

THE DAILY

Date: 09 April 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	49746	84	0.17
NIFTY	14874	55	0.37
MIDCAP	20778	125	0.60
SMALL CAP	21450	156	0.73

SECTORAL INDICES

	Close	Points	% Change
METAL	16338	695	4.44
CD	33093	834	2.58
IT	27922	267	0.96
TECK	12507	116	0.93
REALTY	2658	24	0.92
CG	21237	105	0.50
Healthcare	22210	81	0.37
OIL & GAS	14991	41	0.28
AUTO	22446	56	0.25
Finance	7290	-18	-0.25
BANKEK	37075	-227	-0.61
POWER	2514	-26	-1.04

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
JSWSTEEL	9.25	ATGL	-10.00
NATCOPHARM	7.24	ADANITRANS	-5.00
JINDALSTEL	6.95	THERMAX	-3.54
SAIL	6.51	IDEA	-3.48
OFSS	5.35	CHOLAFIN	-2.56

ADVANCE/DECLINES

	BSE	%
ADVANCES	1857	60
DECLINES	1061	34
UNCHANGED	167	5

INSTITUTIONAL ACTIVITY

Rs Cr	08/04/21	07/04/21	Apr Total
FII	111	227	-2505 (prov.)
DII	553	381	7095 (prov.)

Indian markets could open flat, following flat to mildly negative Asian markets today and despite positive Nasdaq on Thursday.....

The S&P 500 index carved out its 19th record close in 2021 on Thursday, with technology shares leading stock-market gains, as investors digested comments on the global economy from Federal Reserve Chairman Jerome Powell. 10-year Treasury yields have stopped climbing higher, despite signs of a strengthening economy, that's given investors a bit of relief (10 year yields now at 1.63% vs recent high of 1.77%) and helped to boost technology stocks again.

Fed Chairman Powell repeated his expectation that a rise in inflation this year would be temporary at a webinar on the global economic outlook hosted by the International Monetary Fund on Thursday.

Investors processed a worse-than-expected reading on the latest weekly jobless claims. A total of 744,000 Americans filed for unemployment benefits for the first time during the week ended April 3. Economists polled by Dow Jones expected first-time claims to total 694,000.

Gold futures finished higher, with the June contract climbing \$16.60, or nearly 1%, to settle at \$1,758.20 an ounce on Comex, around a six-week high.

Asian equities are set for a choppy trading session on Friday after technology stocks lifted the S&P 500 to a new record even as investors weighed an unexpected rise in the number of Americans filing new claims for unemployment benefits.

China's factory gate prices rose at their fastest annual pace since July 2018 in March, as growth in the world's second-largest economy continued to gather momentum. China's producer price index (PPI) rose 4.4% in annual terms. This compared with a median forecast for a 3.5% rise in a Reuters poll of analysts and a 1.7% rise in February. China's consumer price index (CPI) rose 0.4% from a year earlier in March, the statistics bureau said in a separate statement, compared with a median forecast for a 0.3% rise in a Reuters poll and a 0.2% decline in February.

Indian benchmark equity indices gained for the third straight day on April 08 – the longest such streak in a month - , however, weekly F&O related volatility dragged the indices lower from their intra day highs. At close, the NSE Nifty 50 index rose 0.4% to end at 14,873.

Nifty rose during the day on April 08 but gave up a big part of their gains towards the end. In the result it has formed a long legged doji post a minor rise. This suggests mild caution on the part of participants. On upmoves 14984-15050 band could provide resistance to the Nifty while 14716-14821 band could provide support.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	33504	57.31	0.17
S & P 500	4097	17.22	0.42
NASDAQ	13829	140.47	1.03
FTSE	6942	56.90	0.83
CAC	6166	35.06	0.57
DAX	15203	26.32	0.17
NIKKEI	29813	104.02	0.35
SHNAGAI	3461	-21.39	-0.61
HANG SENG	28789	-227.50	-0.78
BOVESPA	118313	689.65	0.59

EXCHANGE RATES

	Value	% Change
USD/INR	74.6	0.20
EURO/USD	1.191	-0.05
USD/GBP	1.374	0.03
USD/JPY	109.3	0.05

COMMODITIES

	Value	%
Gold (\$ / Oz)	1754.7	-0.20
Silver (\$ / Oz)	25.5	-0.45
Crude Oil Futures	59.8	0.25
Brent Oil (\$ / Barrel)	63.2	0.05

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.031	-0.050

ADR

	Value \$	%
Dr Reddys Labs	62.8	0.37
HDFC Bank	74.3	-0.42
ICICI Bank	15.4	-1.03
Tata Motors	20.9	2.40
Wipro	6.59	0.76
Vedanta Ltd	12.94	1.41
INFOSYS	19.32	0.57

PV retail sales up 28 pc, two-wheeler registrations drop 35 pc in March: FADA

A slowdown in two-wheeler sales pulled overall automobile retail into the red during the month of March even as passenger vehicle and tractor sales continued to grow in high double-digits, data show. Overall vehicle registrations, which is a proxy for retail, declined by 29% year-on-year in March as two-wheeler registrations declined by 35%. This, despite passenger vehicle (PV) and tractor sales growing by about 29% each.

Credit to medium industries in India saw jump of 21%: RBI MPC

The Monetary Policy Committee (MPC) report released on Wednesday mentioned that while credit to the industrial sector shrank by 0.2 per cent, credit to medium industries saw a whopping boost of 21 per cent. The report added that these numbers reflect measures taken by Indian government and the RBI with the aim to enhance credit flows to the MSME sector. According to the report, credit to agriculture grew by 10.2 per cent (y-o-y) in February 2021 – which is the highest since April 2017. Credit to the services sector also witnessed a strong growth.

JSW Steel output grows 6% in Q4; registers 6% fall in FY21:

JSW Steel reported nearly 6 percent year-on-year increase in its output at 4.19 million tonne (MT) for the quarter ended March 31, 2021. During January-March 2021, the company's production of flat rolled products rose by 4 percent to 2.99 MT, from 2.87 MT in the year-ago period. While the output of long rolled products registered a rise of 11 percent to 1.05 MT, from 0.95 MT in January-March quarter of 2019-20 fiscal. The company's average capacity utilisation improved to 93 percent in the last quarter. In March alone, the capacity utilisation was 96 percent. In the financial year 2020-21, the company saw its output falling by 6 percent to 15.08 MT, as against 16.06 MT in the preceding fiscal.

Metropolis Healthcare Ltd - Key business parameters for Q4FY21:

Metropolis Healthcare Ltd has achieved a revenue growth of ~40% YoY in Q4FY21. Non-Covid Business revenue increased by ~21% YoY in Q4FY21. No. of Patient Visits for Q4FY21 increased by ~30% YoY to 3.18 Mn as compared to 2.45 Mn in Q4FY20 and 2.67 Mn in Q3FY21. No. of Tests for Q4FY21 increased by ~24% YoY to 6.50 Mn as compared to 5.26 Mn in Q4FY20 and 5.12 Mn in Q3FY21. The company recorded highest ever monthly revenue in March 2021 on the back of strong growth in Non-covid business coupled with an uptick in covid business.



SH Kelkar Q4 FY21 provisional numbers:

On a consolidated basis, sales in the quarter stood at ~Rs 397cr (Provisional and unaudited figures and including consolidation of CFF performance). On a like to like basis, revenue grew 22% yoy at Rs 329cr (excluding CFF contribution). During the quarter, some of the raw materials saw moderate inflation. However, prudent inventory management enabled to efficiently manage the situation. Company has been able to maintain profitability margins at healthy levels during Q4 FY21. On the balance sheet front, the company was able to significantly lower its total debt during the quarter owing to strong collections, cash flows, and normalizing inventory levels. Net debt reduced by ~Rs 113cr and stood at ~Rs 379cr as on March, 2021 as compared to Rs 492cr as on Dec, 2020. This reduction in debt levels is in-sync with management commentary and guidance in the earlier communications. SH Kelkar has become the exclusive distributor for Isobionics Santalol in India. The new fragrance ingredient is the first joint product from BASF and Isobionics and is now available for the Indian market through the company. The new fragrance ingredient is an alternative to sandalwood oil and is produced on a biotechnological basis from renewable raw materials.

Centre approves Rs 1,210 cr highway projects in Uttarakhand:

The Centre has approved 28 highway projects worth Rs 1,210.17 crore in Uttarakhand, union Minister Nitin Gadkari said on Thursday. "Ministry of Road Transport and Highways has sanctioned 28 Projects of 231.04 Km worth 1210.17 Cr for the state of Uttarakhand," the road transport and highways minister said.

Vodafone-Idea launches 5G-ready IoT solutions for enterprises:

Vodafone Idea Ltd (VIL) launched internet of things (IoT) solutions comprising connectivity, hardware, network, application, analytics, security and support for enterprises that seek to digitize their businesses. The announcement comes a day after rival Bharti Airtel Ltd launched its IoT platform for enterprises.

Airtel refused to pay Videocon AGR dues:

The Department of Telecommunications (DoT) has told India's apex court that telecom major Bharti Airtel has refused to pay the adjusted gross revenue (AGR)-related dues of defunct telco Videocon Telecommunications (VTL), whose spectrum was acquired by the Sunil Mittal-led carrier in 2016.

Cadila Healthcare received US FDA nod for cancer and high blood pressure, treatment drug:

Zydus Cadila said it has received final approval from the US health regulator to market Ibrutinib Capsules, used to treat certain cancers. The company has also received nod to market Macitentan tablets, used to treat high blood pressure, in the American market. Company has received final approval from the US FDA to market Ibrutinib Capsules in the strengths of 70 mg and 140 mg. Ibrutinib belongs to a class of drugs known as kinase inhibitors and is used to treat certain cancers, such as mantle cell lymphoma or marginal zone lymphoma, chronic lymphocytic leukemia/small lymphocytic lymphoma. The company said that it is eligible for 180 days of generic drug exclusivity for Ibrutinib Capsules, 70 mg and for Ibrutinib Capsules, 140 mg. The 70 mg capsule has brand sales of US\$ 32.5million, while the 140 mg dose has brand sales of US\$ 745.9million.

FMCG companies step up supply amid fresh curbs in states

FMCG firms have stepped up frequency of supplies to the market and distributors in anticipation of more restrictions in the next few weeks as India battles a surge in covid-19 cases. Last year, as demand for essential goods remained strong FMCG firms created links with hyperlocal delivery partners, activated sales to distributors and retailers through digital platforms and worked deeply with business-to-business suppliers to ensure availability in stores.

Godrej Consumer on market expansion drive

Godrej Consumer Products (GCPL) has embarked on a go-to-market (GTM) mission to increase its overall distribution footprint to 1.5 million direct coverage outlets, from 1.2 million, and enhance indirect coverage to 7 million from 6 million in 2-3 years. It has also expanded the rural counter sub-stockist network by 30% by adding around 3,000 in the last one year. GCPL is also building its chemists' network and has appointed over 400 distributors and has acquired 50,000 chemist outlets.



Important news/developments to influence markets

- Japan's current account surplus for February marked the first year-on-year decrease in seven months. The current account balance logged a surplus of 2.92 trillion yen (\$27 billion), down 4.7 percent from the previous year while registering the 80th straight month of black ink.
- Foreign investors remained net sellers of Japanese equities in the week ended April 2. Overseas investors sold a net 534.83 billion yen (\$4.88 billion) worth of stocks last week.
- Japan's consumer confidence rose to the highest level in thirteen months in March, data from the Cabinet Office showed. On a seasonally adjusted basis, the consumer confidence index increased to 36.1 in March from 33.9 in February.
- A measure of the public assessment of the Japanese economy increased in March, survey data from the Cabinet Office showed. The current conditions index of the Economy Watchers' Survey, which measures the current situation of the economy, increased to 49.0 in March from 41.3 in February. In January, the reading was 31.2.
- Factory orders in Germany rose for the second consecutive month in February, official figures showed. Orders were up 1.2% compared with January, which itself saw a 0.8% gain, the Economy Ministry said.
- Producer prices in the Eurozone (EA19) increased in February, moving up by 0.5% compared to the previous month and by 1.5% in comparison to the same month a year prior, Eurostat said. On a monthly basis, the prices of the intermediate goods advanced 2.4% in the euro area.
- UK house sales picked up sharply in March amid signs that the extension of a stamp duty holiday had an immediate impact on the housing market, according to surveyors. Rics said that with demand for homes continuing to outstrip supply, house prices increased, with a net balance of 59% of surveyors seeing an increase since February's survey was published.
- Applications for US state unemployment insurance unexpectedly rose for a second week, underscoring the uneven nature of the labor market recovery. Initial claims in regular state programs increased by 16,000 to 744,000 in the week ended April 3, Labor Department data showed

Daily Technical View on Nifty

Display of lack of strength...

Observation: After showing a sustainable upmove on Wednesday, Nifty moved up on Thursday with high volatility and closed the day higher by 54 points. After opening on an upside gap of 56 points on Thursday, Nifty moved up further in the early-mid part of the session, before shifting into a consolidation movement with buy on dips opportunity. Sharp intraday weakness got triggered from the day's high of 14984 in the afternoon and Nifty slipped into weakness and filled the opening upside gap completely. The market closed the day with upside recovery note.

A doji type candle was formed on the daily chart (upper and lower shadow with almost identical open and close) at the swing high of 14984, which indicate a possibility of false upside breakout of the resistance. The resistance as per change in polarity and previous swing highs was broken on the upside at 14880 as per intraday and Nifty sustained above this area for the better part of the session. But the weakness of later part of Thursday has pulled the market down and Nifty closed at the edge of this area at 14873.

The false upside breakout attempt is not a good sign and a formation of doji after a reasonable upmove as per daily chart could mean a sign of confusion at the swing highs. This could also be considered as a lack of strength in the market to sustain above the resistance. Hence, a decisive move above 14950 could only open more upside for the market ahead.

Conclusion: The short term trend of Nifty is still positive, but the market seems to have started to show lack of strength to witness upside breakout of 14900.

If Nifty fails to move/sustain above 14950 in the next 1-2 session, then one may expect beginning of another round of downward correction from the highs. Immediate support is placed at 14780.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14873	Bullish	14650	Bullish	14260
	Target 14950		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	13.2	11.1	18.3	39	9-APR-21
2	7-APR-21	BUY	PETRONET APR FUT	229-232.65	231.1	226.0	239.6	4	14-APR-21
3	7-APR-21	BUY	PIDILITE INDUSTRIES APR FUT	1899-1870	1909.6	1859.0	1953.0	2	12-APR-21
4	8-APR-21	BUY	TATA MOTORS APR FUT	313-317.50	315.4	308.0	327.0	4	15-APR-21
5	8-APR-21	BUY	TECH MAHINDRA APR FUT	1034.20-1002	1032.8	987.0	1085.0	5	19-APR-21
6	8-APR-21	BUY	EXIDE INDS APR FUT	185.50-188.75	187.2	184.0	194.3	4	15-APR-21
7	8-APR-21	BUY	COLGATE PALMOLIVE APR FUT	1588.45-1565	1597.2	1559.0	1636.0	2	13-APR-21
8	8-APR-21	BUY	PEL APR FUT	1800-1823	1798.0	1789.0	1880.0	5	13-APR-21
9	6-APR-21	BUY	SUNTECK	283.95-273	289.5	270.0	305.0	5	15-APR-21
10	6-APR-21	BUY	GLOBUS SPIRIT	325-334.95	334.9	318.0	360.0	7	20-APR-21
11	6-APR-21	BUY	Bharti Airtel	534.80-514	543.0	509.0	568.0	5	15-APR-21
12	7-APR-21	BUY	CESC	617.15-599	628.9	590.0	654.0	4	16-APR-21
13	7-APR-21	BUY	KOTAK BANK	1808.45-1754	1783.3	1727.0	1899.0	6	16-APR-21
14	7-APR-21	BUY	NOCIL	178-183	180.9	175.0	196.0	8	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	413.3	352.0	415.0	450.0	9	28-APR-21
2	11-FEB-21	BUY	SUN TV	522.0	480.6	390.0	640.0	735.0	53	10-AUG-21
3	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	390.1	325.0	475.0	523.0	34	15-AUG-21
4	3-MAR-21	BUY	TRIVENI ENGINEERING	90.4	89.6	79.0	104.0	104.0	16	1-JUN-21
5	3-MAR-21	BUY	FLURO CHEMICALS	607.7	620.7	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
7	8-APR-21	BUY	CADILA HEALTHCARE	467.9	470.7	430.0	506.0	550.0	7	7-JUL-21
8	8-APR-21	BUY	IMFA	535.0	538.2	478.0	600.0	680.0	11	7-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	73.9	66.0	79.0	88.0	19	TILL 29TH APR 21
2	1-APR-21	BUY	CUB APR FUT	161.5	167.9	149.0	170.0	190.0	13	TILL 29TH APR 21
3	5-APR-21	SELL	BAJAJ FINANCE APR FUT	5055.6	5063.0	5350.0	4761.0	4466.0	12	TILL 29TH APR 21
4	5-APR-21	SELL	ICICI BANK APR FUT	566.4	579.2	600.0	532.0	499.0	14	TILL 29TH APR 21
5	7-APR-21	BUY	LIC HOING FINANCE APR FUT	428.5	423.2	410.0	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	1405.2	1330.0	1630.0	1850.0	32	23-MAY-21
2	1-APR-21	BUY	NALCO	57.6	60.4	53.0	62.2	72.0	19	1-OCT-21
3	5-APR-21	BUY	TATA ELXSI	2804.4	2965.0	2580.0	3050.0	3250.0	10	5-JUL-21
4	6-APR-21	BUY	SUN PHARMA	616.7	614.3	570.0	663.0	757.0	23	6-OCT-21
5	6-APR-21	BUY	PFC	114.9	115.2	105.5	127.0	-	10	6-JUL-21
6	7-APR-21	BUY	IPCA LAB*	1939.3	2060.2	1785.0	2095.0	2190.0	6	7-JUL-21
7	7-APR-21	BUY	UNION BANK	36.6	36.6	33.5	40.5	-	11	7-JUL-21
8	8-APR-21	BUY	Metropolis	2372.1	2382.1	2160.0	2620.0	2800.0	10	8-JUL-21

*= 1st Target Achieved

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