

THE DAILY

Date: 13 April 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	47883	-1708	-3.44
NIFTY	14311	-524	-3.53
MIDCAP	19657	-1105	-5.32
SMALL CAP	20557	-1040	-4.81

SECTORAL INDICES

	Close	Points	% Change
Healthcare	22551	-174	-0.77
IT	27464	-614	-2.19
TECK	12242	-318	-2.53
OIL & GAS	14272	-660	-4.42
CD	31793	-1491	-4.48
CG	20102	-983	-4.66
BANKEX	34968	-1803	-4.90
Finance	6876	-362	-5.00
POWER	2360	-126	-5.07
AUTO	21224	-1153	-5.15
METAL	15244	-913	-5.65
REALTY	2437	-203	-7.70

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
DRREDDY	4.83	BHEL	-12.52
IPCALAB	3.55	ZEEL	-12.28
CIPLA	2.35	DLF	-11.76
DIVISLAB	0.86	SRTRANSFIN	-11.44
GLAXO	0.60	TATAPOWER	-11.39

ADVANCE/DECLINES

	BSE	%
ADVANCES	510	16
DECLINES	2477	78
UNCHANGED	174	6

INSTITUTIONAL ACTIVITY

Rs Cr	12/04/21	09/04/21	Apr Total
FII	-1746	-654	-4905 (prov.)
DII	233	-271	7057 (prov.)

Indian markets could open flat, despite largely positive Asian markets today and mildly negative US markets on Monday.....

U.S. stocks closed slightly lower Monday, starting a week that will include first-quarter earnings report from some of the largest banks, including JPMorgan Chase & Co. and Goldman Sachs Group Inc. Market participants also weighed inflation risks, a sharp rise in the U.S. deficit and comments from Federal Reserve Chairman Jerome Powell in a "60 Minutes" interview that aired on Sunday.

The U.S. federal budget deficit more than doubled to a record in the first half of the fiscal year amid a fresh wave of stimulus payments to cushion Americans from the persistent coronavirus pandemic. The deficit last month was \$659.6 billion, the third-largest on record and biggest since last June, swelling the total from October to March to \$1.71 trillion, according to a Treasury Department report Monday. The six-month total compares with \$743.5 billion in the prior-year period.

In India, the Index of Industrial Production (IIP) showed industrial output in India once again shrank in February, going down by 3.6 percent. IIP had contracted by an updated 0.9 percent in January after rising by 1.6 percent in December. India's industrial output has now shrunk 11.3 percent in the April-February period of FY21, as compared to the same period of the previous year. The latest fall in IIP is mainly attributed to a 3.7 percent fall in manufacturing output, a larger fall than January's 2 percent contraction.

India's Consumer Price Index-based inflation (CPI) for the month of March came in at 5.52 percent, rising from February's 5.03 percent. The combined food price inflation rose to 4.94 percent in March, as compared to 3.87 percent in February.

Shares in Asia-Pacific edged higher in Tuesday morning trade following a muted finish overnight on Wall Street. U.S. consumer price data for March due to be published Tuesday will be keenly watched as will be the China trade data due to be released in the morning.

Indian benchmark equity indices fell sharply by over 3.5 percent on April 12 – the most in a month - as due to rapidly rising covid cases the government of Maharashtra (the richest state) will take a lockdown decision post the state Cabinet meeting on April 14. At close, the Nifty was down 524.10 points or 3.53% at 14310.80.

Nifty turned up today from 14249, making a near double bottom with 14264 made on March 25, 2021. A breach of this level could lead to more weakness in the near term. 14460-14574 could be the resistance for the Nifty in the near term. While sentimentally there is little to expect in terms of bounces, some positive news on the Covid or its vaccination front could provide a respite, howsoever temporary.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	33745	-55.20	-0.16
S & P 500	4129	0.23	0.01
NASDAQ	13850	-50.19	-0.36
FTSE	6889	-26.63	-0.39
CAC	6162	-7.73	-0.13
DAX	15215	-19.16	-0.13
NIKKEI	29872	332.77	1.13
SHNAGAI	3422	8.99	0.26
HANG SENG	28834	438.00	1.54
BOVESPA	118812	1141.84	0.97

EXCHANGE RATES

	Value	% Change
USD/INR	75.0	0.20
EURO/USD	1.190	-0.09
USD/GBP	1.374	-0.01
USD/JPY	109.6	0.21

COMMODITIES

	Value	%
Gold (\$ / Oz)	1735.2	0.14
Silver (\$ / Oz)	24.9	0.25
Crude Oil Futures	59.8	0.23
Brent Oil (\$ / Barrel)	63.4	0.21

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.011	-0.007

ADR

	Value \$	%
Dr Reddys Labs	65.9	3.02
HDFC Bank	68.9	-6.58
ICICI Bank	14.4	-6.51
Tata Motors	18.6	-12.62
Wipro	6.38	-5.06
Vedanta Ltd	11.38	-8.15
INFOSYS	19.12	-2.15

Cargo handling at top-12 ports falls 4.59% to 673 MT in FY21:

India's 12 major ports witnessed a 4.59 per cent fall in cargo handling to 672.60 million tonnes (MT) in the just-concluded financial year, according to ports' apex body IPA. These ports had handled 705 MT, 699 MT and 679 MT cargo in 2019-20, 2018-19 and 2017-18, respectively.

Ambuja Cement expansion plan:

The company is pursuing growth opportunities and evaluating plans including brownfield expansions at Bhatapara and Maratha to reach 50 MTPA capacity. It is also looking at significant debottlenecking opportunities across all plants.

ONGC seeks buyers for KG gas, wants minimum \$6.6 price:

Oil and Natural Gas Corporation (ONGC) invited bids for the sale of initial 2 million standard cubic meters per day of gas from its KG basin fields at a minimum price of USD 6.6 per mmBtu. According to the tender document, ONGC intends to start natural gas sale from its KG-DWN-98/2 block, which sits next to Reliance Industries Ltd (RIL)-BP Plc operated KG-D6 fields, from June-end. Initially, 2 million standard cubic metres per day of gas has been offered for sale through an e-auction.

Coforge to acquire 60% stake in SLK Solutions for Rs918 crore:

SLK Global has deep domain expertise in the banking and insurance segments in North America. It enjoys multiple long-standing and scalable relationships with clients, including with Fifth Third Bank, which in addition to being the largest customer, is also a significant minority shareholder. Coforge shall initially acquire 60 percent stake in SLK Global. Fifth Third Bank's stake in the company will be reduced to 40 percent and shall continue at that level for the next 2 years. Coforge will acquire an additional 20 percent stake from Fifth Third Bank after the completion of 2 years. The transaction is being funded by Coforge with a combination of internal accruals and external borrowings.

Growth in ARPU likely to sustain telecom sector growth: ICRA

Consistent upgradation of subscribers from 2G to 4G and rise in usage of telephony services is expected to increase industry average revenue per user (ARPU) to Rs 220 in the medium term, which will sustain the sector's steady recovery and lead to growth in industry revenues as well as margins. Industry revenues to grow by 11-13% per annum over the next two years, which given the high operating leverage, is likely to result in expansion in operating margins.

Expert panel recommends emergency use of Dr Reddy's Sputnik V vaccine in India:

The Subject Expert Committee (SEC) advising the Drug Controller General of India (DCGI) has recommended Russia's Sputnik V for emergency use authorisation in India. Dr Reddy's spokesperson confirmed the development. The DCGI will decide on the SEC recommendation. If approved by DCGI, this will be third vaccine to be available in India. Dr Reddy's earlier said it will import the vaccine initially and later would produce the over 250 million doses of the vaccine. RDIF has also tied up with several Indian contract manufacturers such as Hetero, Panacea Biotec, Strides, Gland Pharma and Virchow Biotech.



Praj Industries bags order for syrup-based ethanol plant from Godavari Biorefineries:

Praj Industries bagged an order to set up a syrup-based ethanol plant from Godavari Biorefineries in Karnataka. As a part of this project, Praj will expand the existing ethanol manufacturing capacity of Godavari Biorefineries from 400 KLPD (kilo litre per day) to 600 KLPD, using sugarcane syrup. The company, however, did not share financial details of the order received.

Man Industries bags new order worth Rs 766 crore:

Pipe manufacturer Man Industries received a new order worth Rs 766 crore from the domestic hydrocarbon sector. Man Industries said with this new order the unexecuted order book as on date stands at approximately Rs 1,900 crore to be executed in the current financial year.

Flipkart partners Adani group to boost supply chain infrastructure:

E-commerce giant Flipkart has formed a strategic and commercial partnership with the Adani group to “strengthen its supply chain infrastructure” and “enhance its ability to serve its rapidly growing base of customers”. Under the partnership, Adani Logistics will construct a 534,000 sq ft fulfilment centre at its upcoming logistics hub in Mumbai and will lease it to Flipkart to address the growing demand for e-commerce in Western India.

Diageo may let go of some USL brands

India’s largest liquor company United Spirits Limited, a unit of drinks major Diageo, has tasked investment bank Morgan Stanley to find potential buyers for select “popular” mass-priced brands as it looks to take on rivals like French liquor giant Pernod Ricard and adopt a premiumisation strategy. According to Moneycontrol, Bagpiper whiskey, Old Tavern whiskey, White Mischief vodka and Haywards are some of the brands which are likely to be part of the proposed divestment exercise, as the margins are lower in these brands and USL wants to focus on the premium segment going ahead and drive profitability.

TCS Q4FY21 results key takeaway:

TCS reported better than expected numbers in Q4FY21, with the highest ever quarterly deal wins. Consolidated revenue grew by 4.0% QoQ and 9.4% YoY to Rs 43,705 cr in INR term, supported by ramp-up of large deals, cross-currency tailwind and recovery in demand. Constant currency revenue growth at 4.2% QoQ. Revenue in USD terms increased by 5.0% QoQ and 10% YoY to US\$ 5989 mn. EBIT grew by 4.9%QoQ and 17.1% YoY to Rs 11,734 cr and net Profit grew by 6.3%QoQ and 14.9% YoY to Rs 9,246 cr, supported by strong demand-led revenue growth. EBIT margin was up by 20bps QoQ and 170bps YoY to 26.8% in Q4FY21. PAT margin was up by 50bps QoQ and 110bps YoY to 21.2% in Q4FY21.

All verticals reported good sequential growth, but a couple continue to lag prior year level – BFSI

(+7% QoQ, +13.3% YoY), Retail and CPG (+4% QoQ, -0.9% YoY), Life Sciences and Healthcare (+3.8% QoQ, +19.3% YoY), Manufacturing (+3.9% QoQ, +1.3% YoY), Technology & Services (+2.8% QoQ, +3.9% YoY) and Communications & Media (+1.8% QoQ, -4% YoY). On the geographical front, growth was led by major markets – Continental Europe (+8.5% QoQ, +11.7% YoY), North America (+3.9% QoQ, +5.9% YoY), and UK (+3.4% QoQ, +1% YoY). Other markets grew well: Middle East & Africa (+4.2% QoQ, +10.6% YoY), India (+2.8% QoQ, +11.2% YoY), Latin America (+2.5% QoQ, +1.5% YoY), and Asia Pacific (+1% QoQ, +1.5% YoY).

For FY21, revenue grew by 4.6% YoY to Rs 164,177 cr vs. 156, 949 cr in FY20 and net profit was up by 0.3% YoY to Rs 32,430 cr vs. Rs 32340 cr in FY20 and net profit margin stood at 20.3% YoY in FY21. On a full year basis, Life Sciences and Healthcare (+17.1%), BFSI (+2.4%) and Technology & Services (+0.2%) showed growth while the rest continued to be below prior year levels. On a full year basis, with the exception of Continental Europe which grew +5.5%, all other markets continue to be in negative territory compared to the prior year.

TCS' order book at US\$ 9.2 bn in Q4FY21 was the highest ever total contract value (TCV) in a quarter, taking the total yearly order book at \$31.6 billion, a 17.1% in Q3FY21. Its TCV in Q3FY21 was at US\$ 6.8bn.

Company recommended final Dividend per share of Rs 15.00 and it is subject to approval of the shareholders of the Company.

Infosys Q4FY21 result preview (Result date: 14th April, 2021):

Infosys is likely to report 2.9% QoQ and 14.7% YoY growth in revenue to Rs 26678 cr in INR term. In US\$ term, revenue could grow by 4.2% QoQ and 14.6% YoY to US\$ 3,665 mn in Q4FY21. Net profit could fall by 7.9% QoQ and grow 10.9% YoY to Rs 4,786 cr in Q4FY21. EBIT margin could go down by 200 bps QoQ and up by 210bps YoY to 23.4%.

The management commentary on buyback offer, revenue guidance for FY22E, TCV (Total Contract Value), deal pipeline, pricing outlook, IT spends trend across verticals like BFSI, Retail and Manufacturing, and hiring status would be key monitorables.



Important news/developments to influence markets

- India's Consumer Price Index-based inflation (CPI) for the month of March came in at 5.52 percent, rising from February's 5.03 percent.
- India's industrial production contracted by 3.6 per cent in February, official data showed. During April-February, IIP contracted by 11.3 per cent compared to one per cent growth in the corresponding period of 2019-20. Manufacturing sector output declined by 3.7 per cent in February 2021.
- Japanese bank lending rose 6.3% in March from a year earlier, as restaurants and hotels sought more loans to weather the hit from the COVID-19 pandemic.
- Producer prices in Japan were up 1.0 percent on year in March, the Bank of Japan said, exceeding expectations for 0.5 percent following the upwardly revised 0.6 percent contraction in February (originally -0.7 percent).
- In February, retail sales in Eurozone increased by 3.0% month-on-month, partially reversing a 5.2% slide from January. In February 2021 compared with February 2020, the volume of retail trade decreased by 2.9%.

Daily Technical View on Nifty

From upper to the lower range...

Observation: After showing minor weakness from the hurdle of 14900 on Friday, Nifty witnessed bloodbath on Monday and closed the day sharply lower by 524 points. After opening on a downside gap of 190 points, Nifty slipped into further weakness in the early to mid part of the session. An attempt of upside recovery in between was met with selling for the day. Nifty finally closed the day with minor upside recovery note.

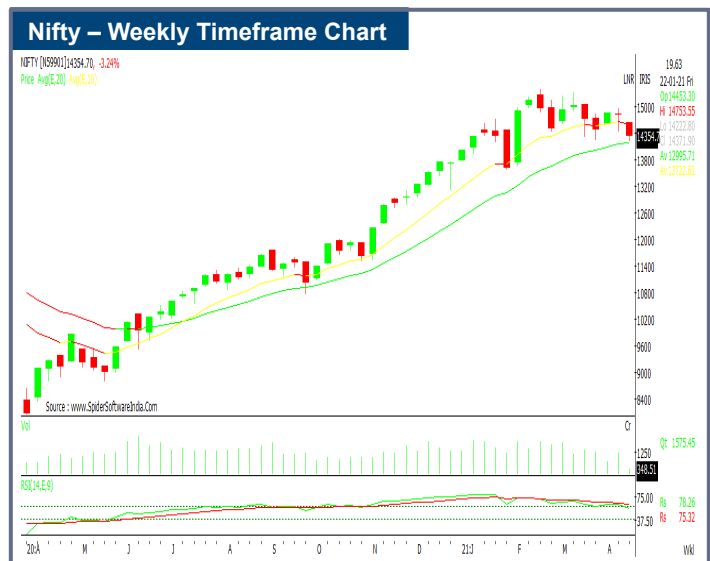
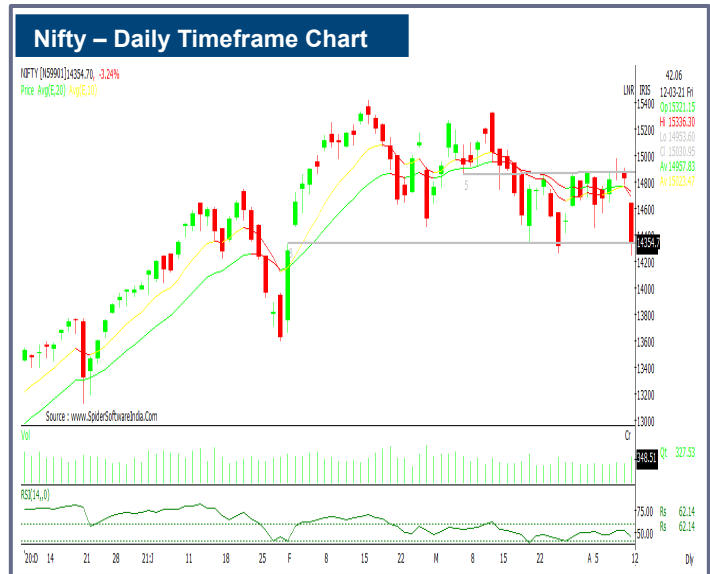
A long bear candle was formed on the daily chart with minor lower shadow and the opening downside gap remains unfilled. The Nifty has revisited the crucial lower support of previous opening upside gap area (post union budget-21) and also previous swing lows of around 14260 levels. The quantum of upside recovery from near this support is not convincing.

The present chart pattern on the daily chart indicate chances of decisive downside breakout of the crucial lower support and also a broader high low range of the market around 15300-14300 levels. But, the market has failed to show any follow-through weakness in the last few weeks.

Nifty on the weekly chart has moved below the crucial 10 week EMA around 14600 and is now holding on another support of 20 week EMA at 14200 levels. The area of 10 w EMA was retained after intra week violation on the downside in past. Hence, a decisive move below 14200 is likely to open a broad based weakness in the market.

Conclusion: The sharp decline of Monday seems to have reversed the short term positive sentiment within a broader range. From near the upper range of 15200, the market has reached down to the lower range of 14300-14200. Hence, there is a higher possibility of sharp move on either side. If the sustainable buying emerge from here, the Nifty could show upside bounce up to 14800-14900 in the coming weeks. A decisive move below 14200 could drag down to 13700-13600 by this month.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14310	Negative	14450	Negative	14650
	Target 14200		Target 13700	



SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	8-APR-21	BUY	TECH MAHINDRA APR FUT	1034.20-1002	1041.2	987.0	1085.0	4	19-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	404.3	352.0	415.0	450.0	11	28-APR-21
2	11-FEB-21	BUY	SUN TV	522.0	453.9	390.0	640.0	735.0	62	10-AUG-21
3	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	365.3	325.0	475.0	523.0	43	15-AUG-21
4	7-APR-21	BUY	KOLTE PATIL	242.8	230.3	221.0	268.0	-	16	6-JUL-21
5	8-APR-21	BUY	CADILA HEALTHCARE*	467.9	499.7	430.0	506.0	550.0	10	7-JUL-21
6	9-APR-21	BUY	FINE ORGANICS	2458.1	2449.7	2250.0	2695.0	2990.0	22	8-JUL-21
7	9-APR-21	BUY	GLENMARK PHARMA	524.3	498.0	460.0	589.0	660.0	33	6-OCT-21
8	9-APR-21	BUY	ASTER DM HEALTHCARE	144.3	143.0	131.0	159.0	178.0	25	8-JUL-21
9	12-APR-21	BUY	ASTRAZENECA PHARMA	3272.4	3390.0	3050.0	3549.0	3990.0	18	11-JUL-21

OPEN DERI POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	1-APR-21	BUY	CUB APR FUT	161.5	160.0	149.0	170.0	190.0	19	TILL 29TH APR 21
2	12-APR-21	SELL	L&T APR FUT	1356.5	1347.7	1462.0	1240.0	-	8	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	5-APR-21	BUY	TATA ELXSI*	2804.4	2916.8	2580.0	3050.0	3250.0	11	5-JUL-21
2	6-APR-21	BUY	SUN PHARMA	616.7	619.4	570.0	663.0	757.0	22	6-OCT-21
3	7-APR-21	BUY	IPCA LAB*	1939.3	2153.0	1785.0	2095.0	2190.0	2	7-JUL-21
4	12-APR-21	BUY	STAR	888.5	872.4	790.0	999.0	1100.0	26	12-JUL-21

*= 1st Target Achieved

DATA & EVENTS

QUARTERLY RESULTS ANNOUNCED

COMPANY	Q4FY21		YoY (%)		QoQ (%)		Remarks
	Sales (Rs Cr)	NP (Rs Cr)	Sales	NP	Sales	NP	
TCS	43705.0	9246.0	9.4	14.9	4.0	6.3	Above Expectation
PL: Profit to Loss, LP: Loss to Profit, LL: Loss to Loss							



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