

Market Outlook

Indian markets are likely to see a flattish opening tracking mixed global cues. Optimism about economic recovery is likely to be offset by a spike in Coronavirus cases and jump in oil price. However, global news flows and sector specific development will be key monitorables.

Markets Yesterday

- Domestic markets ended higher on the back of select index heavyweights amid positive global cues
- US markets ended mixed amid optimism surrounding economic recovery and release of weaker than expected macroeconomic data

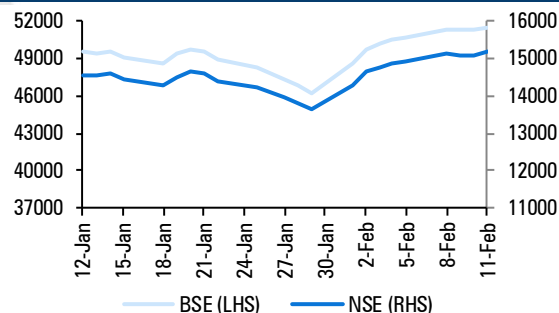
Key Developments

- Motherson Sumi is expected to report steady performance in Q3FY21E amid a recovery in sales and moderation in EBITDA margins. We broadly build in ~15% growth in the standalone operations with ~5% sales de-growth in Euro terms for its international subsidiaries (SMR, SMP). On a consolidated basis, for the quarter we expect the company to report total operating income of ₹ 16,655 crore, up 6.3% YoY. EBITDA in Q3FY21E is expected at ₹ 1,403 crore with corresponding EBITDA margins at 8.4%, down 110 bps QoQ. Ensuing consolidated PAT in Q3FY21E is expected at ₹ 273 crore, nearly flat YoY
- Voltas' consolidated revenue is likely to grow ~5% YoY to ₹ 1560 crore in Q3FY21 led by ~7% YoY growth in the UCP segment to ₹ 640 crore. We believe the EMPS segment revenue would start showing an improvement post ease in lockdown restrictions in various project sites. Improved operating leverage would help drive EBITDA margin up by ~140 bps YoY to 8% in Q3FY21. As a result, PAT may see growth of 9% YoY to ₹ 96 crore in Q3FY21

Today's Highlights

Results: Apollo Hospitals, Cochin Shipyard, Info Edge, Voltas, Motherson Sumi, Bharat Forge, Nesco, Glenmark, Phoenix Mills, TV Today, Navneet, Moil, Sobha, SADBHAV Engineering, Timken, Sunteck Realty, AET

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)
Sensex	51,532	51,309	0.4	11.3	7.9
Nifty	15,173	15,107	0.4	11.3	8.5

Institutional Activity

	CY19	CY20	YTD CY21	Yesterday	Last 5 Days
FII (₹ cr)	40,893	64,379	28,485	944	8,363
DII (₹ cr)	44,478	-28,544	-21,728	-708	-6,524

World Indices – Monthly performance

	Nasdaq	Nikkei	NSE	BSE	Shanghai
	14,026	29,563	15,173	51,532	3,655
	7.3%	5.1%	4.8%	4.6%	3.5%
	Dow Jones	Germany	France	Kospi	U.K.
	31,431	14,041	5,670	3,101	6,529
	1.4%	0.8%	0.3%	-1.5%	-3.3%

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

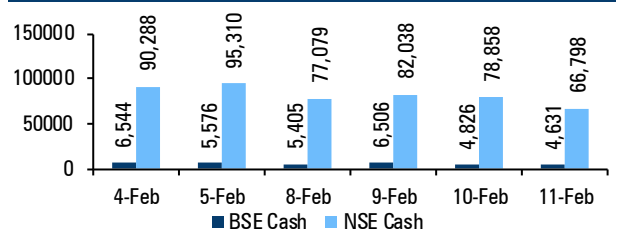
Key Data Points

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	15.5bln \$	19.8bln \$
Exports - USD	Dec	26.9 bln\$	23.5 bln\$
FX Reserves, USD Final	Jan	590 bln\$	585 bln\$
GDP Quarterly yy	Q2	-7.50%	-23.90%
GDP Annual	FY20	4.20%	6.10%
Imports - USD	Dec	42.6 bln \$	33.4 bln \$
Industrial Output yy	Nov	-1.90%	3.60%
Manufacturing Output	Nov	-1.70%	3.50%
Trade Deficit Govt - USD	Dec	-15.7bln \$	-9.9bln \$
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%

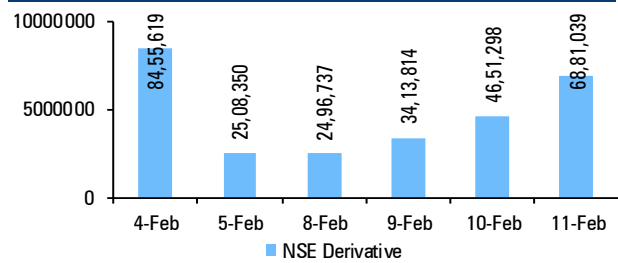
Corporate Action Tracker

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

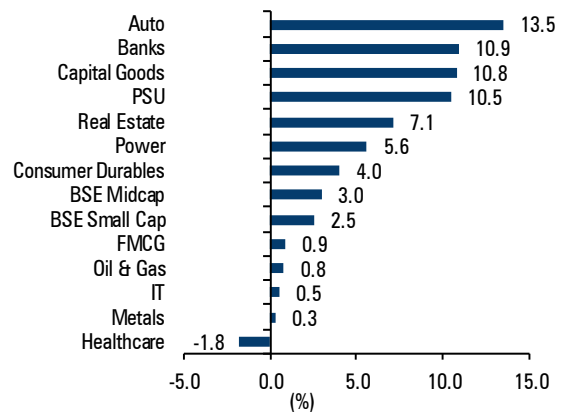
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)









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









Key News for Today

Company/I industry	News	View	Impact
KNR	KNR Constructions reported a strong beat across topline and PAT, led by robust execution. Standalone revenue during Q3FY21 improved 23% YoY to ₹ 686.3 crore, clearly reflecting the sharp pickup in execution. The company continued to deliver industry leading operating margin at 19.7% during Q3FY21 (down 258 bps YoY). At PAT level, robust operating performance coupled with lower depreciation expense translated into 93% YoY growth (to ₹ 77.6 crore) in PAT	KNR continues to deliver industry leading growth. We currently have a positive outlook on KNR Constructions mainly on account of a) its strong order book position, and b) robust execution skills, c) elevated margins, and d) asset-light business model	

ITC	<p>ITC posted revenue growth of 4.7% to ₹ 12580.4 crore led by strong growth in agri business & moderate growth in FMCG business. Cigarette segment saw muted sales growth of 3.5% with slower recovery in cigarettes volumes. We believe cigarettes volumes have still been impacted by reduced out of home activities given many offices are still continuing with WFH scenario. Hotels business saw 57.4% decline in revenues (~40% recovery from pre-Covid times). Moreover, paper & paperboard business also saw 5% sales decline given slower recovery in related industries. FMCG business growth moderated to 7.5% (Q2 growth was 14.6%). We believe there has been considerable moderation in growth in sanitisers & biscuits in packaged food (that supported growth in H1FY21) category. Operating profit fell 7.2% to ₹ 4281.4 crore Operating margins contracted 437 bps to 34% (similar to Q2) mainly impacted by negative operating leverage due to cigarette volume decline. However, FMCG business margins continue to remain in an upward trajectory. FMCG EBITDA margins improved 144 bps to 9.2%. PAT fell 11.6% to ₹ 3662.9 crore impacted by lower operating profit and higher tax provisioning. ITC declared interim dividend of ₹ 5/ share</p>	<p>We believe cigarettes volumes have still not recovered fully given prevalent work from home culture & restricted outdoor activities (restaurants, pubs still not fully operational). We also believe the company would have increased the trade discounts considerably in last three months, which would have also impacted cigarettes sales. However, we believe there has been stability in taxation in the last three years (given excise was hiked only once in 2020 Budget). Taxation on cigarettes is likely to remain stable in future as well, which would help the industry to recover cigarette volumes in next two years. FMCG business operating margin is increasing on continuous basis. We believe margins territory would remain upwards with strong growth in packaged food categories. We believe the change in capital allocation strategy with higher dividend pay-out & lower capex in hotels would result in significant improvement in return ratios, going forward. We remain positive on the company backed by strong growth in FMCG business & improvement in its margin trajectory</p>	
NCC	<p>NCC's Q3FY21 performance was a mixed bag with strong order inflows of ₹ 11,861 crore but slower execution. Its standalone revenue during Q3FY21 declined 9.4% YoY to ₹ 1,918.4 crore, largely impacted by slower-than-expected execution. However, various cost-cutting initiatives (despite increase in raw material/commodity prices) drove operating margin performance (up 67 bps YoY to 12.5%). At PAT level, muted topline performance coupled with higher tax outgo translated into 47.2% YoY decline in adjusted PAT to ₹70.3 crore.</p>	<p>While NCC has reported mixed set of numbers in Q3 FY21, we now turn constructive on the company given a) the strong order book position, b) expected pick-up in execution, c) stable margins, d) debt reduction, and e) improvement in working capital cycle.</p>	
Ashok Leyland (ALL)	<p>ALL reported a muted operational performance in Q3FY21. Revenues came in at ₹ 4,814 crore, up 19.9% YoY. ASPs for the quarter came in lower 1.2% QoQ to ₹ 14.4 lakh/unit. EBITDA in Q3FY21 came in at ₹ 253.8 crore with EBITDA margins at 5.3% Consequent reported PAT in Q3FY21 was at negative ₹ 19 crore and impacted by an exceptional charge (one time VRS cost) amounting to ₹ 85 crore</p>	<p>Sequential decline in ASPs came in as a negative surprise amid substantial improvement in product mix during the quarter in favour of M&HCVs. We, however, remain positive on the company as we firmly believe that the CV cycle is on the cusp of a cyclical recovery with Ashok Leyland-a pure play CV player, the key beneficiary</p>	

<p>Coal India</p>	<p>For Q3FY21, Coal India (CIL) reported sales volume of 154 million tonnes (MT), up 9% YoY and 15% QoQ (our estimate: 155 MT). Hence the subsequent consolidated operating income for the quarter stood at ₹ 23686 crore, up 2% YoY and 12% QoQ (our estimate of ₹ 24625 crore) .Consolidated EBITDA came in at ₹5165 crore (up 4% YoY and 30% QoQ), as against our estimate of ₹5415 crore. Consolidated EBITDA margin came in at 21.8% (up 40 bps YoY and 300 bps QoQ), in-line with our estimate of 22.0%. EBITDA/tonne came in at ₹335/tonne, as against our estimate of ₹350/tonne (₹350/tonne in Q3FY20 and ₹ 297/tonne in Q2FY21). The ensuing Consolidated PAT came in at ₹3084 crore (down 21% YoY, however up by 4% QoQ), lower than our estimate of ₹ 3922 crore.</p>	<p>Coal India (CIL) reported mixed set of numbers for Q3FY21, wherein topline and EBITDA came in line with our estimate, while PAT came in lower than our estimate. PAT came in lower than our estimate on the back of lower than expected other income and higher effective tax rate. Consolidated other income for the quarter under review stood at ₹640 crore (down 54% YoY and 40% QoQ), lower than our estimate of ₹ 1025 crore. Effective tax rate came in at 35% as against our estimate of 25% (26% in Q3FY20 and 25% in Q2FY21).</p>	
<p>Graphite India</p>	<p>For Q3FY21, on a consolidated basis Graphite India reported capacity utilisation of 65%, lower than our estimate of 75% (60% in Q2FY21 and 45% in Q3FY20). On the back of muted capacity utilisation, topline came in lower than our estimate. Consolidated topline for the quarter came in at ₹ 499 crore (down 22% YoY, up 3% QoQ), lower than our estimate of ₹ 545 crore. For the consolidated operations, for Q3FY21 GIL reported EBITDA loss of ₹74 crore (EBITDA loss of ₹ 78 crore in Q2FY21), as compared to our estimate of EBITDA profit of ₹ 27 crore. During the quarter, GIL's consolidated other income stood at ₹142 crore (up 230% YoY, 184% QoQ), higher than our estimate of ₹ 55 crore. Other income for the quarter under review was aided by one-time income of ₹ 81 crore on account of electricity refund. The ensuing consolidated PAT for the quarter stood at ₹23 crore (net loss of ₹41 crore during Q2FY21), as compared to our estimate of net profit of ₹ 50 crore</p>	<p>Graphite India (GIL) reported subdued set of operational numbers for Q3FY21, wherein it reported loss at EBITDA level. However going forward things are likely to improve for the company. Electrode prices have started to stabilize and a positive recovery is likely in coming quarters. The steel industry production growth trend is expected to continue with the strong recovery in the major steel consuming industries such as construction and automobiles. The domestic steel industry is also poised to grow with the recent announcement of increased government spending on Indian infrastructure. The combination of these factors is likely to hopefully drive the demand for electrodes. The impact of these developments is expected to be visible in future financial performance with a lag of normal business cycle.</p>	
<p>Greenply Industries</p>	<p>Greenply Industries reported improved performance in Q3FY21. The topline at ₹ 340 crore, was down by 1.6% YoY owing to 3% decline in Plywood revenues at ₹ 310 crore volumes, down 2.4%). The EBITDA margins expanded by 77 bps to 12.3%, owing to cost rationalisation. The PAT at ₹ 25 crore was up 17% YoY, led by robust margins and lower interest costs on account of debt reduction.</p>	<p>While it lagged its peer in plywood segment, the key positive was credit control measures which led to improvement in working capital (60 days vs. 66 days in Q2 and 80 days last year), resulting in QoQ Y debt reduction by ₹ 113 crore. Growth recovery will be key monitorable</p>	

<p>Natco Pharma</p>	<p>Q3FY21 revenues declined 26.3% YoY to ₹ 355 crore dragged down by 30.9% YoY de-growth in overall formulation sales due to frontloading witnessed in the previous quarter. Export formulations de-grew 26.4% YoY to ₹ 162 crore whereas domestic formulations de-grew 37.4% YoY to ₹ 95 crore. API sales grew 5.7% YoY to ₹ 98 crore. EBITDA margins declined 346 bps YoY to 23.2% due to negative operating leverage partially offset by lower other expenditure. Subsequently, EBITDA de-grew 35.9% YoY to ₹ 82.5 crore. Net profit de-grew 40.0% YoY to ₹ 62.7 crore.</p>	<p>Q3 results were below I-direct estimates on all fronts. Decline in formulations was likely on account of stocking exercise in Q2FY21 in view of a second Covid wave across many countries. Notwithstanding the quarterly fluctuations amid the pandemic situation, the bright spot for Natco is its strong balance sheet besides management's ability to carve out a niche out of the available opportunities. We will get more insights post discussion with management.</p>	
<p>ACC</p>	<p>ACC's reported EBITDA margin contraction of 519bps QoQ on account of weak realisations and higher other expenses. Further, impairment loss of ₹176 crore led to 14.6% QoQ dip in profits at PBT level to ₹461 crore.</p>	<p>While operating performance appear weak, additional charge of ₹129 crore in other expenses led to sharp contraction in margins. Adjusting for the same, EBITDA margins and EBITDA/t would have been 16.9% and ₹909/t vs our estimated EBITDA margins of 16.4% and ₹871/t. In addition, adjusting for impairment loss, net profit at PBT level would have been on expected lines. The volume growth (up 18.8% QoQ) reported by the company has shown a healthy recovery and with normalization of expenses along with commissioning of new capacities, we expect margin profile to improve going forward.</p>	
<p>Petronet LNG</p>	<p>The topline declined 17.8% YoY to ₹ 7328.2 crore. The total volumes were marginally up YoY (down 7.5% QoQ) to 235 tbtu. Blended margins stood at ₹ 63.2/mmbtu. Subsequently, EBITDA was at ₹ 1335.3 crore, up 20.6% YoY. Reported PAT stood at ₹ 878.5 crore, up 30.1% YoY</p>	<p>Petronet LNG reported mixed set of results for Q3FY21. While sales volume was below estimates likely due to LNG prices increasing towards end of the quarter and increase in share of LNG import from other terminals, blended margins were ahead of expectations. We seek management commentary on outlook ahead as sustained growth in both contracted LNG sales as well as regas volumes and stability in blended margins is important going forward.</p>	
<p>Healthcare Global (HCG)</p>	<p>HCG's Q3FY21 revenues showed continued sequential recovery (up 10.5% QoQ) now only down 1.4% YoY at ₹ 274 crore. EBITDA margins improved by 161 bps QoQ to 13.9% (down 176 bps YoY) due to better operating leverage. Subsequent EBITDA grew 25.0% QoQ to ₹ 38.1 crore. Reported net loss for the quarter stood at ₹ 20.7 crore vs ₹ 22.3 crore loss in Q2FY21 and ₹ 22.9 crore loss in Q3FY20</p>	<p>Q3 occupancies have reached back to pre-Covid levels at 43.6%, up from 32% in Q1FY21. While domestic business has almost recovered, international patient mix is currently at 35% of pre-Covid levels but is expected to completely normalize by end of Q2FY22. Despite encouraging numbers and the erstwhile deleveraging, significant equity dilution and suppressed return ratios on account of blotted equity remain major concerns.</p>	

Gujarat Pipavav	GPPL announced its Q3FY21 results. While the consolidated revenues remained flat YoY to ₹ 198 crore (up 9% QoQ), absolute EBITDA de-grew 6% to ₹ 110 crore (up 7% QoQ) as EBITDA margins contracted 409 bps to 55.4%. Subsequently, PAT de-grew 56% to ₹ 59 crore (up 18% QoQ) mainly due to tax credit in the base quarter	GPPL registered strong QoQ recovery in volumes, with higher EXIM and Coastal volumes (up 19%), while the volumes are yet to normalise YoY (down 14%) to 2 lakh TeUs. On the other hand, dry bulk saw QoQ de-growth of 15% (due to end of fertiliser season) and grew 6% YoY. However, RoRo segment crashed 97% YoY (down 93%) to 253 cars	
Sun Pharma	In a positive and long awaited development, Sun Pharma has settled the whistleblower case against it that alleged that it was diverting funds through its wholesale distributor and related party, Aditya Medisales in India. The aggregate settlement amount that the company and certain other executives (incl. Dilip Shangvi) will have to pay to settle the case without admitting or denying the findings of fact and conclusions of law is ₹ 2,92,10, 250.	This settlement could significantly subside the impending overhang on the stock over the last few months. Note that this settlement along with the settlements in the US for various launch related issues can bring back investors' focus on Sun's business prospects. There would be significant positive sentimental impact.	

Key developments (Continued...)

- Info Edge to report Q3FY21 results. We believe that in the near term, revenues will be under pressure and hence, expect revenues to decline 7.4% YoY in Q3FY21E. In addition, we expect margins on a YoY basis to decline 225 bps YoY to 30.8%. However, on a QoQ basis we expect revenues to increase 15.9% QoQ mainly led by green shoots in economy and improving trend in IT, healthcare, education & telecom. Further, margins on a QoQ basis are expected to improve from 20.1% to 30.8% due to operating leverage benefits and low base in previous quarter. Key interest in concall is outlook on recovery of key verticals, acquisition via fund raising, update on venture fund and update on Zomato, PolicyBazaar & other new investments
- Apollo Hospitals' Q3FY21E consolidated sales are likely to grow 2.6% QoQ to ₹ 2832 crore. Growth of 49% QoQ is expected in the hospitals segment as occupancy levels reach +60% levels. The pharmacy distribution segment (~85% of standalone pharmacy) is expected to clock ₹ 1237 crore contribution to topline. EBITDA margins are likely to improve 174 bps QoQ to 12.6%. Subsequently, Apollo is expected to register a net profit of ₹ 55 crore in the quarter, up 97% sequentially
- Bharat Forge is expected to progress well on its path to recovery with Q3FY21E performance seen being mixed in nature with growth in the domestic business (PV, CV volume prints positive YoY) accompanied by spike in metal prices. On a standalone basis, in Q3FY21E, we expect the company to clock total operating income of ₹ 1,070 crore (flat YoY). EBITDA in Q3FY21E is expected at ₹ 212 crore with corresponding EBITDA margins at 19.8%, up 200 bps QoQ (operating leverage benefits). Ensuing PAT for Q3FY21E is expected at ₹ 98 crore, down 23% YoY (base effect)
- For Q3FY21, we expect Cochin shipyard to post revenue at ₹930 crore, up 3.8% YoY & 41% QoQ. We expect a sequential jump in performance as Q2 was impacted led by non-availability of service engineers. EBITDA is expected at ₹ ₹ 200.4 crore, up 1 % YoY with an entailing margin of 21.6% vs 22.1% YoY. Ensuing PAT is expected to come at ₹162.9 crore, down 5 % YoY after assuming a tax rate of 28%
- Phoenix Mills to report Q3FY21 numbers today. We expect Phoenix Mills' (Phoenix) revenues to de-grow 39.7% YoY to ₹ 308.6 crore on account of impact on retail and hospitality portfolio due to waiver and weak occupancy, respectively. At the PAT level, we expect ₹ 20.4 crore, down 77.8% YoY. However, we highlight that performance will be sharply better QoQ. Among KPI, Q3FY21 mall consumption of ~₹ 1370 crore was at 66% of previous year levels and up 192% QoQ. Consumption in December 2020 was ~₹ 500 crore, at the same level as November 2020 and at 70% of December 2019 level. Residential sales are seeing strong traction with sales of ~₹ 74 crore while hospitality has improved sharply QOQ, albeit significantly lower YoY. Key Monitorable: Outlook on business ahead and inorganic expansion plans update

- For Q3FY21E, we expect Timken's revenue at ₹ 413.2 crore, up 10.7% YoY. Further we expect Timken to post an EBITDA margin of 21.3% in Q3FY21E vs 22.5% in Q3FY20. However, it is important to note that the margins in Q3FY20 were on the higher side of the spectrum of margins posted by Timken. Further we expect PAT to decline 36.4% YoY to ₹ 53.8 crore (Negative tax charge in Q3FY20, hence the decline in PAT on a YoY basis)
- TV Today is expected to report TV broadcasting revenue growth of ~5% YoY to ₹ 188 crore in Q3FY21. Radio business is estimated to decline 30% YoY while digital revenues are expected to maintain growth trajectory and grow 15% YoY. We expect the company to report ~4% YoY EBITDA growth to ₹ 63 crore and estimate EBITDA margin of 28% for the quarter (up 70 bps YoY)
- Vodafone Idea to report Q3FY21 numbers tomorrow. We expect churn for Vodafone Idea to go down driven by completion of network integration. We consequently bake in ~4 million customer exits on a QoQ basis, much lower than average churn of ~10 mn seen in last four quarters. We build in ARPU growth of ~3% QoQ at ₹ 123, aided by higher data based usage upgrades. We expect overall revenues to grow 0.6% QoQ at ₹ 10,861 crore. Reported margins are expected at 36.8%, down 170 bps QoQ as Q2 had one-off costs benefits of ₹ 300 crore. The company is expected to post a net loss of ₹ 6655 crore. Key monitorable: Fund raising plans and ARPU trajectory commentary ahead
- Bosch posted healthy operational performance in Q3FY21. Revenues rose 19.4% YoY to ₹ 3,030 crore (automotive revenues up 25% YoY to ₹ 2,671 crore, non-automotive revenues down 10.6% YoY to ₹ 365 crore). Margins came in at 11.8%, up 20 bps QoQ. Encouragingly, employee costs (absolute) were down ~20% on YoY basis. PBT before exceptional items stood at ₹ 366 crore was higher by 5% YoY. PAT in Q3FY21 stood at ₹ 186 crore. The company booked final tranche of its restructuring and reskilling program costs at ₹ 147 crore (vs. ₹ 208 crore in Q3FY20; 9MFY21 costs at ₹ 744 crore)
- Atul auto reported another quarter of washout performance amid steep decline in volumes (down 58% YoY) on account of preference for personal mobility in response to Covid-19. Net sales for the quarter stood at ₹101.7 crore, down 47% YoY. EBITDA in Q3FY21 stood at ₹3 crore with corresponding EBITDA margins at 2.8%. PAT in Q3FY21 stood at ₹1.1 crore (₹ 0.7 crore in Q2FY21 and ₹19.7 crore in Q3FY20)
- HUDCO Ltd reported 2.88% flattish growth in total revenues for the Dec-20 quarter on consolidated basis at ₹1,845.19cr. The consolidated PAT for Q3FY21 quarter was up 90.19% at ₹391.59cr. The big boost to profits came from sharply lower impairment and write-downs of financial assets which fell from Rs167cr to a negligible sum
- Linc Pen & Plastics reported another subdued quarter amid nationwide closure of education institutes (schools and colleges). Net sales for the quarter stood at ₹ 71 crore, down 27% YoY. EBITDA in Q3FY21 stood at ₹2.2 crore with corresponding EBITDA margins at 3%. PAT in Q3FY21 stood at negative ₹ 1.3 crore (negative ₹ 0.9 crore in Q2FY21 and ₹ 4.3 crore in Q3FY20)
- Zee Media's operating revenue was ₹ 184.4 crore, up ~18% YoY in Q3FY21 as ad revenue grew by 20.5%. EBITDA came in at ₹ 68.4 crore, up ~34% YoY. Subsequently, reported PAT stood at ₹ 34.4 crore against loss of ₹ 181.9 crore in Q3FY20
- The microfinance sector shrunk 4% in the nine months to December 2020, with the average loan size falling by 10% as lenders turned cautious. Combined micro credit portfolio of all lenders stood at ₹ 2,27,893 crore at the end of 2020 compared with ₹ 2,36,427 crore as of March 31, 2020. Average ticket size fell to ₹33,227 against ₹3,6842 over the same period. The repayment efficiency ratio, while improved to 85-95% at the end of December from just about 55-60% seen in July, is yet to reach pre-Covid level of 97-99%, as reported in ET
- Glenmark has received USFDA approval for the generic version of Cleocin T (Clindamycin Phosphate) gel in US. The antibiotic topical, used to treat acne, had annual sales of ~US\$73.8 million as per IQVIA MAT December 2020
- L&T construction awarded significant contract (ranging between ₹ 1000 to ₹ 2500 crore) for its Transportation Infrastructure business to extend the mainline corridor of Mauritius Metro by 3.4 km from Metro Express Ltd (MEL), Mauritius
- BHEL has received an order from Indian Navy for supply of two numbers Super Rapid Gun Mounts (SRGM), main guns standardised for all warships of Indian Navy
- Infosys to make additional investment (of US\$1 million or ~₹ 7 crore) in ideaForge Technology Private Limited, a leading Unmanned Aerial Vehicles (UAV) systems manufacturer known for rugged and high-precision UAV systems. Infosys will have minority holding in the company and the transaction is expected to be completed by Q4FY21
- IRDAI urges general insurers to file products for drone coverage. IRDAI has asked general insurance companies to file the "model product" suggested by one of its working groups, regarding drones, given that only a handful of insurers offer coverage to drones under aviation insurance at present, as reported in Business Standard
- According to Business line, Orient Electric has launched new range of LED lighting products which can provide lighting back for upto 4 hrs in case of no electricity. Initially, the product will be targeted to semi urban and rural markets. For FY20, the LED lighting contributed ~28% to its total sales of ₹ 2062 crore, and the same has grown at a CAGR of ~18% in the last five years largely on a low base and led by dealer additions
- Mahindra Lifespace has launched a new residential project at Tathawade, Pune, Maharashtra named under Happinest Tathawade on 10th Feb, 2020. The said Project is registered with Maharashtra RERA

- Intellect Global Transaction Banking (iGTB) announced that Dave Revell is joining as Senior Strategic Advisor on its Growth Advisory Board. Mr. Revell is an experienced Board Director and Senior Executive with 35 years of experience in the Financial Services, Telecommunications and Information Technology sectors
- Indian Bank has said that customers may face inconvenience later this week as it will carry out software migration with respect to its merger with Allahabad Bank. The bank shall take all possible efforts for non-occurrence of any such disruptions and strive for immediate redressal/rectification for the disruptions observed
- GSPL will invest additional ₹ 205 crore equity in its JV GSPL India Gasnet. The company will continue to hold 52% stake in the company
-

Nifty Daily Chart

NIFTY[N59901] 15173.30, 0.44%
Price



Technical Outlook

Equity benchmarks concluded weekly derivative expiry session on a positive note. The Nifty settled at 15173, up 67 points or 0.4%. In the coming session, we expect index to witness follow through strength and maintain a higher high-low formation, which would confirm the continuation of upward momentum. Hence, use intraday dip towards 15090-15114 to create fresh long position for target of 15198.

On expected line, index has undergone couple of days breather after 12% rally that helped index to cool off the overbought condition and make market healthy. Key point to highlight is that, despite ongoing breather, Nifty has managed to hold the psychological mark of 15000, indicating inherent strength. The resilience in key index heavy weight stocks from telecom, banking and auto space makes us confident to believe that index would resolve higher and gradually head towards our earmarked target of 15500 in coming month as it is 161.8% external retracement of past two week's fall (14754-13596), at 15466.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	51531.5	51262	50992	51697	51862
Nifty 50	Positive	15173.3	15096	15019	15219	15265
ACC Ltd	Negative	1776.0	1748	1721	1796	1817
Axis Bank Ltd	Neutral	740.1	732	725	745	751
HDFC BANK LTD	Negative	1572.4	1558	1544	1592	1612
SBI	Neutral	390.2	387	383	396	401
HERO MOTOCORP LT	Negative	3541.5	3492	3443	3572	3603
MOTHERSON SUMI	Positive	179.3	174	168	185	190
Tata Motors	Neutral	325.0	323	319	331	335
M&M FIN SERVICES	Positive	197.0	189	182	201	206
BAJAJ AUTO LTD	Neutral	4181.9	4138	4094	4214	4246
TCS	Positive	3206.0	3187	3169	3221	3237
INDIAN OIL CORP	Negative	96.5	97	95	98	99
CIPLA LTD	Positive	859.8	853	845	872	883
PIDILITE INDS	Positive	1771.9	1750	1728	1794	1816
Reliance Industries	Positive	2055.7	1998	1939	2090	2123
BHARTI AIRTEL	Neutral	598.1	590	582	605	612
DR REDDY'S LABS	Neutral	4825.1	4804	4782	4854	4882

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range Bound	Up
Support	15110-15065	14600
Resistance	15210-15250	15500
20 day EMA	0	14622.0
200 day EMA	0	12450.0

Advances/Declines

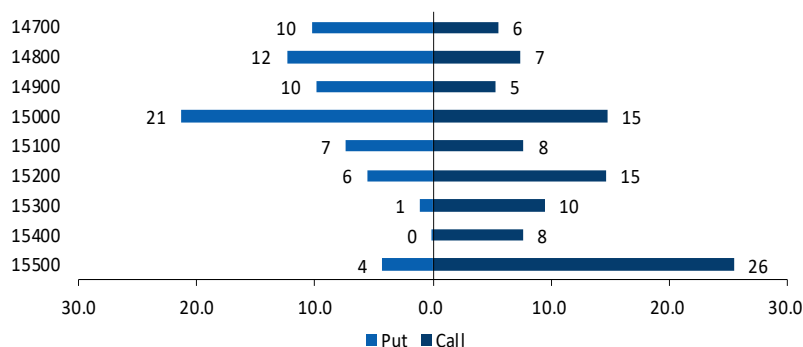
	Advances	Declines	Unchanged
BSE	1682	1314	130
NSE	1106	829	99

Daily Technical Calls

- Daily Technical Calls**
- Buy Divi's Laboratories in the range of 3755.00-3761.00
 - Buy Havells India in the range of 1153.00-1157.00
- 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) Mahindra & Mahindra**
Buy MAHMAH FEB Fut at ₹916.00-918.00
CMP: 915.10
Target 1: 923.4 Target 2: 933.1
Stop Loss: 910.6
- ii) PVR**
Sell PVRLIM FEB Fut at ₹1497.00-1499.00
CMP: 1497.15
Target 1: 1475.19 Target 2: 1442.7
Stop Loss: 1520.1

[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, Ques 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 Mahind		Dwarikesh Sugar, Anup En Hester Bio, Titagarh Wago 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, Balrampur Chini Ratnamani Metals, Ajanta, Nocil Mangalam Cem., Intellect, EPL Escorts, Dhampur Sugar, PI Ind. Siaram Silk, Control Print		Ramco Cement, Apollo Tyres, Vguard 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 (His 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, Navnet Edu., Timken Glenmark, Nesco, Phoenix Mills Bharat Forge, Sadbhav Eng., Midhani Cochin Shipyard, Moil, Info Edge Apollo Hospitals, Sobha Ltd.		Amara Raja Batteries Kalpataru Power Sunteck Realty Vodafone Idea	
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 PM	

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
11-Feb	M3 Money Supply	IN	Jan	12.1%	12.5%
11-Feb	Initial Jobless Claims	US	Jan	793k	757K
Date	Event	Country	Period	Expected	Previous
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(%)
Cr	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ
Info Edge	296.8	-7.4	15.9	91.4	-13.7	77.4
Apollo Hospitals	2,832.5	-2.7	2.6	356.8	-17.0	19.0
Phoenix Mills	308.6	-39.7	43.6	148.3	-42.8	61.7
Cochin Shipyard	930.0	3.8	41.5	200.4	1.0	59.3
Timken	413.2	10.7	5.4	88.0	4.6	6.4
TV Today	225.5	1.4	27.6	63.0	3.8	53.0
Vodafone Idea	10,860.8	-2.1	0.6	3,998.8	16.9	-3.7
					-6,654.6	NA

Recent Releases

Date	Report
February 11, 2021	Result Update-Berger Paints
February 11, 2021	Company Update-P&G Healthcare
February 11, 2021	Result Update-NMDC
February 11, 2021	Company Update-Suven Pharmaceuticals
February 11, 2021	Company Update-Aurobindo Pharmaceuticals



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