

# THE DAILY

Date: 16 April 2021



## DOMESTIC INDICES

	Close	Points	% Change
SENSEX	48804	260	0.53
NIFTY	14581	77	0.53
MIDCAP	19924	-20	-0.10
SMALL CAP	20800	-6	-0.03

## SECTORAL INDICES

	Close	Points	% Change
METAL	16013	234	1.48
BANKEKX	36473	385	1.07
POWER	2421	22	0.93
Finance	7166	60	0.85
OIL & GAS	14700	123	0.85
Healthcare	22582	183	0.82
CD	32004	81	0.25
TECK	12007	17	0.14
IT	26747	4	0.02
CG	20510	3	0.02
REALTY	2493	-10	-0.39
AUTO	21871	-266	-1.20

## BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
ATGL	7.17	RAMCOCEM	-4.84
ASTRAL	6.33	INDHOTEL	-4.43
CROMPTON	5.02	IBULHSGFIN	-3.99
ADANITRANS	5.00	GRASIM	-3.73
GLENMARK	4.85	BANKINDIA	-3.42

## ADVANCE/DECLINES

	BSE	%
ADVANCES	1247	41
DECLINES	1649	54
UNCHANGED	161	5

## INSTITUTIONAL ACTIVITY

Rs Cr	15/04/21	13/04/21	Apr Total
FII	980	-731	-4656 (prov.)
DII	-527	244	6774 (prov.)

**Indian markets could open flat to mildly higher, in line with most Asian markets today and following positive US markets on Thursday.....**

The Dow and S&P 500 index closed at records on Thursday as economic reports affirmed a healthy economic recovery from the coronavirus pandemic, highlighted by retail sales surging in March after fiscal stimulus checks were paid to Americans while jobless benefit claims fell to a fresh low for the pandemic period. The US came out with encouraging data on Thursday. US retail sales climbed 9.8% last month. Economists polled by Dow Jones and The Wall Street Journal had forecast a 6.1% increase. U.S. unemployment claims sank by 193,000 in the week of April 10, an unusually large decline that likely reflects both an improving economy but also continuing problems in processing applications for jobless benefits. U.S. industrial production also rose 1.4% in March, after a revised 2.6% fall in the prior month that was caused by severe winter weather. The 10-year Treasury note fell to 1.53% on Thursday. The Philadelphia Federal Reserve manufacturing index jumped to a reading of 50.2 in April from a revised 44.5 in the prior month, marking the highest level in almost 50 years. Economists had expected a reading of 42. The New York Federal Reserve's Empire State Index rose to a reading of 26.3 in April from 17.4 in March, the New York Fed said—its highest reading since October 2017.

China's industrial output grew 14.1% in March year-on-year, slowing from a 35.1% surge in the January-February period, while retail sales rose at a solid pace. Retail sales increased 34.2% year-on-year in March, beating a 28.0% gain expected by analysts and stronger than the 33.8% jump seen in the first two months of the year. Fixed asset investment surged 25.6% in the first three months from the same period a year earlier, versus a forecast 25.3% increase, and slowing from January-February's 35% rise. Real estate investment in China rose 25.6% in the first three months of the year from a year earlier, cooling from a 38.3% gain seen in the first two months.

China's economic recovery quickened sharply in the first quarter from a coronavirus-induced slump earlier last year, propelled by stronger demand at home and abroad and continued government support for smaller firms. Gross domestic product (GDP) jumped a record 18.3% in the first quarter from a year earlier, fastest since at least 1992, but slower than the 19% forecast by economists in a Reuters poll, and following 6.5% growth in the fourth quarter last year.

India's trade deficit widened in March amid rising imports, including higher inbound shipments of gold. Trade deficit for March stood at \$13.93 billion compared to a deficit of \$12.61 billion in February.

Shares in Asia-Pacific were largely flat to mildly higher in Friday morning trade as investors reacted to the release of Chinese economic data.

## GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	34036	305.10	0.90
S & P 500	4170	45.76	1.11
NASDAQ	14039	180.92	1.31
FTSE	6984	43.92	0.63
CAC	6234	25.56	0.41
DAX	15255	46.18	0.30
NIKKEI	29640	-2.69	-0.01
SHNAGAI	3399	0.00	-0.52
HANG SENG	28765	-112.00	-0.39
BOVESPA	120701	405.99	0.34

## EXCHANGE RATES

	Value	% Change
USD/INR	74.7	0.20
EURO/USD	1.196	-0.06
USD/GBP	1.377	-0.12
USD/JPY	108.8	0.06

## COMMODITIES

	Value	%
Gold (\$ / Oz)	1764.0	-0.16
Silver (\$ / Oz)	25.9	-0.28
Crude Oil Futures	63.3	-0.30
Brent Oil (\$ / Barrel)	66.8	-0.04

## BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.126	-0.002

## ADR

	Value \$	%
Dr Reddys Labs	64.1	1.66
HDFC Bank	71.5	1.39
ICICI Bank	15.4	4.00
Tata Motors	20.2	0.60
Wipro	6.56	7.54
Vedanta Ltd	12.27	1.66
INFOSYS	18.00	3.99

Indian equity benchmark indices extended their rebound on April 15 even as investors remained nervous as a few states initiated stricter curbs amid a record-breaking Covid-19 second wave. At close, the Nifty 50 Index rose 0.53% or 76.7 points to 14,581.5.

Nifty rose in late advance on April 15 but is yet to breach the highs of April 12 after two days of struggle. However long tails in the high low bar over the past two days suggest bottom fishing at lows. 14652-14418 is the band for Nifty in the near term. Poor advance decline ratio suggests some nervousness about the broader markets.

### India Trade deficit widens to \$14 bn:

India's trade deficit in goods widened to \$13.93 billion in March from \$9.98 billion during the same period a year earlier, as per the revised trade data released by the government. Merchandise exports rose 60.29% in March from a year earlier to \$34.45 billion, while imports were up 53.74% to \$48.38 billion, the data showed.

### March WPI inflation at 8-yr high:

Wholesale price index-based inflation, led by soaring prices of fuels and those of manufactured products, touched its highest point in more than eight years in March. The rate rose to 7.4 per cent in the month against 4.17 per in February and 2.51 per cent in January. The rate of price rise is expected to be in double digits in the near term, led by food and a low base of last year, economists cautioned.

### Hindustan Copper raises Rs 500 crore via QIP issue:

State-owned Hindustan Copper (HCL) raised Rs 500 crore through issuance of shares to institutional investors. The funds from the QIP are proposed to be used to fund the ongoing capex/expansion plan of the company.

### State-run bank acquirers may be allowed to hold 26% stake:

Acquirers of state-run banks that are up for privatisation may be allowed to hold a minimum 26% stake and also be given a longer time frame to trim it down to this level, a flexibility that the government thinks will help elicit a good response from investors. The government currently owns more than 51% stake in all public-sector banks, which means an investor acquiring them would need to cut down their holding over time.

### Ashok Leyland incorporates new unit for freight business:

Ashok Leyland along with Hinduja Leyland Finance has incorporated a company to take care of the freight mobility business. Gro Digital Platforms Ltd (GDPL) is incorporated to carry on the business of freight mobility and associated services relating to fleet-owners.

## **Godrej Appliances expands manufacturing facility, launches made-in-India ACs:**

Godrej Appliances, a business of Godrej & Boyce, on April 15 launched its range of made-in-India air conditioners (AC). The firm is investing Rs 100 crore in both manufacturing units at Shirwal and Mohali by 2025, to augment their AC production capacity to 8 lakh units. The company claimed in a statement that the new air conditioners come with a special 'Nano-Coated Anti-Viral Filtration Technology' which is said to eliminate 99.9 percent viral and bacterial particles coming in contact with the Nano-Coated Filter surface.

## **Adani Enterprises, Dixon Technologies, 11 other companies get industrial land in Noida:**

The Noida Authority on Wednesday said it has allotted industrial land to 13 companies, including Adani Enterprises and Dixon Technologies, in a move that would bring in investments worth Rs 3,870 crore in Noida region, Uttar Pradesh. Adani Enterprises has been allotted 39,146 sq metres of land in Sector 80 for a proposed data centre and the business group is expected to invest Rs 2,500 crore in Noida.

## **Tata Steel unveils multi-million-pound plan for tube making site in UK:**

Tata Steel unveiled its transformation plans for a steel tube making site in the UK's East Midlands, which the Indian steel major said will give the business the best chance of a strong future. Work has started at the 150-acre site at Corby, which produces vital products for everything from sports stadiums and iconic skyscrapers such as the Shard in London, to hospital beds and renewable green energy schemes around the world. Workers at the site produce steel tube products from steel made at the company's Port Talbot works in Wales.

## **Larsen & Toubro Infotech appoints Anil Rander as new CFO:**

Larsen & Toubro Infotech (LTI) on April 15 appointed Anil Rander as its chief financial officer (CFO). With more than 27 years of multifaceted experience in driving business performance and growth Rander is a seasoned finance leader. His expertise ranges across business and financial strategy formulation, fiscal management, corporate accounting, investor relations, pricing, risk management, internal audit and financial controls. Prior to being appointed CFO, Rander was associated with Tech Mahindra where he worked as the senior vice president for finance and legal functions and global head of finance for BPS.

## **Wipro Q4FY21 results key takeaway:**

Wipro reported better than expected numbers in Q4FY21, delivered a third consistent quarter of strong revenue growth, deal wins and operating margins. Consolidated revenue grew by 3.7% QoQ and 3.4% YoY to Rs 16,245.4cr in INR term, led by better executions. Constant currency revenue growth at 3.0% QoQ. Revenue in USD terms increased by 3.9% QoQ and 3.8% YoY to US\$ 2152.4mn.

EBIT grew by 0.1% QoQ and 14.2% YoY to Rs 3,328.4cr. EBIT margin was down by 70bps QoQ and up by 190bps YoY to 20.5% in Q4FY21, margin impacted by wage hikes. Net Profit grew by 0.1% QoQ and 27.8% YoY to Rs 2,972.1cr. PAT margin was down by 10bps QoQ and 350 bps YoY to 18.3% in Q4FY21. EPS stood at Rs 19.1 in FY21 vs 16.7 in FY20. Company generated strong operating cash flows at 136.7 percent of net income for the full year.

Company added one client in the over \$100-million category, three in the over \$75-million band and two in the over \$50-million category. The company added 52 customers in the quarter, taking the total active clients count to 1,120 at the end of March 2021, a drop from 1,136 clients in December 2020. Wipro expects its IT services revenue in dollar terms in the range of US\$ 2,195-2,238 mn for the June quarter 2021, a growth of 2-4 percent over the March quarter. This does not include revenue from our recently announced acquisitions of Capco and Ampion.

## **Mindtree Q4FY21 result preview:**

Mindtree is likely to report 3.0% QoQ growth and 1.7% YoY growth in revenues to Rs 2,084 cr in INR term. In US\$ term, revenue could grow by 4.5% QoQ and 2.8% YoY to US\$ 286 mn in Q4FY21. Net profit growth could decline by 29.6% QoQ and 36.6% YoY to Rs 282 cr in Q4FY21. EBIT margin could go down by 150 bps QoQ and up by 570bps YoY to 18.1%. The management commentary on deals and deal pipeline, pricing outlook, attrition rate, traction in digital technologies, and outlook on demand environment would be key monitorables.



## Important news/developments to influence markets

- The wholesale price-based inflation shot up to over 8-year high of 7.39 per cent in March on rising crude oil and metal prices. The WPI inflation was 4.17 per cent in February and 0.42 per cent in March 2020.
- India's trade deficit in goods widened to \$13.93 billion in March from \$9.98 billion during the same period a year earlier, revised trade data released by the government showed. Merchandise exports rose 60.29% in March from a year earlier to \$34.45 billion, while imports were up 53.74% to \$48.38 billion, the data showed.
- Foreign investors were net buyers of Japanese stocks for the second straight week last week, a Tokyo Stock Exchange report showed. Their buying excess came to 435,531 million yen, up from 89,586 million yen in the preceding week.
- Consumer prices in Germany increased 1.7 percent year-on-year in March of 2021, in line with preliminary estimates and following a 1.3 percent rise in February.
- A fresh batch of stimulus checks sent consumer purchases surging in March as the U.S. economy continued to get juice from aggressive congressional spending. Advance retail sales rose 9.8% for the month, the Commerce Department reported compared to a decline of 2.7% in February.
- The number of Americans applying for unemployment benefits tumbled last week to 576,000, the Labor Department said, a post-COVID low and a sign that layoffs are easing.
- Industrial Production in the United States increased 1 percent in March of 2021 over the same month in the previous year. It is the first annual increase in industrial output since August of 2019.



## Daily Technical View on Nifty

*Display of strength at the lower range..*

**Observation:** After showing a sustainable upside bounce on Tuesday, Nifty witnessed another decent upmove amidst a volatility on Thursday and closed the day higher by 76 points. Nifty opened on a positive note, made an attempt to move up in the early part of the session. Intraday weakness got triggered from the high of 14566. A fine upside recovery has emerged from the lows and the market moved up in the afternoon to later part of the session and closed near the highs.

A small positive candle was formed with long lower shadow. Technically, this pattern indicate a buy on dips opportunity in the market and this is positive indication. Having sustained near the lower range/key support around 14300-14250 levels for the last two sessions, the odds of further upside bounce near to the upper range of 14800-14900 likely in the next few sessions. The opening upside gap of 12th April could offer strong resistance for the market around 14800 levels.

Nifty on the weekly chart has recovered from the weekly 20 period EMA at 14220 levels. Another crucial 10 period EMA is placed at the highs of 14650 levels. Weekly chart is showing consistent lower highs (15431, 15336 and 14984) with horizontal support of 14250 levels over the last two months. There is a higher possibility of Nifty forming another lower top around 14800-14850 levels this time, before showing weakness from the highs.

**Conclusion:** The short term trend of Nifty continues to be positive with volatility. There is a possibility of further upside in the next few sessions towards 14800 levels before showing decline again from the highs.

The overall long term chart pattern indicate that this is going to be a last rise before the sharp weakness from the highs. Immediate support is at 14520.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14581	Bullish	14360	Bullish	14260
	<b>Target 14700</b>		<b>Target 14900</b>	



## SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	15-APR-21	BUY	BANK NIFTY APR FUT	31980-32185	32,255.00	31880	32600	1	20-APR-21
2	13-APR-21	BUY	HERO MOTOCORP 2900 APR CALL OPTION	57.7	53.8	42	82	52	22-APR-21
3	15-APR-21	BUY	NIFTY 14600 APR CALL OPTION (29TH APR EXPIRY)	205.9	232.4	165	265	14	20-APR-21
4	15-APR-21	BUY	BANK NIFTY 32300 APR CALL OPTION (22ND APR EXPIRY)	515.55	559.25	380	700	25	26-APR-21
5	15-APR-21	BUY	MARUTI APR FUT	6660.30-6520	6,667.75	6495	6860	3	20-APR-21
6	13-APR-21	BUY	KOTAK BANK	1776.85-1705	1773.25	1688	1880	6	22-APR-21
7	13-APR-21	BUY	LAURAS LAB	430-440.10	436.5	425	472	8	27-APR-21
8	15-APR-21	BUY	GRAPHITE	638.55-613	646.55	607	680	5	26-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	404.6	352.0	415.0	450.0	11	28-APR-21
2	11-FEB-21	BUY	SUN TV	522.0	464.3	390.0	640.0	735.0	58	10-AUG-21
3	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	368.0	325.0	475.0	523.0	42	15-AUG-21
4	7-APR-21	BUY	KOLTE PATIL	242.8	234.3	221.0	268.0	-	14	6-JUL-21
5	8-APR-21	BUY	CADILA HEALTHCARE*	467.9	504.7	430.0	506.0	550.0	9	7-JUL-21
6	9-APR-21	BUY	FINE ORGANICS	2458.1	2498.9	2250.0	2695.0	2990.0	20	8-JUL-21
7	9-APR-21	BUY	GLENMARK PHARMA	524.3	537.0	460.0	589.0	660.0	23	6-OCT-21
8	9-APR-21	BUY	ASTER DM HEALTHCARE	144.3	140.8	131.0	159.0	178.0	26	8-JUL-21
9	12-APR-21	BUY	ASTRAZENECA PHARMA*	3272.4	3505.1	3050.0	3549.0	3990.0	14	11-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	1-APR-21	BUY	CUB APR FUT	161.5	162.7	149.0	170.0	190.0	17	TILL 29TH APR 21
2	12-APR-21	SELL	L&T APR FUT	1356.5	1375.5	1462.0	1240.0	-	10	TILL 29TH APR 21
3	15-APR-21	SELL	BHARAT FORGE APR FUT	569.4	575.0	608.0	535.0	-	7	TILL 29TH APR 21
4	15-APR-21	SELL	APOLLO TYRE MAY FUT	210.4	210.0	222.0	198.7	187.0	11	TILL 27TH MAY 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	2927.9	2580.0	3050.0	3250.0	11	5-JUL-21
2	6-APR-21	BUY	SUN PHARMA	616.7	633.3	570.0	663.0	757.0	20	6-OCT-21
3	7-APR-21	BUY	IPCA LAB*	1939.3	2103.0	1785.0	2095.0	2190.0	4	7-JUL-21
4	12-APR-21	BUY	STAR	888.5	854.3	790.0	999.0	1100.0	29	12-JUL-21
5	15-APR-21	BUY	POWER INDIA	1495.0	1511.7	1350.0	1675.0	1800.0	19	15-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	
<b>Wipro</b>	16245.4	2972.3	3.4	27.8	3.7	0.1	Above Expectation

PL: Profit to Loss, LP: Loss to Profit, LL: Loss to Loss

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