

THE DAILY

Date: 01 April 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	49509	-627	-1.25
NIFTY	14691	-154	-1.04
MIDCAP	20181	15	0.07
SMALL CAP	20649	106	0.52

SECTORAL INDICES

	Close	Points	% Change
REALTY	2670	50	1.89
CD	32826	243	0.75
METAL	14351	59	0.41
Healthcare	21328	80	0.38
AUTO	22252	-1	-0.01
OIL & GAS	14820	-21	-0.14
CG	21096	-81	-0.38
IT	26543	-195	-0.73
TECK	11920	-104	-0.86
POWER	2475	-34	-1.35
BANKEK	37548	-545	-1.43
Finance	7347	-130	-1.73

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
GICRE	8.39	OFSS	-6.96
ATGL	5.61	ADANIPOWER	-4.97
INDHOTEL	4.92	EDELWEISS	-4.94
OBEROIRLTY	3.97	FRETAIL	-4.90
HINDZINC	3.96	ADANIGREEN	-4.52

ADVANCE/DECLINES

	BSE	%
ADVANCES	1397	45
DECLINES	1481	48
UNCHANGED	201	7

INSTITUTIONAL ACTIVITY

Rs Cr	31/03/21	30/03/21	Apr Total
FII	-1686	769	-967 (prov.)
DII	2082	2181	5966 (prov.)

Biden's New deal – Indian small and midcap stocks outperform benchmark indices

U.S. President Joe Biden rolled out his own version of FDR's New Deal. Joe Biden's sweeping \$2.3 trillion plan to rebuild America's crumbling infrastructure proposes doubling federal funding for mass transit and spending \$80 billion to expand and modernize passenger rail service.

S&P 500 and Nasdaq rose on Wednesday, boosted by gains in technology shares. All three major Wall Street indexes registered their fourth straight quarterly rise as investors positioned themselves for President Joe Biden's massive infrastructure plan. The White House plans to fund the bill by taking back some of the tax cuts Republicans gave corporations and the rich four years ago. Much like his Covid-19 rescue bill, the plan faces a narrow path through Congress.

The U.S. private employers hired the most workers in six months in March as more Americans got vaccinated against COVID-19, pushing the economy towards a broader reopening, which is expected to unleash a strong wave of pent-up demand in the coming months.

The dollar index - a basket of six major currencies hit a five-month high of 93.439. The dollar held near a multi-month high as investors bet fiscal stimulus and aggressive vaccinations will help the United States grow faster than other economies.

In Europe, France, and Italy extended restrictions. Asian stocks were set to edge higher early on Thursday after big tech rallied on Wall Street. Japanese big manufacturers' sentiment improved to pre-pandemic levels in the first quarter as companies planned to increase capital expenditure this year, suggesting the export-reliant economy was benefiting from a recovery in global demand.

Domestic cues

After a massive rally on Tuesday, Nifty corrected by 154 points yesterday. Broad market indices like the Mid Cap and Small Cap indices ended higher and out-performed the benchmark indices. Commodities, PSU banks, Reality and Consumer durable stocks are likely to hog the limelight today. As the new financial year dawns, we expect small and Midcap stocks to continue to shine. Expect nifty to mount another raid on stiff resistance zone near 14900, Immediate support to watch for Nifty is now at 14507.

Government infuses Rs 14,500 crore capital into four public sector banks:

The central government will infuse Rs 14,500 crore capital in Central Bank of India, Indian Overseas Bank, Bank of India, and UCO Bank through non-interest bearing bonds, after a similar infusion of Rs 5,500 crore in Punjab and Sind Bank in December.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	32982	-85.41	-0.26
S & P 500	3973	14.34	0.36
NASDAQ	13247	201.48	1.54
FTSE	6714	-58.49	-0.86
CAC	6067	-20.81	-0.34
DAX	15008	-0.27	-0.07
NIKKEI	29452	272.70	0.93
SHNAGAI	3454	11.80	0.34
HANG SENG	28593	227.00	0.80
BOVESPA	116634	-215.95	-0.18

EXCHANGE RATES

	Value	% Change
USD/INR	73.2	0.20
EURO/USD	1.172	-0.04
USD/GBP	1.378	0.04
USD/JPY	110.7	-0.04

COMMODITIES

	Value	%
Gold (\$ / Oz)	1711.7	-0.23
Silver (\$ / Oz)	24.4	-0.68
Crude Oil Futures	59.4	0.32
Brent Oil (\$ / Barrel)	62.9	0.21

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.177	+0.034

ADR

	Value \$	%
Dr Reddys Labs	61.4	0.44
HDFC Bank	77.7	-3.97
ICICI Bank	16.0	-0.99
Tata Motors	20.8	1.32
Wipro	6.34	-0.78
Vedanta Ltd	12.57	1.04
INFOSYS	18.72	-0.43

According to a government notification, Rs 4,800 crore has been provided to Central Bank of India, Rs 4,100 crore to Indian Overseas Bank, UCO bank got Rs 2,600 crore while the remaining Rs 3,000 crore has been infused into Bank of India. The recapitalization bonds, which would be issued "at par" for the amount sought by the eligible banks, will have six different maturities, the finance ministry said in a gazette notification.

BPCL acquires Oman Oil's stake in Bharat Oman Refineries Ltd:

Bharat Petroleum Corporation Limited (BPCL) will acquire 36.6% stake from its partner OQ, the national oil company of Oman, in the Bharat Oman Refinery Ltd (BORL) for Rs 24 billion. Since March 2020, BPCL has been holding 63.4% and OQ 36.6% equity in the Company. The Government of Madhya Pradesh has a minor stake in the Company through compulsorily convertible warrants.

HAL records revenue over Rs 22700cr in FY21:

Hindustan Aeronautics (HAL) has recorded a revenue in excess of Rs. 22,700 crores (provisional and unaudited) for the financial year ended on March 31, 2021; despite the COVID-19 pandemic that affected company's operations and disrupted the supply chain (both within and outside the country). The corresponding figure for the previous year stood at Rs. 21,438 crores. The company has posted a revenue growth of around 6% in FY21 led by improved productivity after suspending the operations for one month in the beginning of the year. The year 2020-21 was significant in terms of securing the largest ever defence contract of 83 LCA MK-IA by an Indian company. This helped the company surpass the order book position in excess of Rs. 80,000 crores, says Mr. R. Madhavan, CMD, HAL.

Piramal Pharma to acquire Hemmo Pharma for Rs 775cr:

Piramal Pharma has agreed to buy 100 percent stake in Hemmo Pharmaceuticals for Rs 775 crore. Its manufacturing facility is located at Turbhe, which is certified by the US FDA, EQDM, etc., while its R&D facility is located at Thane which focuses on process development. The transaction through Piramal Pharma's contract development and manufacturing organisation Piramal Pharma Solutions (PPS) will bring in a manufacturing plant in Thurbe, a research facility in Thane and 250 employees. Hemmo has its strengths in making peptide APIs (active pharmaceutical ingredients) and it is one of the few pure-play synthetic peptide API manufacturers. The business is profitable with higher gross contribution and higher EBITDA margin percentages than company's overall pharma business. Despite the pandemic, the company generated 20 percent higher revenue during the first 11 months of FY21 as compared to the full prior fiscal year. Management expect the revenue to grow three times in the next few years.

Sterling and Wilson Solar US arm bags Rs 890 crore order:

Sterling and Wilson Solar Solutions, Inc (SWSS), the US subsidiary of Sterling and Wilson Solar Limited (SWSL), has signed an order worth US\$ 121.7 million (Rs 890 crore) in the pacific north-west region of the United States of America. The order has been received from a leading sustainable energy company and is scheduled to be commissioned by Q4 FY22. The SWSS will be managing the entire turn-key execution for the photovoltaic (PV) project.

Kalpataru Power Transmission bags new orders worth Rs 625 crore:

Kalpataru Power Transmission Ltd (KPTL) secured new orders worth Rs 625 crore in domestic and overseas markets. The company said it has won orders in power transmission and railways business. The company said it has won orders from Africa in the power transmission business and an order for railway electrification in India. KPTL's international subsidiary has also secured new power transmission projects in Europe.

Likhitha Infrastructure gets work order worth Rs 34.6cr:

Likhitha Infrastructure received a contract of Rs 34.6cr (excl. of GST) from Indian Oil Adani Gas Private Limited for laying Pipeline from Thrissur to Ernakulam. Overall, the company has received a total orders/contracts worth Rs 234.8cr during the quarter from January 2021 to March 2021.

Shilpa Medicare approved sale of Loba Feinchemie for Rs 28cr:

Board has approved sale of Loba Feinchemie GMBH for Rs 28cr. It had registered revenue of Rs 50.2cr in FY20. ZR Pharma & GmbH, Austria is the acquirer of the same.

Important news/developments to influence markets

- India's federal fiscal deficit in the 11 months to the end of February stood at Rs 14.01 trillion (\$191.61 billion), or 76% of the revised budgeted target for the whole fiscal year. Net tax receipts were Rs 12.16 trillion, while total expenditure was Rs 28.19 trillion.
- India's current account deficit narrowed to \$1.7 billion or 0.2% of the GDP in the December quarter as against \$2.6 billion or 0.4% of GDP in the year-ago period. Net services receipts increased to USD 23.6 billion, both sequentially and on a year-on-year basis, primarily on the back of higher net export earnings from computer services.
- India announced a fiscal first-half borrowing plan largely in line with expectations, a move likely to comfort a bond market facing near-record debt sales. The government will auction 7.24 trillion rupees (\$99 billion) of bonds in the six months to September, or about 60% of the full-year target. That compares with 60% to 65% of total debt the government usually issues for the period.
- Infrastructure output, which comprises eight sectors including coal, crude oil and electricity, and accounts for nearly 40% of industrial output, fell by 8.3% in the 11 months through February from a year earlier, and 4.6% in February from a year earlier.
- The UK economy bounced back more strongly in the last six months of 2020. GDP rose by 16.9% and 1.3% in the third and fourth quarters respectively.
- In March, Euro-zone consumer prices increased by 0.9%, month-on-month, following a 0.2% rise in February. Core inflationary pressures softened, however, with the core annual rate of inflation softening from 1.1% to 0.9%.
- German unemployment fell in March, as lock-down measures to curb the corona-virus had a limited effect on the labour market, and also seasonal factors played a part. Extensive use of a short-term salary support program continued to keep the figures in check amid ongoing coronavirus restrictions. Number of people out of work fell by 8,000.
- Mortgage Application volume continued to trend down during the week ended March 26. The Mortgage Bankers Association (MBA) said its Market Composite Index, declined 2.2% on a seasonally adjusted basis from the previous week and was down 2% on an unadjusted basis. It was the tenth time the index has declined in the 13 weeks since 2021 began.
- U.S. commercial crude oil inventories decreased by 0.9 million barrels from the previous week.
- U.S. pending home sales fell in February by the most since April as rising home prices and a shortage of available properties deterred buyers. The index of pending home sales decreased 10.6% from the prior month to 110.3.



Daily Technical View on Nifty

Observation: Markets ended with losses on Wednesday after a gap down opening. The Nifty finally lost 154.4 points or 1.04% to close at 14,690.7. Broad market indices like the BSE Mid Cap and Small Cap indices ended higher, thereby out performing the Sensex/Nifty. Market breadth was negative on the BSE/NSE.

Sectorally, the top gainers were the BSE Realty, FMCG and CD indices. The top losers were the BSE Bankex, Power and Telecom indices.

Zooming into the 15 minute chart, we can see that the Nifty opened today with a down gap. And selling continued through the day as the index gradually moved lower.

The 15 minute intra day 20 and 50 period moving averages have turned flat indicating that the index is in consolidation mode for the very near term.

It will be important that the Nifty holds above the recent lows of 14617 for the short term uptrend to continue in the very near term.

On the daily chart, the Nifty has corrected on Wednesday after finding resistance at the previous swing high of 14879 and the 20 and 50 day SMA.

Given that Wednesday's correction has happened after a decent rise from an upward sloping trend line, we stick with our view that the Nifty could move higher in the coming sessions.

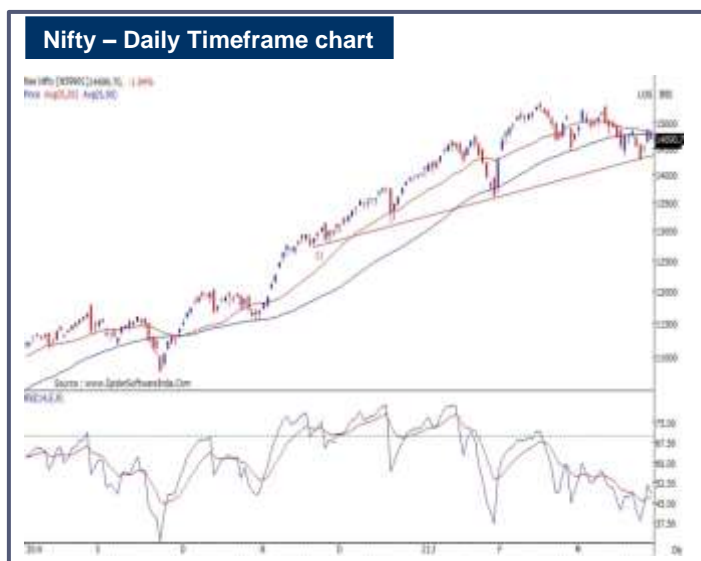
The uptrend is however likely to gain momentum once the Nifty crosses the recent swing high of 14879. In this scenario, the Nifty could once again be headed towards the life highs of 15432.

Conclusion: The 1-2 day trend of the Nifty is now choppy with the 20 and 50 period moving averages on the 15 minute chart turning flat.

On the larger daily timeframe, the index has corrected marginally after recently bouncing back from a trend line support. We therefore stick with our view that the Nifty could move higher in the coming sessions.

The uptrend is however likely to gain momentum only once the Nifty crosses the recent swing high of 14879. In this scenario, the Nifty could once again be headed towards the life highs of 15432.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14691	Bullish	14617	Bullish	14414
	Target 14876		Target 15336	





SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	23-MAR-21	BUY	BRITANNIA APR FUT	3550.80-3480	3594.1	3450.0	3660.0	2	6-APR-21
2	30-MAR-21	BUY	TORRENT PHARMA	2511.50-2415	2533.6	2390.0	2675.0	6	8-APR-21
3	31-MAR-21	BUY	JINDAL SAW	73.55-70.50	74.0	69.8	78.0	5	9-APR-21

OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	7-JAN-21	BUY	NESCO*	563.0	520.0	516.0	610.0	675.0	30	7-APR-21
2	28-JAN-21	BUY	BIOCON*	384.3	407.0	352.0	415.0	450.0	11	28-APR-21
3	11-FEB-21	BUY	SUN TV	522.0	470.0	390.0	640.0	735.0	56	10-AUG-21
4	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	374.0	325.0	475.0	523.0	40	15-AUG-21
5	3-MAR-21	BUY	TRIVENI ENGINEERING	90.4	85.0	79.0	104.0	104.0	22	1-JUN-21
6	3-MAR-21	BUY	FLURO CHEMICALS	607.7	573.6	530.0	682.0	682.0	19	1-JUN-21

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	74.5	66.0	79.0	88.0	18	TILL 29TH APR 21

*= 1st Target Achieved

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	1400.2	1330.0	1630.0	1850.0	32	23-MAY-21
2	5-JAN-21	BUY	FINOLEX CABLE*	358.8	380.5	320.0	402.0	450.0	18	5-APR-21

*= 1st Target Achieved

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