1% in Q4 of FY22 with risk broadly balanced. RBI's projection of real GDP growth is retained at 10.5% for FY22 consisting of 26.2% in Q1; 8.3% in Q2; 5.4% in Q3; and 6.2% in Q4. The highlight of the MPC's meet was the announcement of 'Secondary market G-sec acquisition programme or G-SAP 1.0', wherein the RBI will commit upfront to a specific amount of open market purchases of government securities thus anchoring the yields and ensuring comfortable liquidity conditions.

Dixon inks pact with Bharti Enterprises to form JV for manufacturing telecom products:

Dixon Technologies, has entered into a pact with Bharti Enterprises to form a joint venture to manufacture of telecom and networking products. Dixon's wholly-owned subsidiary-Dixon Electro Appliances or any other company identified by the parties will be the JV company which will undertake manufacturing of telecom and networking products like modems, routers, set top boxes, IOT devices, etc for the telecom sector/industry including Airtel.

IDFC First Bank raises Rs 3000cr via QIP issue:

IDFC First Bank has raised Rs 3,000 crore through a qualified institutional placement (QIP) offer. IDFC First Bank informed in an exchange filing that the Capital Raising Committee the bank at its meeting held on April 06, 2021, approved the issue and allotment of 52,31,03,660 Equity Shares of face value of Rs 10 each to qualified institutional buyers at an issue price of Rs 57.35 per Equity Share aggregating to Rs 3,000 crore.

Muthoot Finance Ltd to raise Rs. 1,700 crores through Public Issue of Secured Redeemable NCDs:

Muthoot Finance Ltd has announced its 25th series of Public Issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each. The Issue is with a base issue size of Rs 100 crores with an option to retain oversubscription upto Rs 1600 crores aggregating upto tranche limit of Rs 1700 crores. The Issue opens on 08th April, 2021 and closes on 29th April, 2021.

The Secured NCDs proposed to be issued under this Issue have been rated CRISIL AA+/ Stable by CRISIL and [ICRA] AA+ (Stable) by ICRA. The allotment will be on first come first serve basis. There are 8 investment options for Secured NCDs with 'Monthly' or 'Annual' interest payment frequency or 'on maturity redemption' payments with coupon ranging from 6.60% p.a to 8.25% p.a.

IL&FS sells environ biz to Everstone arm, to pare Rs 1200cr debt:

Infrastructure Leasing & Financial Services (IL&FS) has sold the entire stake in the waste management arm IL&FS Environmental Infrastructure & Services (IEISL) and its subsidiaries to EverEnviro Resource Management (EverEnviro), an arm of the PE major Everstone Group. Though the value of the deal was not specifically disclosed, the said sale will reduce its overall debt by ₹1,200 crore, which is the combined debt of entities under the group's environment businesses.

Cairn, ONGC pay higher profit share for Barmer block:

Cairn Oil & Gas and state-run Oil and Natural Gas Corporation Ltd (ONGC) have paid higher profit share to the government for their Rajasthan block for the period after its production-sharing contract (PSC) came to an end on 15 May last year. Cairn Oil & Gas and ONGC paid \$55 million as higher government share from the Barmer hydrocarbon block, known as profit petroleum, for the period, following a Delhi high court order last month on an appeal by the Union government. The PSC was signed on 15 May 1995 for a 25-year period.

Airtel launches 5G-ready IoT platform to drive enterprise business:

Bharti Airtel has launched its 5G-ready Internet of Things (IoT) platform with the capability to connect and manage “billions of devices and applications” as the company further looks to build its enterprise business in the country. Company is targeting automobiles, manufacturing, BFSI utility and industry 4.0 verticals to drive growth for its IoT platform and the IoT business as a whole.

Important news/developments to influence markets

- The MPC voted unanimously to keep rates steady and retain the accommodative monetary policy stance, Das said adding that it would do so while keeping a leash on inflation.
- Data analytics firm IHS Markit on Wednesday said India's purchasing managers' index (PMI) for services fell to 54.6 in March from 55.3 in February, registering a slower but still marked pace of expansion.
- Japan Foreign Reserves dipped from previous \$1379.4B to \$1368.5B in March.
- Japan's coincident indicator index fell in February, the Cabinet Office said. The index of coincident economic indicators, which consists of a range of data including factory output, employment and retail sales, slipped a preliminary 1.3 points from the previous month to 89.0 in February.
- Japans leading index hit the highest level in nearly three years in February, preliminary data from the Cabinet Office showed. The leading index, which measures the future economic activity, grew to 99.7 in February from 98.5 in January.
- The Eurozone's Purchasing Managers Index (PMI) Services Business Activity Index increased from 45.7 recorded in February to 49.6 in March.
- Growth in Germany's private sector accelerated in March to its highest level in more than three years. IHS Markit's final services Purchasing Managers' Index (PMI) jumped to 51.5 last month from 45.7 in February.
- United Kingdom Services PMI Business Activity Index stood at 56.3 in March, representing an increase of 6.8 index points compared to the month before.
- The trade deficit in the US widened for the second month to USD 71.1 billion in February of 2021 from a revised USD 67.8 billion in the previous month.
- US crude oil inventories fell by 3.522 million barrels in the April 2nd week, following a 0.876 million decline in the previous period.

Daily Technical View on Nifty

Make or Break of crucial area...

Observation: After showing consolidation movement on Tuesday, Nifty witnessed sustainable upmove on Wednesday and closed the day higher by 135 points. A sustainable upmove has emerged till afternoon on Wednesday, before showing another round of consolidation at the highs.

A long positive candle was formed on Wednesday on the daily chart with lower and minor upper shadow. Technically, this pattern indicate an upside bounce in the market after one session of sharp weakness of Monday. The crucial overhead resistance of 14880 levels (resistance as per change in polarity) came into scene on Wednesday, as Nifty retested the hurdle by forming a day's high of 14879, before showing minor weakness from the highs.

Previously, in the three occasions the Nifty has witnessed sharp downward reversal from near this resistance area (14880) in subsequent sessions, after closing at the edge of this area in previous sessions. The Nifty has closed again at the edge of this hurdle on Wednesday (made a high of 14879) and there is odds of down side turnaround of Nifty from the highs, as happened in the past. But, a sustainable move above 14900 levels could bring sharp upside momentum back into action.

The formation of broader range movement with minor declines below the hurdle and a formation of consistent higher lows in last three daily candles could signal optimistic view in the market.

Conclusion: The short term trend of Nifty is positive with range bound action. The market is now placed near the make or break - crucial area of 14900 levels.

The short term chart pattern indicate minor intraday weakness or consolidation movement around 14880 levels before showing a sustainable upside breakout in the short term. Immediate support is placed at 14730.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14819	Bullish	14460	Bullish	14260
	Target 14900		Target 15200	



SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	6-APR-21	BUY	BIOCON 415 APR CALL OPTION	14.6	14.4	11.1	18.3	28	9-APR-21
2	7-APR-21	BUY	NIFTY 15000 APR CALL OPTION (15 APRIL EXPIRY)	95.35	91.0	78.0	120.0	32	14-APR-21
3	1-APR-21	BUY	LUPIN APR FUT	1028.75-1010	1040.8	998.0	1061.0	2	15-APR-21
4	5-APR-21	SELL	M&M APR FUT	782.25-802	800.3	811.0	754.0	6	14-APR-21
5	7-APR-21	BUY	PETRONET APR FUT	229-232.65	231.7	226.0	239.6	3	14-APR-21
6	7-APR-21	BUY	PIDILITE INDUSTRIES APR FUT	1899-1870	1895.7	1859.0	1953.0	3	12-APR-21
7	1-APR-21	BUY	ELECON ENGINEERING	65-67.50	67.8	63.0	74.0	9	15-APR-21
8	6-APR-21	BUY	SUNTECK	283.95-273	283.1	270.0	305.0	8	15-APR-21
9	6-APR-21	BUY	GLOBUS SPIRIT	325-334.95	335.4	318.0	360.0	7	20-APR-21
10	6-APR-21	BUY	Bharti Airtel	534.80-514	541.6	509.0	568.0	5	15-APR-21
11	7-APR-21	BUY	CESC	617.15-599	623.7	590.0	654.0	5	16-APR-21
12	7-APR-21	BUY	KOTAK BANK	1808.45-1754	1792.0	1727.0	1899.0	6	16-APR-21
13	7-APR-21	BUY	NOCIL	178-183	184.6	175.0	196.0	6	21-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	414.2	352.0	415.0	450.0	9	28-APR-21
2	11-FEB-21	BUY	SUN TV	522.0	477.0	390.0	640.0	735.0	54	10-AUG-21
3	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	383.8	325.0	475.0	523.0	36	15-AUG-21
4	3-MAR-21	BUY	TRIVENI ENGINEERING	90.4	84.7	79.0	104.0	104.0	23	1-JUN-21
5	3-MAR-21	BUY	FLURO CHEMICALS	607.7	619.6	530.0	682.0	682.0	10	1-JUN-21
6	7-APR-21	BUY	KOLTE PATIL	242.8	243.0	221.0	268.0	-	10	6-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	74.6	66.0	79.0	88.0	18	TILL 29TH APR 21
2	1-APR-21	BUY	CUB APR FUT	161.5	166.0	149.0	170.0	190.0	14	TILL 29TH APR 21
3	5-APR-21	SELL	BAJAJ FINANCE APR FUT	5055.6	5096.7	5350.0	4761.0	4466.0	12	TILL 29TH APR 21
4	5-APR-21	SELL	ICICI BANK APR FUT	566.4	579.7	600.0	532.0	499.0	14	TILL 29TH APR 21
5	5-APR-21	BUY	LTI APR FUT	4264.5	4327.9	4025.0	4550.0	4810.0	11	TILL 29TH APR 21
6	7-APR-21	BUY	LIC HOING FINANCE APR FUT	428.5	421.8	415.0	450.0	470.0	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	1387.8	1330.0	1630.0	1850.0	33	23-MAY-21
2	1-APR-21	BUY	NALCO	57.6	59.2	53.0	62.2	72.0	22	1-OCT-21
3	5-APR-21	BUY	TATA ELXSI	2804.4	2946.4	2580.0	3050.0	3250.0	10	5-JUL-21
4	6-APR-21	BUY	SUN PHARMA	616.7	621.1	570.0	663.0	757.0	22	6-OCT-21
5	6-APR-21	BUY	PFC	114.9	116.6	105.5	127.0	-	9	6-JUL-21
6	7-APR-21	BUY	IPCA LAB	1939.3	2027.0	1785.0	2095.0	2190.0	8	7-JUL-21
7	7-APR-21	BUY	UNION BANK	36.6	36.8	33.5	40.5	-	10	7-JUL-21

*= 1st Target Achieved

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