

## Market Outlook

Indian markets are likely to open with a flat to positive bias on the back of mixed global cues, led by slowing Coronavirus infections, vaccine rollouts, Budget optimism and upbeat corporate earnings.

## Markets Yesterday

- Domestic markets ended flat in a volatile session as positive global cues were offset by profit booking
- US markets ended mixed tracking corporate's quarterly earnings and tech stocks

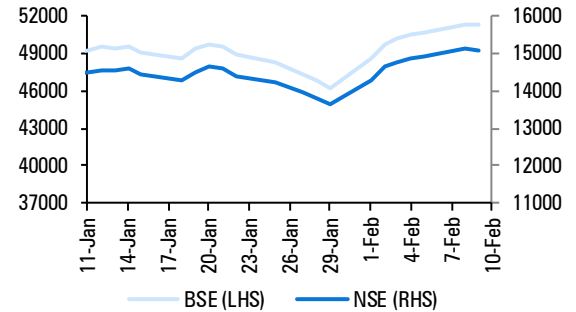
## Key Developments

- For Q3FY21, Coal India reported coal offtake of 155 million tonne (MT), up 9% YoY and 15% QoQ. We expect the topline to increase 6% YoY to ₹ 24625 crore. The EBITDA margin is likely to come in at 22.0% (against 18.8% in Q2FY21 and 21.4% in Q3FY20). We expect the company to clock an EBITDA/tonne of ₹ 350/tonne (compared to ₹ 297/tonne in Q2FY21 and ₹ 350/tonne in Q3FY20)
- For Ashok Leyland, total volumes for Q3FY21 were at 33,411 units, up 7% YoY, 72% QoQ. Product mix improved in favour of M&HCVs, with MHCV: LCV ratio at ~50:50 in Q3FY21 vs. ~41:59 in Q2FY21. Consequent standalone net sales for the quarter are seen at ₹ 5,189 crore, up 29% YoY (it includes sharp price increase on account of BS-VI transition). EBITDA & EBITDA margins for the quarter are seen at ₹ 312 crore and 6%, respectively (up 320 bps QoQ on the back of operating leverage benefits). Consequent PAT is expected at ₹ 61 crore vs. ₹ 28 crore in Q3FY20

## Today's Highlights

Results: ITC, Coal India, KNR Constructions, Petronet LNG, Ashok Leyland, Bosch, NCC, Gujarat Pipavav, Graphite India, Zee Media, Natco Pharma, ACC

## Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)
Sensex	51,309	51,329	0.0	10.9	7.5
Nifty	15,107	15,109	0.0	10.8	8.0

## Institutional Activity

	CY19	CY20	YTD CY21	Yesterday	Last 5 Days
FII (₹ cr)	40,893	64,379	27,540	1,787	9,097
DII (₹ cr)	44,478	-28,544	-21,020	-2,076	-4,848

## World Indices – Monthly performance

	NSE	Nikkei	BSE	Shanghai
Nasdaq	15,107	29,563	51,309	3,655
	5.3%	5.1%	4.1%	2.4%
Dow Jones	France	Germany	Kospi	U.K.
31,438	5,671	13,933	3,101	6,524
1.1%	0.2%	0.0%	-1.6%	-4.0%

## Nifty Heat Map (Not Updated - Technical Error)

M&M	928 7.3%	Hindalco	279 6.4%	Tata Motors	336 6.3%	Shree Cement	28,022 4.9%	JSW Steel	418 3.8%
Bajaj Finserv	10,021 3.1%	Bharti Airtel	597 2.8%	Adani Ports	582 2.7%	Power Grid	213 2.6%	Tata Steel	703 2.6%
ICICI Bank	630 2.5%	GAIL	131 2.5%	Infosys	1,304 2.5%	TechM	983 2.4%	L&T	1,552 2.3%
Axis Bank	736 2.3%	Wipro	435 2.3%	Titan	1,542 2.1%	Grasim Ind	1,211 2.1%	ONGC	100 2.0%
Hero Moto	3,495 1.9%	TCS	3,214 1.8%	Asian Paints	2,417 1.7%	IOC	104 1.7%	Reliance Ind.	1,951 1.4%
Eicher	2,970 1.3%	Dr Reddy	4,860 1.2%	HCI Tech	958 1.2%	BPCL	420 1.2%	Maruti	7,575 1.1%
SBI	397 1.0%	Indusind Bank	1,035 1.0%	NTPC	100 0.8%	Nestle	17,218 0.6%	Coal India	142 0.5%
HDFC Bank	1,605 0.5%	HDFC Ltd	2,733 0.4%	HDFC Life	684 0.4%	UPL	538 0.3%	Ultratech	6,368 0.3%
Bajaj Auto	4,237 0.1%	Sun Pharma	635 0.0%	Cipla	847 -0.1%	ITC	233 -0.5%	SBI Life	859 -0.6%
Bajaj Finance	5,498 -0.7%	Divis Lab	3,782 -1.1%	Kotak Bank	1,957 -1.3%	HUL	2,237 -1.4%	Britannia	3,474 -1.9%

## Markets Today (Not Updated – Technical Error)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	47,312	47,256	0.1	-3.6	-5.7
Silver (₹/kg)	68,855	68,738	0.2	-1.2	1.1
Crude (\$/barrel)	60.0	59.3	1.0	7.3	15.7
Copper (\$/tonne)	7,927	7,826	1.3	0.8	2.3
Currency					
USD/INR	73.0	73.0	-0.1	0.0	0.1
EUR/USD	1.2	1.2	-0.2	-0.9	-1.6
USD/YEN	105.7	105.9	-0.3	-0.9	-2.3
ADRs					
HDFC Bank	82.0	79.8	2.8	13.7	13.4
ICICI Bank	17.6	17.4	1.2	16.3	18.2
Tata Motors	21.5	22.3	-3.5	20.9	71.0
Infosys	17.6	17.6	0.2	4.4	4.0
Dr Reddys Labs	65.6	63.5	3.3	7.0	-8.0
Wipro	6.4	6.5	-0.3	4.6	13.8

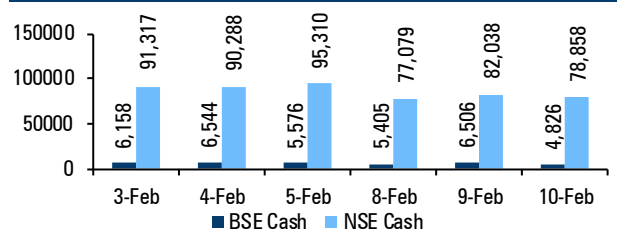
Key Data Points

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	3.00%	3.00%
RBI Repo Rate	N/A	4.00%	4.00%
RBI Reverse Repo Rate	N/A	3.35%	3.35%
CPI YY	Dec	4.59%	6.93%
Current Account Balance	Q2	15.5bn \$	19.8bn \$
Exports - USD	Dec	26.9 bn\$	23.5 bn\$
FX Reserves, USD Final	Jan	590 bn\$	585 bn\$
GDP Quarterly yy	Q2	-7.50%	-23.90%
GDP Annual	FY20	4.20%	6.10%
Imports - USD	Dec	42.6 bn \$	33.4 bn \$
Industrial Output yy	Nov	-1.90%	3.60%
Manufacturing Output	Nov	-1.70%	3.50%
Trade Deficit Govt - USD	Dec	-15.7bn \$	-9.9bn \$
WPI Food yy	Dec	-1.11%	3.94%
WPI Fuel yy	Dec	-8.72%	-9.87%
WPI Inflation yy	Dec	1.22%	1.55%
WPI Manuf Inflation yy	Dec	4.24%	2.97%

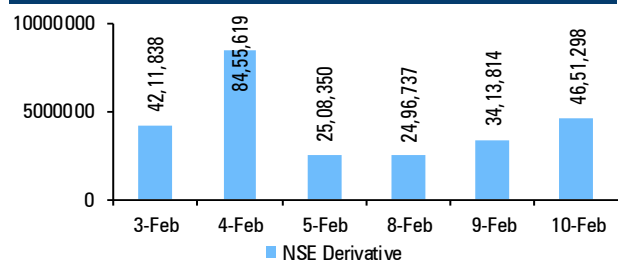
Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
IIFL Securities	Buyback			Ongoing	54.00
Indian Oil Corp	Dividend	09-Feb-21	10-Feb-21		7.50
Persistent	Dividend	09-Feb-21	10-Feb-21		14.00
Sun Pharma	Dividend	09-Feb-21	10-Feb-21		5.50
KPR Mill	Dividend	10-Feb-21	11-Feb-21		3.75
Transport Corporation	Dividend	10-Feb-21	11-Feb-21		1.20
Apcotex Industries	Dividend	11-Feb-21	12-Feb-21		1.50
Balrampur Chini	Dividend	11-Feb-21	12-Feb-21		2.50
Control Print	Dividend	11-Feb-21	12-Feb-21		4.00
Dhampur Sugar	Dividend	11-Feb-21	12-Feb-21		6.00
NTPC	Dividend	11-Feb-21	12-Feb-21		3.00
PI Industries	Dividend	11-Feb-21	12-Feb-21		3.00

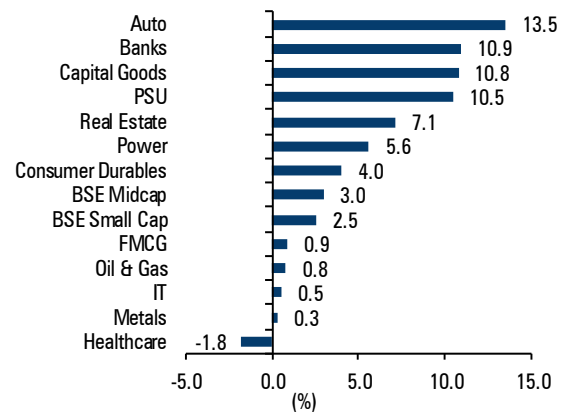
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)









Sectoral Performance – Monthly Returns (%) (Not Updated)











Key News for Today



Company/Industry	News	View	Impact
Hindalco	Hindalco's India business posted a healthy set of operational numbers in Q3FY21. The topline of India business was at ₹ 11425 crore (up 11% YoY, 19% QoQ). EBITDA of India business was at ₹ 1528 crore (up 17% YoY, 20% QoQ, higher than our estimate of ₹ 1413 crore). EBITDA margin came in at 13.4% compared to 12.7% in Q3FY20 and 13.3% in Q2FY21. Ensuing PAT for India business was at ₹ 495 crore (up 90% YoY, 51% QoQ), higher than our estimate of ₹ 358 crore	During the quarter, higher aluminium prices both QoQ as well as YoY aided Q3FY21 performance. For Q3FY21, the aluminium segment posted sales volume of 315000 tonnes, broadly in line with our estimate of 319000 tonnes while the copper segment reported sales volume of 73000 tonnes (our estimate of 73000 tonnes). The EBITDA margin in the Aluminium India business was at 25%. In the current market scenario, healthy performance from India's aluminium division augurs well for the company	

Titan Company	As guided by the management in its pre-quarterly update, the jewellery division witnessed strong revival with revenue growth of 16% YoY in Q3FY21. Share of studded ratio witnessed sequential improvement however still below pre-Covid levels (Q3FY21: 26%, Q3FY20: 29%). Watches segment to witnessed strong recovery, with revenue recovery rate reaching at 88% in Q3FY21 vs. 55% in Q21FY21. Overall revenues grew 17% YoY to ₹ 7619.0 crore (I-direct estimate: ₹ 7490.7 crore). The company reported EBITDA margins of 11.1% (down 50 bps YoY, I-direct estimate: 12.0%). Absolute EBITDA grew 12% YoY to ₹ 848.0 crore (I-direct estimate: ₹ 898.1 crore). On account of steady operational performance PAT grew 12% YoY to ₹ 530.0 crore (I-direct estimate: ₹ 579.1 crore)	The healthy growth revival depicts the inherent strength of the Tanishq brand and continuous focus on market share gains. Revenue trajectory accelerated further in January with jewellery division witnessing 28% YoY growth driven by 16% growth in studded ratio. Revival in share of studded ratio augurs well for overall margin profile	
Aurobindo Pharma	Q3FY21 revenues grew 8.0% YoY to ₹ 6365 crore led by 13.2% YoY growth in Europe formulations business to ₹ 1671 crore. US business grew 6.8% YoY to ₹ 3172 crore. ARV segment grew 41.5% YoY to ₹ 443 crore. RoW markets posted growth of 14.5% YoY to ₹ 396 crore. However, API segment de-grew 13.6% YoY to ₹ 682 crore. EBITDA margins grew 101 bps YoY to 21.5% with higher gross margins being partly offset by higher other expenditure. EBITDA grew 13.3% YoY to ₹ 1369 crore against I-direct estimates of ₹ 1374 crore. Adjusted PAT grew 16.4% YoY to ₹ 836.5 crore in line with operational performance and higher other income. Exceptional items for Q3FY21 were at ₹ 2814 crore, which included 1) sale of Natrol business, 2) equity interest remeasurement gain in Eugia and 3) certain impairment charges taken amid Covid-19	Aurobindo Pharma posted a good set of Q3FY21 numbers. Adjusting for certain one-off exceptional items, results were in line with I-direct estimates on all fronts. Aurobindo possesses one of the best enduring generics ecosystem among peers (vertically integrated model, lower product concentration) to withstand the volatility in the US generics space. The company has also significantly improved its net debt position from foregoing the Sandoz deal and from the sale of its Natrol business. We will get more details post the conference call	
Gail India	Gail's revenues fell 13% YoY to ₹ 15456.8 crore in Q3FY21. Gas transmission and petchem segments' performance was better than expected while gas trading and LPG/LLH performance was weaker than anticipated. Subsequently, EBITDA was at ₹ 1919.5 crore, down 7.4% YoY). The company reported higher than expected other income of ₹ 470.8 crore. Reported PAT was at ₹ 1487.3 crore, up 18.9% YoY as profitability was also aided by lower tax outgo	Gail's gas transmission and trading volumes reached pre-Covid level during the quarter. Petchem segment's performance also supported profitability. However, sustained profits in future will be important. Profitability of the gas trading segment, which has been a drag on overall performance, may provide some relief in the coming quarter due to increase in spot LNG prices	

<p>Page Industries</p>	<p>Revenue for the quarter grew 17% YoY to ₹ 927.1 crore (up 25% QoQ; I-direct estimate: ₹ 890.7 crore). Currently 94% of MBOs, 100% EBOs and 93% of LFS are operational. Strong topline growth coupled with tight leash on operating overheads (employee &amp; other expenses as percentage to sales down 119 bps and 344 bps YoY, respectively) resulted in robust EBITDA margin expansion of 690 bps YoY to 24.4% (I-direct estimate: 21.1%). Absolute EBITDA grew 63% YoY to ₹ 226.1 crore (I-direct estimate: ₹ 188 crore). Driven by healthy operational performance and higher other income (up 19% YoY to ₹ 4.2 crore), PAT grew 77% YoY to ₹ 153.7 crore (I-direct estimate: 125.4 crore)</p>	<p>The management indicated that it continues to witness increasing trend in sales particularly in e-commerce channel and the athleisure product category. Liquidity position remained strong with cash &amp; cash equivalents increasing 23% QoQ to ₹ 494 crore post repayment of debt. The company declared a second interim dividend of ₹ 150/share (₹ 250/share in YTD FY21)</p>	
<p>Bata India</p>	<p>Bata reported revenue de-growth of 26% YoY to ₹ 614.7 crore (vs. estimated de-growth of 32% YoY). Aligning with the current demand scenario, Bata has tweaked its product portfolio from formals &amp; Fashion categories to Casuals, Fitness, &amp; Essential categories covering comfortable sneakers, open &amp; sandals styles. This has led to faster pick up in volumes (reached 88% of pre-covid levels). Gross margins continued to contract sharply by ~ 910 bps YoY to 51.5% (I-direct estimate: 54.0%) mainly owing to unfavourable product mix. Subsequently, EBITDA margins declined 1260 bps YoY to 19% (I-direct estimate: 20%, Q2FY21: 5%). Absolute EBITDA declined 55% YoY to ₹ 117 crore (I-direct estimate: 114 crore, Q2FY21: ₹ 18.1 crore)</p>	<p>Bata continues to penetrate in newer towns through franchise operated stores (opened 45 stores during the quarter taking total store count to 221 franchise stores). Formal and fashion footwear demand is likely to remain muted in the near term due to fewer social gatherings. Unfavourable product mix (shift towards casual category) may lead to deterioration in gross margins in the near term. However, cost rationalisation initiatives will benefit the company over the longer term. We believe that with its strong brand patronage and pan-India retail reach, Bata India should be able to revive its revenue growth trajectory as and when the impact of the Covid-19 is phased out</p>	
<p>Wabco India</p>	<p>Wabco India reported a healthy Q3FY21 performance. Topline grew 29% YoY to ₹ 566 crore while margins improved 40 bps QoQ to 15.5%. Consequent PAT was up 35% YoY to ₹ 52 crore</p>	<p>The company's performance tracks recent improvement in domestic M&amp;HCV space. Margin improvement was particularly encouraging as it encompassed ~450 bps sequential decline in employee and other expenses on percentage of sales basis, operating leverage benefits, with gross margins contracting ~420 bps QoQ. Expectations of the Indian CV market having turned a corner should hold Wabco, as the leader in the CV braking space, in good stead, going forward</p>	

P&G Health	<p>While P&amp;G Health's Q2FY21 (July-June fiscal year) revenues were flattish (up just 1.5% YoY) to ₹ 240 crore, EBITDA margins jumped significantly from 20.7% in Q2FY20 to 36.9% due to significantly lower other expenditure and higher gross margins. EBITDA grew 81.0% YoY to ₹ 89 crore. Net profit grew 77.6% YoY to ₹ 68 crore in line with a robust operational performance</p>	<p>The company has posted one of the best margin performances in the recent past resulting in strong profitability. Besides possessing MNC pharma traits like strong brand stickiness, growth, earnings visibility, strong b/s etc, the key differentiator for PGHL is that its core category is VMS, which, as a therapeutic category, is likely to be rediscovered amid the current pandemic. PGHL combines the best of P&amp;G and legacy Merck's consumer health capabilities and cultures</p>	
Suven Pharma	<p>Suven Pharma reported exemplary Q3FY21 results with revenues growing 53.8% YoY to ₹ 275 crore. More importantly, the company clocked an EBITDA margin of 50.2% (up 568 bps YoY) in the quarter on the back of better operational leverage. Subsequently, EBITDA grew 73.5% to ₹ 138 crore. PAT nearly doubled YoY to ₹ 114 crore</p>	<p>Q3 results were above I-direct estimates on all fronts. Despite the pandemic situation, the company had guided for 15-20% growth earlier based on strong order book position. We expect free cash flow to remain strong on the back of the company's consistently robust margin profile (+40%). We emphasise the management's strong execution capability and focused approach. We will get more insights post discussion with management</p>	
TTK Prestige	<p>TTK reported robust revenue growth of 24.4% YoY to ₹ 679.4 crore (I-direct estimate: ₹ 612.8 crore). Growth was broad based with cooker (30% of sales), cookware (15% of sales) and appliances (51% of sales) categories registering strong revenue growth of 29%, 34% and 19% YoY, respectively. owing to positive operating leverage, TTK reported one of its all-time high EBTDA margins of 17.4% (up 220 bps YoY). Absolute EBITDA grew by 42% YoY to ₹ 118.2 crore (I-direct estimate: ₹ 96.2 crore). On the back of healthy operational performance, ensuing PAT increased by 42% YoY to ₹ 86.5 crore (I-direct estimate: ₹ 70 crore)</p>	<p>During Q3FY21, all channels got activated (large format channels). Revenue trajectory continues to be on an uptrend with company registering 20% YoY revenue growth in January 2021. Company's plan to augment its manufacturing capacities with additional lines without significant capex outlay is progressing as per schedule. With supply side issues mostly resolved and opening up of all distribution channels, we expect revenue growth trajectory momentum to sustain</p>	
Nirlon	<p>Nirlon reported stable numbers. Topline at ₹ 80.1 crore was up 5% YoY, while EBITDA at 61.1 crore, was up ~7% YoY. PAT was up 20% YoY at ₹ 32.8 crore, also aided by capitalisation of interest.</p>	<p>The results were positive with no residual risk on major tenant exits or non-renewals. With collections at 99% and upcoming phase already leased out, Nirlon is well poised for stable annuity growth ahead. The new phase revenues, will boost rental revenues sharply in FY23.</p>	

Greaves Cotton	Greaves Cotton (GRV) reported standalone revenues at ₹ 436.8 crore, which declined by 11.7% on YoY, (above our estimates of ₹ 353.1 crore). The engine segment revenues came in at ₹ 412 crore which declined by 7.5% YoY. On the other hand, E-Mobility segment revenue grew by 47.4% to ₹ 57.8 crore owing to decent growth registered in Ampere E-2W and ELE e-rickshaws. EBITDA declined by 30.3% to ₹ 53.8 crore on YoY (above our estimates of ₹ 33.9 crore). EBITDA margins declined by 330bps to 12.3% (Vs our estimate of 9.6%) impacted by higher operating expenses and lesser revenue booking. The company has reported Adj. PAT (Adjusted for exceptional item) at ₹ 31.5 crore, down by 37.6% on YoY basis.	Greaves Cotton's overall automotive business continues to remain a key concern on the back of BS VI transitions and impact on shared mobility space due to pandemic. The E-mobility business registered decent growth and other segments (Non-Auto, Aftermarket) have reached back to pre-covid levels. While Bestway acquisition would expand E-3-W base, new product launches in high speed E-2W vehicles at Ampere and new business initiatives (CNG engines, after market and B2C business) may provide much needed growth uptick in the long term.	
Anup Engineering	Anup Engineering announced a buyback through open market stock exchange mechanism. The maximum amount allocated for the buyback is ₹ 25 crore (excl transaction cost) with maximum price being ₹ 800 per share. The actual number of shares bought back will depend on actual market price at which the market buyback was done.	As on Q3 end, Anup had cash worth ₹ 76 crore in FDs. The company's decision to opt for a buyback and reward shareholders bodes well for the stock given the company has sufficient balance left (~₹ 50 crore) for capex needs.	
Indraprastha Gas (IGL)	IGL's topline declined 13.1% YoY to ₹ 1446.2 crore in Q3FY21 due to lower sales volumes. The volumes stood at 6.3 mmscmd, down 6.5% YoY . Gross margins increased ₹ 2.8/scm YoY and ₹ 0.8/scm QoQ to ₹ 14.4/scm due to lower gas costs. Subsequently, EBITDA was at ₹ 500.7 crore, up 27.8% YoY. On the profitability front, PAT was up 18% YoY to ₹ 334.9 crore.	IGL's CNG sales are increasing on a sequential basis but yet to fully recover. Industrial/commercial PNG demand has recovered and grew above pre-Covid level. Full recovery in CNG demand coupled with steady margins will be important in the near term.	
Gujarat State Petronet (GSPL)	GSPL's operating revenue fell 7.2% YoY to ₹ 580.8 crore in Q3FY21. Transmission volumes improved 6.6% YoY (down 1% QoQ) to 39.4 mmscmd. EBITDA was at ₹ 398.4 crore, up 4.8% YoY. Subsequently. reported PAT stood at ₹ 247.5 crore, up 11.4% YoY	After witnessing a sharp recovery in Q2, transmission volumes slightly moderated in Q3. However, volumes remain higher YoY. CGD volume offtake has improved sequentially and it is above pre-Covid level. Sustained growth in volumes will be key monitorable going forward.	

Entertainment Network (ENIL)	ENIL's operating revenue fell 42.3% YoY to ₹ 85.6 crore in Q3FY21. Although company managed cost saving on all fronts, EBITDA was at ₹ 20.9 crore, down 49.5% YoY owing to weaker topline. The company reported exceptional items of ₹ 29.3 crore as a result of writeback of performance royalty liability (₹ 26.7 crore) and fee receiving post termination of time brokerage deal with a US broadcaster (₹ 2.6 crore). Subsequently, reported PAT stood at ₹ 18.4 crore, up 85.9% YoY	While ENIL's ad revenue continued to get impacted during the festive quarter due to dip in yields, earnings were lifted by writeback of royalty provisions. Fall in revenues was in line with its listed peer. Volume growth of 11.5% YoY and breakeven at EBITDA level were the positives. The company also has healthy cash reserves of ₹ 197 crore. We seek management commentary on ad growth and yield recovery outlook	
Magma Fincorp	Adar Poonawalla controlled Rising Sun Holdings, will acquire 60% stake in Magma Fincorp. Magma will get fresh capital of ₹3,456 crore. Existing promoters will infuse ₹ 250 crore and Poonawalla's will bring in about ₹3,200 crore as capital. Magma will allot 45.8 crore shares to Rising Sun Holdings, and 3.5 crore shares to Sanjay Chamaria and Mayank Poddar. Preferential allotment represents 64.68% of MFL's enhanced equity share capital post issue. Rising Sun Holding would hold 60.0% stake in entity post issue and existing promoter group stake would get reduced to 13.3%. Net Worth of Magma Fincorp shall increase to over ₹6,300 crores post issue.	This deal is positive for Magma Fincorp as it will provide the company with strong corporate backing and substantial capital to boost business growth and strengthen balance sheet	

**Key developments (Continued...)**

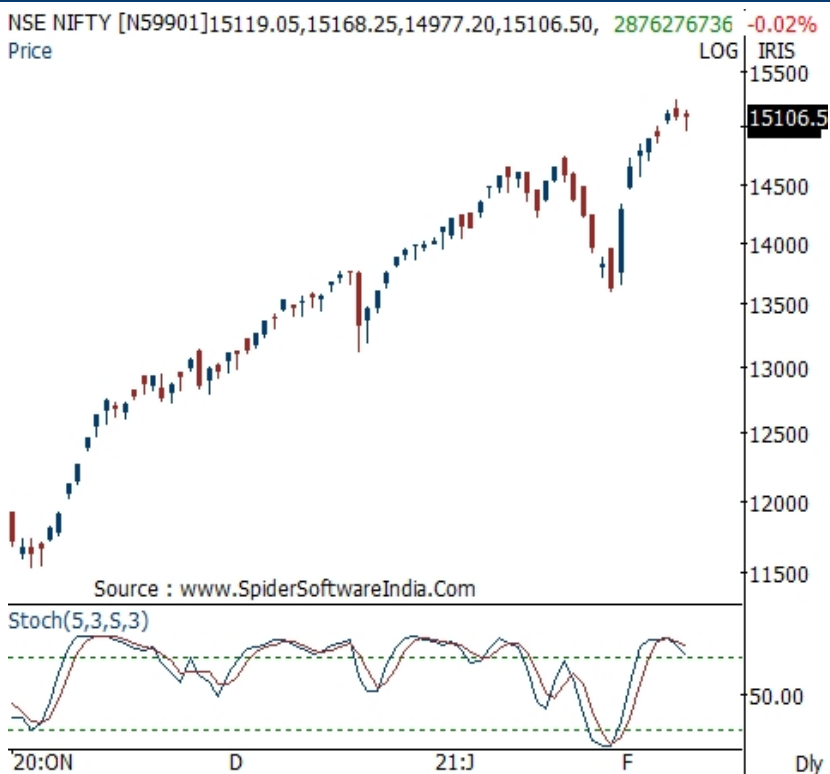
- We expect Petronet LNG's topline to decline 14.8% YoY to ₹ 7591 crore. Total volumes are expected to increase 10.4% YoY to 257 trillion British thermal units (tbtu) (~4.9 MMT) on account of higher regas volumes. On a QoQ basis, volumes are expected to increase 1.3%. Blended margins are expected at ₹ 54.8/mmbtu, down 1.1% YoY and down 8.1% QoQ as an increase in spot LNG prices would lead to a decline in trading margins. Subsequently, PAT is expected at ₹ 761.7 crore, an increase of 12.8% YoY and decline of 17.9% QoQ
- KNR Construction to report Q3FY21 numbers today. We expect revenues to grow 11% YoY to ₹ 619 crore, as execution has remained stable and further boosted by improved labour availability. EBITDA margin is expected to contract 330 bps YoY to 19%, given higher base owing to irrigation revenues. Overall, we expect bottomline to grow 34.9% YoY to ₹ 54.2 crore, given lower interest and tax and one-off impairment of ₹ 6 crore investment in Walayar project in the base quarter. Key Monitorable: Status on HAM projects, recovery of Telangana irrigation receivables
- For Q3FY21E, on a consolidated basis, we expect Graphite India (GIL) to report capacity utilisation of 75% (45% in Q3FY20 and 60% in Q2FY21). For the quarter we expect Graphite India to report a consolidated topline of ₹ 545 crore (down 15 YoY, however up 12% QoQ). We expect the company to report consolidated EBITDA of ₹ 27 crore and consolidated net profit of 50 crore
- NCC to report Q3FY21 numbers today. We expect topline to grow 4% YoY to ₹ 2202 crore, at lower end of guidance of ~₹ 2200-2300 crore given by the company, led by improving labour availability and execution. EBITDA margin is expected at 12%, (up 20 bps YoY), NCC impairment of investments worth ~₹ 23 crore and reversal of prior period tax of ~₹ 73 crore in the base quarter. Therefore, optically the reported PAT will decline 14% YoY to ₹ 94.5 crore. Adjusted PBT, however, is likely to grow ~36% YoY. Key Monitorable: Management commentary on order inflows, execution, status on Andhra Pradesh orders, receivables and net debt

## Key developments (Continued...)

- Eicher Motors' (EML) posted decent Q3FY21 results. Consolidated revenues stood at ₹ 2,828 crore (up 19.3% YoY), tracking Royal Enfield (RE) volume increase of ~9% YoY to ~2 lakh units and flat ASPs QoQ at ₹ 1.4 lakh/unit. EBITDA margins at 23.8% were higher by 168 bps sequentially on the back of operating leverage benefits, with gross margins depleted by ~110 bps QoQ. Consequent consolidated PAT stood at ₹ 533 crore (up 6.8% YoY), with share of profits from VECV JV stood at ₹ 31.4 crore
- Hind Rectifiers (HRL) reported a mixed set of numbers for Q3FY21. It reported revenues at ₹ 81 crore which grew by 15.4% on YoY aided by gradual revival of supply chain and reviving business activities amid economic recovery. EBITDA came in at ₹ 4.9 crore, down 41% on YoY basis impacted by decline in gross margin. EBITDA margins for Q3FY21 declined by 570bps on YoY to 6.0%. However, gross margins for Q3FY21 declined by 810bps to 21.8% on YoY basis owing to significant increase in raw material cost while other operating expenses registered a decline of 18.8% to ₹ 4.3 crore, on YoY basis. HRL reported PAT at ₹ 1.3 crore which declined by 66.1%, YoY partly impacted by lower other income, increase in interest expense
- Esab India reported a mixed set of numbers for Q3FY21. While Revenue grew by 8.7% to ₹ 183.9 crore amid revival seen in infrastructure, automotive, engineering and metals sectors, EBITDA margins contracted by 310bps to 10.7% owing to increased raw material cost and product mix. PAT came in at ₹ 14.7 crore which declined by 17.2%, YoY factoring in higher effective tax rate and lower other income. Other income came in at ₹ 3.1 crore with a decline of 13.2% on YoY basis
- Shree Pushkar chemical reported muted set of numbers. Revenues remained at ₹ 71.87 crore against ₹ 71.84 crore in Q3FY20. We believe since there has been increase in the dye intermediate prices, the growth should be higher. Further, better sales from SSP should also have augured well for the performance however the same seems missing. OPM contracted by 192bps YoY to 15.72% leading to EBITDA decline of 10.8% YoY to ₹ 11.3 crore. PAT was down by 9.9% YoY to ₹ 8.07 crore
- Happiest Minds reported Q3FY21 numbers. The company's revenues increased 6.0% QoQ (up 8.8% YoY) to US\$26 million mainly led by growth in Infrastructure Management & Security Services (up 9.4% QoQ) and Digital Business Solution (up 5.8% QoQ). The company's EBITDA margin increased 337 bps QoQ to 29.7% mainly led by higher utilisation. The company's PAT increased 23.7% QoQ to ₹ 42 crore
- India's fuel demand in January fell 3.9% YoY to 18 MMT. Diesel demand declined 2.3% YoY to 6.8 MMT while Petrol demand increased 6.1% YoY to 2.6 MMT
- CCI approves Bank of India's acquisition of 49% stake each in BOI AXA Investment Managers, BOI AXA Trustee Services. The bank had entered into a share purchase agreement with AXA Investment Managers Asia Holdings Pvt Ltd to purchase its entire 49% stake in BAIM
- Life Insurance Corp. of India (LIC) saw its claim settlement ratio deteriorate marginally in FY20 to 96.6% from 97.7% in FY19 even as private insurers increased their settlement ratio to 97.18% from 96.6% in this period. The life insurance industry in total paid 8.46 lakh claims on individual policies, with a total pay-out of ₹ 18042 crore in the FY20, data from the latest IRDAI's annual report showed
- Infosys announced that it further enhanced its collaboration with Toyota Material Handling (TMH), a North American leader in material handling innovation, to deliver an immersive experience to its dealer ecosystem on the Infosys Meridian platform. Infosys Meridian's observability and AI virtual assistant capabilities helped Toyota Material Handling to engage with dealers seamlessly through highly captivating and experiential virtual events
- State Bank of India is aiming to double its home loan book in the next five years at a time when there is intense competition in this segment with banks as well as mortgage lenders fighting it out to gain market share. SBI has crossed 5 lakh crore mark in home loan business. The bank is expecting to reach ₹ 7 lakh crore by FY2024. Currently, SBI has a market share of 34% in home loan segment among all scheduled commercial banks and is providing the most competitive rates for home loans in the market, as reported in Business standard
- Lupin's consumer healthcare division LupinLife launches 'Be One', an ayurvedic energy and immunity supplement for men
- Tata Consultancy Services (TCS) announced that it will recruit 1,500 technology employees across the UK over the next year
- Tata Starbucks has announced Sushant Dash as CEO designate effective April 1, 2021, taking over as CEO on May 1, 2021. Dash joins Tata Starbucks from Tata Consumer Products where he is currently president – packaged beverages business, India, Bangladesh, and Middle East



Nifty Daily Chart



Technical Outlook

Equity benchmarks extended breather over second consecutive session and settled on a flat note at 15106, down 3 points. In the coming session, volatility would remain high owing to weekly derivative expiry sessions. However, we expect index to hold the Wednesday's low (spot-14977) and trade with a positive bias. Hence, use intraday dips towards 14986-15012 to create fresh long position for the target of 15096.

The formation of higher peak and trough on the larger degree chart signifies robust price structure that makes us confident to reiterate our positive stance on index and expect it to gradually head towards our earmarked target of 15500 in coming month. We believe, the ongoing breather amid stock specific action would help index to cool off the overbought condition and make market healthy.

The Nifty Midcap index clocked a fresh record high. However, small cap index is still ~20% away from its all-time high. Therefore, we expect small caps to witness catch up activity within broader market space

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Negative	51309.4	50933	50556	51600	51890
Nifty 50	Negative	15106.5	15000	14893	15191	15275
ACC Ltd	Neutral	1761.8	1738	1715	1793	1825
Axis Bank Ltd	Negative	734.8	726	716	746	756
HDFC BANK LTD	Negative	1581.8	1561	1540	1609	1636
SBI	Negative	392.3	388	383	398	403
HERO MOTOCORP LT	Positive	3539.0	3493	3448	3577	3615
MOTHERSON SUMI	Neutral	174.2	163	152	181	188
Tata Motors	Negative	328.9	321	314	335	340
M&M FIN SERVICES	Positive	190.6	185	178	197	202
BAJAJ AUTO LTD	Negative	4151.6	4097	4041	4212	4271
TCS	Negative	330.5	318	306	339	348
INDIAN OIL CORP	Negative	96.8	95	94	98	100
CIPLA LTD	Positive	863.4	847	831	873	883
PIDILITE INDS	Neutral	1757.2	1740	1722	1779	1800
Reliance Industries	Negative	1974.3	1939	1905	1997	2019
BHARTI AIRTEL	Neutral	590.2	578	566	606	621
DR REDDY'S LABS	Negative	4824.1	4762	4700	4885	4946

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range Bound	Up
Support	15040-14980	14600
Resistance	15140-15190	15500
20 day EMA	0	14444.0
200 day EMA	0	12368.0

Advances/Declines

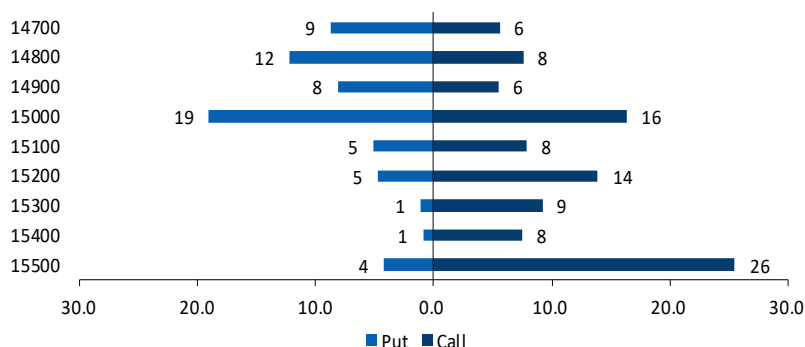
	Advances	Declines	Unchanged
BSE	1406	1558	161
NSE	884	1044	85

Daily Technical Calls

- Daily Technical Calls**
- Buy Cipla in the range of 863.00-865.00
  - Buy M&M Financial in the range of 189.00-191.00
- All recommendations of February Future

[See Momentum Pick for more details](#)

Nifty Call - Put Strike (Number of shares in lakh) - February, 2021



Intraday Derivative Strategy

- i) CIPLA**  
Buy CIPLA FEB Fut at ₹862.00-864.00  
CMP: 865.15  
Target 1: 868.9 Target 2: 879.3  
Stop Loss: 855.1
- ii) Eicher Motors**  
Sell EICMOT FEB Fut at ₹2920.00-2925.00  
CMP: 2903.65  
Target 1: 2896.8 Target 2: 2858.2  
Stop Loss: 2948.2

[See Derivatives view for more details](#)

Results/Events Calendar

25	January Monday	26	January Tuesday	27	January Wednesday	28	January Thursday	29	January Friday	30	January Saturday
Navin fluorine Larsen & Toubro India Cements APL Apollo Tubes		UK Unemployment Rate CH Industrial Profit		Axis Bank, Quess Digvijay Cement, HUL Marico, Jyothy Lab United Spirits JP Retail Sales		M&M Fin., Action Const., Lupin Bharat Elect., Maruti Suzuki, Coforge KEC Int., Aarti Ind., Teamlease, Radico Laurus Labs, UBL, Eclerx, Indus Towers Tata Chem., Pidilite Ind., EIH, Granules		Mahindra Log., Dabur, Indus Ind Bank Tata Motors, PNC Infra, Tech Mahindra Dr. Reddy's, Sun Pharma, Cipla IOC, Exide Ind., Shankara Build. Grindwell, Vedanta, Accelya		Dwarikesh Sugar, Anup Hester Bio, Titagarh Wagon Shree Cement, Amber Ent Relaxo, Amber Geogit Financial	
01	February Monday	02	February Tuesday	03	February Wednesday	04	February Thursday	05	February Friday	06	February Saturday
India Union Budget 2021 Kansai Nerolac, Mastek Castrol, Zydus Wellness MRPL US Manufacturing PMI		HDFC, Balramput Chini Ratnamani Metals, Ajanta, Nocil Mangalam Cem., Intellect, EPL Escorts, Dhampur Sugar, PI Ind. Siyaaram Silk, Control Print		Ramco Cement, Apollo Tyres, Vgaur Transport Corp., Inox Leisure Thermax, PNC Infra, City Union Hawkins Cooker, KPR Mill, Airtel Indian Hotels, Astral Poly, Adani Gas		Concor, TCI Express, Zee Ent., Caplin Matrimony, Minda Ind., Birgade, NTPC Hero Moto., Sonata Trent, IPCA Lab, Somany Cera., SBI Sonata, Jindal Stainless, Bajaj Electric		Sumitomo Chemical, Pfizer SKF, NTPC, Dalmia Bharat Cadila HC, Ador Welding Gulf Oil, Ashoka Buildcon TCNS Clothing, GSK		JK Cement, Divi's Lab BHEL DLINK India Birlasoft Affle	
08	February Monday	09	February Tuesday	10	February Wednesday	11	February Thursday	12	February Friday	13	February Saturday
ABFRL, Torrent Pharma Globus Spirits, Jindal Stainless (Hisar) NMDC, Sun TV, Balkrishan Ind. MM Forging, Jagran Prakashan Elgi Equipments		Tata Steel, Mahanagar Gas AIA Engineering, Lemon Tree, HEG Aster DM, TCI Express, Century Ply Firstsource, Berger Paints, Indoco VST Tiller, J&K Bank, Endurance Te		Hindalco Ind., TTK Prestige, Page Ind Titan, ENIL, Wabco India, Bata India Happiest Minds, GAIL, NBCC, GSPL Indraprastha Gas, Eicher Motors Aurobindo, P&G Healthcare, Greaves		Bosch, NCC, KNR Construction Gujarat Pipavav Port, Greenply Ashok Leyland, Coal India, ACC Petronet LNG, Zee Media, HCG ITC, Graphite India, Natco Pharma		TV Today, Navneet Edu., Moil Info Edge, Morpen Labs, Nesco Bharat Forge, Sadbhav Eng., Timken Cochin Shipyard, Sunteck Realty Apollo Hospitals, Sobha Ltd.		Amara Raja Batteries Kalpataru Power Sunteck Realty	
15	February Monday	16	February Tuesday	17	February Wednesday	18	February Thursday	19	February Friday	20	February Saturday
IN WPI Inflation EU Trade Balance IN WPI Manufacturing Inflation		Varun Beverages, Nestle India JP Exports YoY JP Imports YoY JP Trade Balance		UK CPI YoY EU Construction Output US PPI US Retail Sales US Capacity Utilisation		Ambuja Cement EU CPI YoY EU Consumer Confidence JP Manufacturing PMI		Mahindra CIE EU Manufacturing PMI US Existing Home Sales US Manufacturing PMI US Manufacturing PMI			
22	February Monday	23	February Tuesday	24	February Wednesday	25	February Thursday	26	February Friday	27	February Saturday
US Chicago Fed Activity		Sanofi India US CB Consumer Confidence UK Unemployment Rate Huhtamaki India		US New Home Sales		US GDP(QoQ) EU Consumer Confidence JP Industrial Production		IN Federal Fiscal Deficit IN GDP Quarterly(YoY) (Q1) IN Infrastructure Output(YoY) US Goods Trade Balance JP Construction Orders		CH Manufacturing PMI CH Non-Manufacturing PMI	

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
09-Feb	CPI YoY	CH	Jan	-0.3%	0.2%
09-Feb	PPI YoY	CH	Jan	0.3%	-0.4%
10-Feb	CPI(MoM)	US	Jan	0.3%	0.3%
10-Feb	Crude Oil Inventories	US	Jan	-6.44M	-0.994M
10-Feb	Federal Budget Balance	US	Jan	163.0B	-144.0B
Date	Event	Country	Period	Expected	Previous
11-Feb	Initial Jobless Claims	US	Jan	750k	779K
12-Feb	GDP QoQ	UK	Jan	0.5%	16.0%
12-Feb	Industrial Production	EU	Jan	-	2.5%
12-Feb	Manufacturing Production	UK	Jan	0.7%	0.7%
12-Feb	Bank Loan Growth	US	Jan	-	6.4%
12-Feb	Deposit Growth	IN	Jan	-	11.4%
12-Feb	FX, Reserves USD	IN	Jan	-	585.33B
12-Feb	CPI YoY	IN	Jan	4.4%	4.6%
12-Feb	Industrial Production	IN	Dec	-0.2%	-1.9%
12-Feb	Manufacturing Output	IN	Dec	-	-1.7%

Result Preview

Company	Revenue	Chg(%)	EBITDA	Chg(%)	PAT	Chg(%)
Crore	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ
Coal India	24,625.0	6.2	16.4	5,415.0	9.0	36.2
Graphite India	545.0	-15.2	12.4	27.0	LP	LP
ITC	12,559.8	4.6	4.9	4,522.6	-2.0	11.4
ACC	4,264.8	7.4	20.6	699.3	55.3	4.2
Zee Ent.	2,091.2	2.1	21.4	554.2	-2.1	76.7
Petronet LNG	7,591.0	-14.8	21.7	1,215.4	9.7	-10.8
KNR Constructio	619.0	11.0	3.0	117.6	-5.4	-5.2
NCC	2,201.8	4.0	42.9	264.5	5.8	26.1
Ashok Leyland	5,189.0	29.2	82.9	312.0	38.6	288.1
					61.0	121.4

Recent Releases

Date	Report
February 10, 2021	<a href="#">Result Update-AIA Engineering</a>
February 10, 2021	<a href="#">Company Update-Firstsource Solutions</a>
February 10, 2021	<a href="#">Result Update-Aster DM Healthcare</a>
February 10, 2021	<a href="#">Result Update-TCI Express</a>
February 10, 2021	<a href="#">Result Update-JK Cement</a>



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