

Market Outlook

Indian markets are likely to see a flattish opening on the back of flattish global cues. Continuous reaction on Budget, some upbeat quarterly results are likely to be offset by uncertainty on US additional stimulus. However, global news flows, sector specific development will be key monitorables.

Markets Yesterday

- Domestic markets ended higher tracking gains across sectors, mainly banking and pharma
- US markets ended mixed amid reaction to corporate's quarterly earnings

Key Developments

- Hero MotoCorp (HMCL) is expected to report steady Q3FY21E results tracking 19.8% rise in volumes to 18.45 lakh units & pressure on gross margins amid increase in commodity prices. Net sales for the quarter is expected at ₹ 9,752 crore, up 39.4% YoY. It includes the impact of sharp jump in realisations due to BS-VI transition. ASPs for the quarter are seen benefiting from price hike related uptick at ₹ 52,849/unit. EBITDA in Q3FY21E is expected at ₹ 1,094 crore with corresponding EBITDA margins at 11.2% (down 250 bps QoQ). We expect PAT for the quarter to decline 8% YoY to ₹ 811 crore
- NTPC is expected to report flattish generation growth of 1.8% in Q3FY21E at 61.8 billion units (BUs). On the other hand, energy sold is likely to witness growth of 2.1% YoY at 57.5 BUs. We build in tariffs at ₹ 4.1/Kw/hr while fuel cost is estimated at ₹ 2.05 per unit. We expect revenues to grow 0.2% YoY to ₹ 23554.5 crore whereas EBITDA is expected to grow 4.5% YoY to ₹ 7287 crore in Q3FY21. PAT is expected to grow 3.9% YoY to ₹ 3113.6 crore

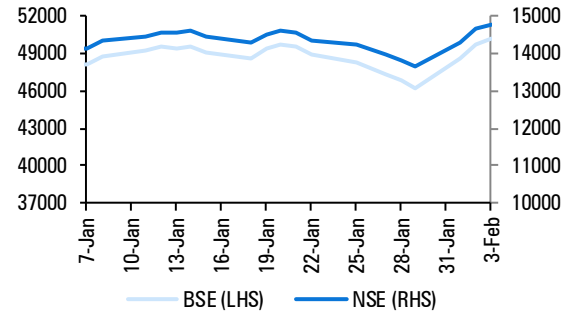
Nifty Heat Map

Indusind Bank	1,049 7.5%	Power Grid	207 6.3%	Coal India	137 4.6%	Dr Reddy	4,650 3.7%	Divis Lab	3,680 3.7%
Cipla	849 3.4%	Sun Pharma	629 3.2%	IOC	102 3.1%	NTPC	97 3.0%	Tata Motors	331 2.8%
Axis Bank	734 2.7%	Titan	1,525 2.7%	Hero Moto	3,381 2.6%	TechM	981 2.5%	M&M	833 2.0%
Tata Steel	653 1.8%	BPCL	415 1.7%	Adani Ports	560 1.7%	HDFC Ltd	2,704 1.7%	Bharti Airtel	609 1.6%
Bajaj Finance	5,245 1.4%	Wipro	434 1.2%	HDFC Life	689 1.2%	Infosys	1,285 1.1%	JSW Steel	393 1.0%
HDFC Bank	1,575 0.9%	SBI	336 0.9%	Bajaj Auto	4,236 0.8%	ICICI Bank	622 0.8%	Hindalco	257 0.7%
Bajaj Finserv	9,536 0.6%	GAIL	130 0.6%	HCI Tech	960 0.5%	L&T	1,529 0.5%	ONGC	93 0.5%
Britannia	3,517 0.4%	Eicher	2,917 0.4%	Reliance Ind.	1,931 0.3%	HUL	2,233 0.1%	SBI Life	866 0.1%
Grasim Ind	1,191 0.1%	TCS	3,200 -0.1%	Nestle	17,166 -0.1%	Asian Paints	2,454 -0.4%	Kotak Bank	1,852 -0.5%
ITC	217 -0.7%	Ultratech	6,075 -0.8%	Maruti	7,589 -0.9%	UPL	558 -1.4%	Shree Cement	25,994 -1.7%

Today's Highlights

Results: SBI, Hero MotoCorp, NTPC, Ipc, Concor, Zee Entertainment, TCI Express, Minda, Kalpataru, Brigade, Matrimony, Sonata, Trent, Somany Ceramics, Jindal Stainless, Bajaj Electricals, Caplin, Hikal, FDC

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	50,256	49,798	0.9	8.6	5.2	28.9
Nifty	14,790	14,648	1.0	8.5	5.8	27.9

Institutional Activity

	CY19	CY20	YTD CY21	Yesterday	Last 5 Days
FII (₹ cr)	40,893	64,379	19,178	2,521	-3,656
DII (₹ cr)	44,478	-28,544	-14,496	-400	2,051

World Indices – Monthly performance

	Nasdaq	NSE	BSE	Nikkei
Kospi	13,611	14,790	50,256	28,647
	8.9%	5.6%	5.5%	5.0%
Dow Jones	13,934	3,517	5,563	6,508
	1.5%	1.3%	-0.5%	-1.0%

Markets Today (Updated till yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	47,749	47,751	0.0	-2.7	-4.8
Silver (₹/kg)	67,786	67,541	0.4	-2.8	-0.5
Crude (\$/barrel)	57.9	57.5	0.8	3.7	11.8
Copper (\$/tonne)	7,787	7,806	-0.2	-1.0	0.5
Currency					
USD/INR	73.0	73.0	0.0	0.0	0.1
EUR/USD	1.2	1.2	-0.2	-1.0	-1.6
USD/YEN	105.1	105.2	-0.1	-0.4	-1.7
ADRs					
HDFC Bank	80.1	78.0	2.7	11.1	10.8
ICICI Bank	17.3	17.0	2.0	14.8	16.7
Tata Motors	22.2	19.5	13.6	24.5	76.0
Infosys	17.4	17.4	0.3	3.3	2.9
Dr Reddys Labs	61.0	59.2	3.0	-0.5	-14.5
Wipro	6.5	6.4	1.3	4.9	14.2

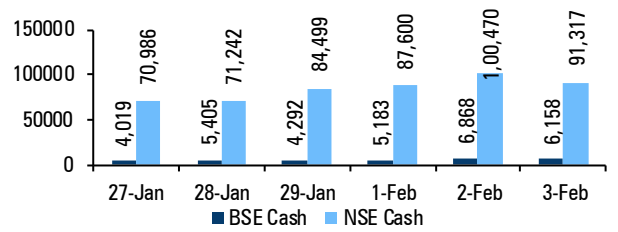
Key Data Points

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 bln\$	23.5 bln\$
FX Reserves, USD Final	Dec	585 bln\$	575 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	-15.7bn \$	-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%

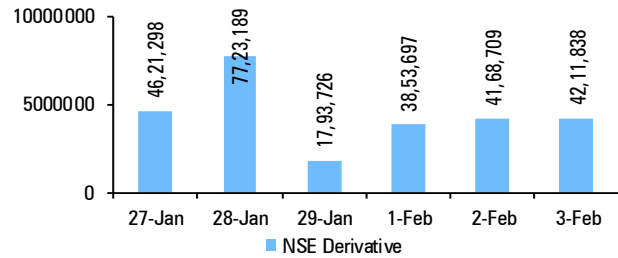
Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
IIFL Securities	Buyback			Ongoing	54.00
KNR constructions	Bonus Issue	03-Feb-21	04-Feb-21	01:01	
Kewal Kiran Clothing	Dividend	03-Feb-21	04-Feb-21		8.00
Exide Industries	Dividend	04-Feb-21	06-Feb-21		2.00
Accelya Solutions India	Dividend	05-Feb-21	08-Feb-21		35.00
Nippon Life	Dividend	05-Feb-21	08-Feb-21		3.00

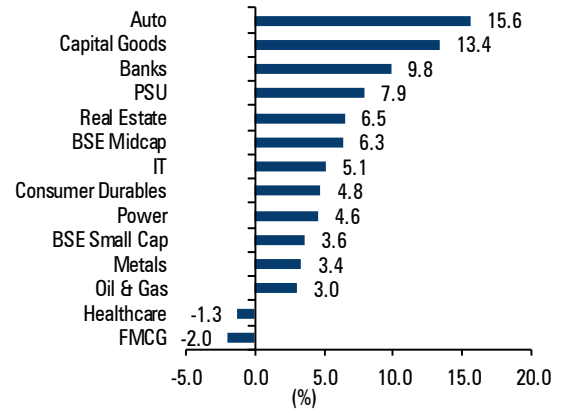
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)









Sectoral Performance – Monthly Returns (%)









Key News for Today





Company/I ndustry	News	View	Impact
PNC Infratech	PNC Infratech’s execution was robust for the quarter, with revenue growth back, on expected and stable margins. Higher other income, however, led to beat at the PAT level. Topline came in at ₹ 1322 crore, up ~9% YoY, driven by strong execution and improved labour availability. EBITDA came in at ₹ 179 crore, up 4.3% YoY with margin, 13.5%, down 56 bps YoY. PAT came in at ₹ 103.2 crore, up 33.7% YoY	PNC execution remained robust on the operational front. Healthy order book (as of Q2), comfortable leverage and working capital remains the strength of the company. Government focus on Roads and higher allocation in Budget, bodes well for the company.	

<p>Bharti Airtel</p>	<p>Bharti Airtel reported yet another strong operating performance with beat on KPIs such as ARPU, subscriber addition and margins. Consolidated topline came in at ₹ 26,518 crore, up 5.8% QoQ on a like-to-like basis, driven by Indian wireless revenues, which were up 6.8% QoQ (32.4% YoY) at ₹ 14,779 crore, with ARPU growth of 2.4% QoQ at ₹ 166 and strong net sub addition of ~14.2 million. Africa revenues were up 6.7% QoQ at ₹ 7644 crore. Consolidated EBITDA came in at ₹ 12,053 crore, up 8.9% QoQ on comparable basis with margin of 45.5% (up 128 bps QoQ). Overall Indian margin was up 78 bps QoQ at 45.2% with Indian wireless margins at 42.6%, up 110 bps QoQ, largely a function of operating leverage</p>	<p>Airtel continues to report resilient numbers, especially on Indian wireless business front. The major positive read through is continued strong subscriber addition and ARPU traction that percolated into superior EBITDA</p>	
<p>Apollo Tyres</p>	<p>Apollo Tyres reported a robust Q3FY21 performance. Total consolidated operating income rose 17.1% YoY to ₹ 5,154 crore. Consolidated margins were at a decade high 19.2% (up 297 bps QoQ), with PAT at ₹ 444 crore (up 155% YoY)</p>	<p>Revenues were broadly along expected lines (India revenues rose 22.7% YoY, Europe revenues up 7.5% YoY) with margin performance the real differential vis-a-vis estimates. Against expected 240 bps QoQ gross margins contraction, they rose 120 bps QoQ. India replacement price hikes across segments (2-3%) and improved Europe product mix drove margin performance. Rise in costs of key inputs (natural rubber, crude derivatives) may reflect in Q4FY21E results with management commentary on EBITDA sustainability a key monitorable. We are enthused to note the reduction in consolidated net debt from ₹ 6,000 crore as of FY20 to ₹ 3,800 crore as of December 2020</p>	
<p>Thermax</p>	<p>Thermax reported consolidated revenues at ₹ 1410.6 crore, which came in flat YoY. EBITDA came in at ₹ 147.6 crore, up 30.4% YoY aided by cost control measures and improved performance in key business segments. Reported PAT came in at ₹ 83.3 crore, which declined marginally by 2.0% on account of tax adjustments in base quarter and exceptional items. Consolidated adjusted PAT (after adjusting for exceptional items) comes to ₹ 103.8 crore, up 22.2% on YoY basis. The consolidated order inflow came in at ₹ 1565 crore, down 2.6% YoY</p>	<p>Thermax' execution was a reflection of normalcy in operations across business segments. Order inflows witnessed a broad based recovery in sectors ranging from cement, steel, food & beverages. Operating margins came in better-than-expected owing to operating cost control measures. However, order inflows and order books continue to remain key concerns amid muted private capex</p>	

Minda Corporation	Minda's Q3FY21 revenues grew 36% YoY to ₹ 740 crore, with margins rising 76 bps QoQ to 11.1%. Consolidated PAT grew 11% YoY to ₹ 49 crore	Revenue growth tracked ASP increase in 2-W wiring harness business under BS-VI and higher aftermarket and export sales. Margins were positively impacted by savings in other expenses and discontinued operations at European subsidiary Minda KTSN. Increased profitability from JVs/associates (₹ 6 crore) was encouraging	
Hindalco	Hindalco's wholly owned subsidiary Novelis reported a healthy performance in Q3FY21. Total flat rolled product shipments were at 933 KT, higher than our estimate of 925 KT. Adjusted EBITDA per tonne was at US\$537/tonne, higher than our estimate of US\$490/tonne. Ensuing EBITDA was at US\$501 million, higher than our estimate of US\$453 million	Novelis reported a healthy Q3FY21 performance on the back of organic growth, favourable metal benefits and net US\$50 million positive EBITDA contribution from the acquired Aleris business. Net leverage improved during the quarter to 3.3x, compared to 3.8x at the close of the Aleris acquisition in the first quarter of fiscal 2021. This reduction is a factor of both stronger adjusted EBITDA and a \$500 million reduction in the company's short term bridge loan due in 2022	
Triveni Engineering	Triveni Engineering reported strong results with 82.6% growth in operating profit. Consolidated revenue increased 5% to ₹ 1123.1 crore led by 6.8% growth in sugar segment & 7.2% growth in distillery segment. Sugar volume increased 6.7% to 2.71 lakh tonnes mainly on account of higher domestic sale quota. The company also exported 14244 tonnes of sugar pending from previous seasons export quota. The company is holding 2.82 lakh tonnes of sugar valued at ₹ 30.9 / kg. Distillery volumes increased 3.8% to 2.24 crore litre. Distillery realisation was up 1.5% to ₹ 47.8 /litre. Engineering businesses continued to remain impacted by pandemic related execution delays. Power transmission sales were down 52.8% to ₹ 21.3 crore mainly due to deferral of supplies from Q3 to Q4. Water business sales was down 14.7% to ₹ 60.2 crore. Outstanding order book for power transmission & water business was ₹ 160 crore & ₹ 827 crore, respectively	We believe the sugar industry is going through a transformation by aggressively creating distillery capacities to divert sugarcane & grains towards ethanol. This would eliminate the situation of sugar glut in the system. In the current sugar season, UP based sugar millers have faced decline in yields & recoveries, which is likely to impact sugar production in the state. Export of 6.0 million tonnes in the current sugar season & lower than expected production would substantially reduce sugar inventory, which, in turn, would result in higher sugar prices. We believe sugar prices should move toward ₹34 / kg from March / April. This would significantly improve profitability of sugar companies in FY22	

KPR Mills	<p>KPR Mills reported a healthy set of Q3FY21 numbers with robust topline and profitability growth. Revenue for the quarter grew 21% YoY to ₹ 929.6 crore. On the segmental front, revenue from textile division grew 19% YoY to ₹ 805 crore on the back of strong order book of garmenting division. Sales from sugar division grew 67% YoY to ₹ 108.9 crore. Gross margins expanded significantly by 707 bps YoY to ~50%. Furthermore, owing to positive operating leverage, EBITDA margins came in at an all-time high of 27% (up 920 bps YoY, 690 bps QoQ) in Q3FY21. On the back of robust operational performance, PBT grew 1.2x YoY to ₹ 218.2 crore</p>	<p>We continue to remain positive on KPR due to its competitive advantages due to lower power & labour cost, vertically integrated operations, focus on value-added products and healthy balance sheet. To cater to the growing market demand and tapping new potential markets (like US), KPR had embarked upon a greenfield expansion of its garmenting facility with annual capacity of 42 mn pieces. With the capacity addition, KPR will be India's largest knitted garment manufacturer in India with total capacity of 157 mn pieces</p>	
VIP Industries	<p>VIP Industries is gradually witnessing greenshoots with recovery in demand for luggage on a month on month basis. However, it is still materially below pre-Covid levels. For Q3FY21, revenue declined 46% YoY (up 126% QoQ) to ₹ 232.6 crore. VIP was able to materially reduce operating overheads by ~50% YoY (employee, other expenses down 46%, 52% YoY, respectively) which led to company reporting EBITDA of ₹ 8.1 crore (down 88% YoY) vs. EBITDA loss of ₹ 22.1 crore in Q2FY21. To consolidate its manufacturing operations, VIP has transferred its capacities from Haridwar plant to its Nashik plant. Profit on sale of land and building worth ₹ 4.5 crore has been recognised in other income. On a sequential basis, PAT losses narrowed down significantly to ₹ 8 crore vs. loss of ₹ 35 crore in Q2FY21</p>	<p>VIP has identified and is implementing close to ~ ₹ 180 crore fixed cost savings in FY21E of which it believes ~50% will be sustainable in nature. Also, with certain green shoots visible in domestic travel industry, demand across categories is picking up pace. The company is well placed on the liquidity position front as it continues to be net cash positive. While revenue recovery may take longer, structural changes in fixed overheads will lead to faster recovery in profitability terms</p>	
Hawkins Cooker	<p>Owing to renewed customer interest in cooking appliances (as people preferred home cooked food) Hawkins reported healthy topline growth to the tune of 20% YoY to ₹ 231 crore in Q3FY21. On account of higher input prices and change in channel mix, gross margins declined by 210 bps YoY to 56.8%. Subsequently, EBITDA margins declined by 216 bps YoY to 14.1%, with EBITDA increasing by 4% YoY to ₹ 32.6 crore. Ensuing PAT grew by 8% YoY to ₹ 24.2 crore</p>	<p>We continue to remain structurally positive on Hawkins owing to its robust balance sheet and good promoter pedigree. Over the years, the company has maintained balance sheet prudence with controlled working capital cycle (20% of sales), non-leverage balance sheet and generating healthy RoCE of 55%+. The company has consistently maintained healthy dividend payouts with average ratio of ~75%</p>	

<p>Butterfly Gandhimati</p>	<p>Butterfly Gandhimathi reported healthy revenue growth of 70% YoY to ₹ 298 crore in Q3FY21. The strong growth was on back of enhanced customer interest in kitchen appliances as majority of people preferred home cooked food. Growth was across all channels except the gas dealer channel. Though gross margins were lower (change in product and channel mix) by 400 bps YoY to 41.7%, EBITDA margins expanded 480 bps YoY to 12% owing to positive operating leverage. On the back of strong operational performance, PAT increased from ₹1.1 crore in Q3FY20 to ₹18.7 crore in Q3FY21</p>	<p>The company witnessed strong growth in both kitchen appliances (up 73%) and cooker/cookware (up 72%) owing to strong demand. It has been able to cater to the increased demand owing to its own manufacturing capacity and garner higher revenues owing to its strong brand presence in southern India. Significant improvement in margins also augurs well for the company and is in line with its medium term target of double digit EBITDA margins. On the b/s front, it reduced its borrowings from ₹ 170 crore in FY20 to ₹ 57 crore in 9MFY21 on the back of improved working capital cycle</p>	
<p>Arvind Fashion</p>	<p>Arvind Fashions reported a revenue recovery in Q3FY21 on account of stronger festive season and winter shopping, along with increased footfalls across stores. Revenue for the quarter declined 21% YoY to ₹ 901.4 crore. Significant cost rationalisation measures and recovery in revenues resulted in PBT losses narrowing down to ₹ 35 crore vs. PBT loss of ₹ 225 crore in Q2FY21. Continuing business achieved cash breakeven for the quarter</p>	<p>As per the management, offline sales recovery in January was better than December and expects Q4FY21E revenues to be higher than last year (on low base). The company via release of working capital and cash infusion (rights issue and stake sale in Flying Machine) has been able to reduce net debt by ₹ 300 crore in YTD FY21. The board has again proposed raising equity via right issue to the tune of ₹ 200 crore (the company previously had already issued rights worth ₹ 400 crore). This would result in further dilution of equity capital. We remain cautious on the outlook owing to uncertain demand scenario and balance sheet stress</p>	
<p>Transport Corporation of India</p>	<p>Transport Corporation reported strong Q3FY21 results. Revenues grew strong sequentially (up 17%) and YoY (10.5%) to ₹ 715 crore. EBITDA margins expanded 86 bps YoY to 10.5% mainly due to higher gross margins and lower employee to sales ratio. The resultant EBITDA grew 20% YoY to ₹ 75 crore. Further, PAT grew 25% YoY to ₹ 40 crore (exceptional expense of ₹ 10 crore impacted profitability, to a certain extent)</p>	<p>SCM segment reported strong growth both sequentially and YoY (up 19% QoQ and up 24% YoY), followed by the freight division (up 18% QoQ and up 2% YoY) and shipping division (up 11% QoQ and up 5% YoY). TCI saw growth in the e-commerce, FMCG sector along with demand revival in the automotive sector. TCI also reduced its debt in Q3 (D/E reached 0.3) by reducing its receivables</p>	

<p>Oriental Carbon & Chemicals (OCCL)</p>	<p>OCCL reported a robust performance in Q3FY21 with highest ever quarterly sales and PAT. Net sales in Q3FY21 came in at ₹ 106 crore, up 32% YoY amid healthy volume growth reported by key tyre players domestically. EBITDA in Q3FY21 was at ₹ 39 crore with corresponding EBITDA margins at 37.3% primarily tracking low raw material costs (~22% of sales). Ensuing PAT in Q3FY21 was at ₹ 29 crore, up 78% YoY</p>	<p>OCCL manufactures a key raw material (insoluble sulphur) for tyre industry and enjoys a near monopoly in its product category domestically with market share in excess of 60%. Its demand prospects are directly linked to domestic as well as global tyre demand. Therefore, with strong underlying demand in the tyre segment especially in the replacement market, OCCL's demand prospects look encouraging, going forward</p>	
<p>Inox Leisure</p>	<p>Inox' revenue was ₹ 14.9 crore in Q3FY21 as occupancy remained in low single digits due to lack of new releases. The company reported marginal box office revenue of ₹ 6 crore while F&B revenue was ₹ 3 crore. Reported EBITDA loss was ₹ 64.5 crore. Inox' losses increased sequentially post reopening as the company incurred higher rent & CAM expenses, power and fuel costs. Inox recognised ₹ 54.1 crore as rent concessions. Subsequently, reported net loss was ₹ 102.5 crore</p>	<p>Inox Leisure reported a washout quarter as occupancy remained weak post reopening of cinemas. Inox' cash burn is ₹ 25-30 crore currently as revenue pick-up across all streams is slower. The company has liquidity of more than ₹ 230 crore as of January end. The government permitted multiplexes to operate at 100% (vs. 50% earlier) from February 1 which is a positive. Release of new and big budget movies and subsequent audience response are key monitorables, going ahead</p>	
<p>Adani Total Gas (ATGL)</p>	<p>ATGL's revenue was at ₹ 522.3 crore, marginally up YoY. Sales volume was 1.7 mmscmd, flattish YoY. However, QoQ, sales volume grew 17%. Due to low gas costs, EBITDA increased 36.3% YoY to ₹ 212.8 crore (up 1.5% QoQ). Subsequently, PAT was ₹ 145.1 crore, up 26.8% YoY (up 7% QoQ)</p>	<p>ATGL reported decent set of numbers with volume recovery up to pre-covid level. Exit volume in Q3 was higher than pre-Covid level and the company achieved 2 mmscmd volume in January. While gross margins remained strong YoY, it declined QoQ due to increase in LNG costs. Margin outlook with steady pickup in sales volume will be important, going ahead</p>	
<p>Indian forging players</p>	<p>Media reports say that net US Class 8 truck orders for January 2021 were at 42,800 units i.e. up 144% YoY and down 18% MoM</p>	<p>Strong momentum has been sustained during the month despite sequential drop (fourth consecutive month of > 40,000 units), with total orders for the past 12 months now at ~3.1 lakh units. The same is positive for future revenue visibility of forging players in our coverage universe (Bharat Forge, MM Forging)</p>	

Key developments (Continued...)

- SBI is expected to have loan growth of 5.2% YoY to ₹ 2316000 crore and 10% YoY for deposits is expected to keep Nil flat at ₹ 27700 crore. Other income is seen at ₹ 7700 crore. With cost of deposits stabilising and loan yields also seen moderating, NIMs is seen to be stable. We factor in moderate slippages due to standstill status and loan loss provisions of ₹ 7557 crore, with overall provisions at ₹ 9900 crore vs. ₹ 10118 crore QoQ. Hence, PAT is likely to grow to ₹ 4741 crore, rising 3.6% QoQ. Management guidance on overall stress of ₹ 60000 crore, remained positive while final restructuring is likely to remain under guided range

- Ipca Lab's Q3FY21E revenues are expected to grow ~13% YoY to ₹ 1374 crore due to overall growth. Domestic formulations are expected to grow 8% YoY to ₹ 524 crore. Export formulations are also expected to post robust growth of ~18% to ₹ 417 crore led by continued opportunity for HCQS in ex-US markets. Similarly, API segment is also expected to grow 18% YoY as it continues to benefit from chloroquine based opportunities. EBITDA margins are likely to improve 351 bps YoY to 26.1% mainly due to change in product mix and lower marketing and travel spend. Net profit is expected to increase ~32.5% YoY to ₹ 262 crore
- Concor core revenues are expected to grow 7% YoY to ₹ 1631 crore. EBITDA margins are expected to contract 363 bps YoY to 20.7% (mainly due to higher land license fee). Absolute EBITDA is expected to de-grow 9% YoY to ₹ 338 crore. Subsequently, PAT is expected to grow 14% to ₹ 200 crore, mainly due to higher tax rate (42%) in the base quarter
- Zee Entertainment's ad revenue is expected to witness 2% YoY growth in Q3FY21 as ad volume witnessed recovery during festive season. The reported subscription growth is expected at ~12% YoY, also aided by realignment of music revenues. The like to like subscription growth is expected at ~5% YoY. We expect EBITDA margins to fall 110 bps YoY to 26.5% owing to increase in operational cost. Key monitorables would be commentary on ad outlook, Zee5 performance and viewership trend
- Brigade Enterprises (BEL) to report Q3 numbers today. We expect BEL's sales volumes to grow ~10% YoY to 11.9 lakh sq ft given the resilient nature of Bengaluru real estate. On the financial front, we expect the topline to de-grow 23.9% YoY to ₹ 420 crore, impacted by weak hospitality and mall portfolio performance and lower residential revenues recognition. Overall, at the PAT level, we expect ₹ 29.9 crore, down 39.5% YoY. Key Monitorable: Sales volume and outlook ahead
- For Trent, we expect revenue to decline 23% YoY to ₹ 669.7 crore. Owing to higher share of Zudio in revenue mix and higher discounting, we expect gross margins to decline 173 bps YoY to 48.9%. Significant cost rationalisation measures are expected to aid profitability recovery. EBITDA margins are expected to come in at 14.9% (Q2FY21: 1.4%, Q3FY20: 20%)
- Minda Industries is expected to report robust operational performance in Q3FY21E given ~16% volume growth in its target segment (2-W & 4-W) and improvement in margin trajectory. Consolidated sales are expected at ₹ 1,556 crore, up 17% YoY. EBITDA in Q3FY21E is expected at ₹ 210 crore with corresponding EBITDA margins at 13.5%, up 120 bps YoY, but down 120 bps QoQ amid a sequential increase in commodity prices. Consequent PAT in Q3FY21E is expected at ₹ 91 crore ~2x YoY. Higher PAT for the quarter is supported by lower effective tax rate (20%)
- For Q3FY21E, Kalpataru Power (KPTL) is expected to report decent performance on the back of execution pick-up in key segments like T&D. We expect revenues to grow by 10.3% to ₹2183.3 crore. EBITDA is expected to grow by 11.3% to ₹ 231.4 crore with EBITDA margin expected to remain stable at around 10.6% YoY. Adj. PAT is expected to grow by 19.6% to ₹ 141.7 crore partly impacted by tax adjustments in base quarter. KPTL has announced new orders worth ₹2200 crore, as on date for the quarter
- Ramco Cements Q3FY21 performance remained a mixed bag. While volume for the quarter decline by 8.2% on YoY basis due to extended monsoon in South, margins remained ahead of our estimates at 29.6% despite sharp correction in cement prices. Lower interest and better margins helped the company to report net profit growth of 95.4% YoY to ₹201.5 crore (marginally lower than our est. net profit of ₹208.6 crore)
- The performance of Indian Hotels improved on QoQ basis led by sharp recovery in the domestic leisure segment. While company reported positive EBITDA of ₹48 crore on standalone basis, consolidated EBITDA loss came down sharply to ₹16.7 crore from loss of ₹150 crore in Q2. Consolidated net loss stood at ₹118.9 crore vs net loss of ₹230 crore in Q2FY21
- City union bank posted NII growth of 14% YoY to ₹489 crore on the back of sequential 4 bps improvement in the net interest margin to 4.16%. Loan growth for the bank during the quarter stood at 8% YoY while deposits were up by 9% YoY. Deposit growth was driven by 28% YoY rise in the CASA. Provisions for the quarter increased significantly (170% QoQ) to ₹218 crore due to rise in proforma GNPA, the bank has made provisions worth ₹125 crore for Covid stress this quarter. GNPA proforma basis stood at ~6.1% (calc) while bank expects ~5% of restructuring
- SIS reported Q3FY21 numbers. The company's revenues increased 9.2% QoQ (8.2% YoY) to ₹ 2358 crore mainly led by 6.0% QoQ increase in SIS India, 11.4% increase in SIS International and 10.7% QoQ increase in facility management. The company's EBITDA margin increased ~20 bps QoQ to 6.2% mainly led by expansion in facility management segment. However, the company's PAT decreased by 8.3% QoQ to ₹ 99 crore mainly due to lower other income. The company's gross debt stood at ₹ 1387 crore in Q3FY21 from ₹ 1345 crore in Q2FY21
- Ramco System reported Q3FY21 results. The company's dollar revenues increased by 8.2% QoQ to US\$23.3 million. The company's EBITDA margin increased by 300 bps to 30.4%. The company's PAT increased 7.0% QoQ to ₹ 18.1 crore
- Quick Heal reported Q3FY21 numbers. The company's revenues increased by 6.3% QoQ to ₹ 69.8 crore. EBITDA margin declined from 35.3% in Q3FY20 to 23.6% in Q3FY21. The company's PAT decreased 24.3% to ₹ 13.5 crore

- RBI has brought all deposit taking NBFCs, non-deposit NBFCs with assets of ₹ 5000 crore and urban co-operative banks (UCBs) with assets of ₹500 crore and above under a risk based internal audit (RBIA) framework. In a notification the RBI has asked the boards of this entities to draw up a policy on RBIA to be implemented by March 31 2022. The risk assessment framework should cover risks at corporate, branch, portfolio and individual transactions levels and associated processes. It should include identification of inherent business risks and drawing-up a risk-matrix for both the factors inherent business risks and control risks
- Banks, especially public sector lenders, are planning to approach RBI to seek leeway in certain conditions for a new ARC. The proposed ARC intends to take over bad loans of public sector banks (PSBs). At present, the RBI mandates banks to seek bids from prospective investors for better price discovery. In the case of PSBs, which will move NPAs to the proposed ARC, it is a transfer of assets, not sale. Besides, banks may have to make additional provisions when the ARC issues security receipts (SRs), as reported in Business Standard
- Hero MotoCorp has set up a separate vertical dedicated to Harley Davidson products and merchandise distribution. The company has also commenced wholesale dispatches of Harley motorcycles to dealers from January
- As per media reports (ET Auto), Ather Energy (part owned by Hero MotoCorp) is looking at ramping up production of its electric scooters to 3,000 per month and thereafter to 8,000 units per month from early 2022. It is also looking at manufacture of lithium-ion batteries at its new facility in Tamil Nadu
- As per media sources, Tata Consultancy Services to invest up to ₹ 1500 crore in Technocity, a technology park in Thiruvananthapuram
- Bandhan Bank has appointed Arvind Singla as Executive President and Head – Operations & Technology. The Bank has been strengthening its leadership team over the past year and Arvind is the latest addition to the executive suite. He joins Bandhan Bank from Citibank, where he was Director & Head – Consumer Operations. Mr Sudhin Choksey, Head of housing finance vertical would retire effective 15th February, 2021 and would be succeeded by Mr Suresh Iyer, current Head of operations (Housing Finance)
- India's first standardised medical insurance policy – Mashak Rakshak – for vector-borne diseases is set to be a fixed-benefit one set to offer a maximum sum assured between ₹10000 and ₹ 2 lakh on diagnosis and hospitalization for diseases such as dengue, malaria, chikungunya and Zika fever. IRDA announced the guidelines and has asked all general and health insurance companies to offer the Mashak Rakshak to customers starting April 1, 2021
- Zee Media Corp raised ₹ 230 crore via issue of won private placement basis

Nifty Daily Chart



Technical Outlook

Equity benchmarks continued with its winning streak backed by firm global cues and scaled to a fresh all time high of 14869. The Nifty ended the session at 14790, up 142 points or 1%. In the coming session, volatility would remain high owing to weekly derivative expiry session. However, we expect the Nifty to maintain its upward momentum. Hence, use intraday dip towards 14710-14735 to create long position for the target of 14828

The across sector participation backed by strong market breadth makes us believe, index would endure its northbound journey towards our revised target of 15000 in coming sessions. In the process, we expect broader market to relatively outperform as Nifty midcap and small cap indices witnessed faster pace of retracement. Over past three sessions index has rallied more than 1270 points which hauled daily stochastic oscillator in overbought territory (at 89), indicating couple of days breather at higher levels cannot be ruled out. However, such a breather should be capitalised on as incremental buying opportunity.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	50255.8	49672	49088	50682	51110
Nifty 50	Positive	14790.0	14619	14449	14914	15039
ACC Ltd	Neutral	1727.7	1704	1680	1768	1808
Axis Bank Ltd	Neutral	733.8	721	708	742	750
HDFC BANK LTD	Positive	1574.8	1550	1526	1590	1606
SBI	Positive	336.0	328	320	342	348
HERO MOTOCORP LT	Positive	3380.8	3292	3203	3446	3511
MOTHERSON SUMI	Positive	158.4	156	153	162	165
Tata Motors	Positive	331.0	324	317	340	349
M&M FIN SERVICES	Positive	184.1	175	165	190	195
BAJAJ AUTO LTD	Neutral	4236.4	4179	4120	4278	4318
TCS	Positive	3200.1	3164	3127	3237	3273
INDIAN OIL CORP	Positive	101.9	100	99	102	104
CIPLA LTD	Positive	849.3	823	796	878	906
PIDILITE INDS	Neutral	1739.4	1723	1707	1767	1795
Reliance Industries	Positive	1930.7	1904	1876	1956	1980
BHARTI AIRTEL	Positive	608.9	598	587	621	633
DR REDDY'S LABS	Positive	4649.6	4540	4432	4760	4870

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	14720-14670	14200
Resistance	14870-14920	15000
20 day EMA	0	14198.0
200 day EMA	0	12263.0

Advances/Declines

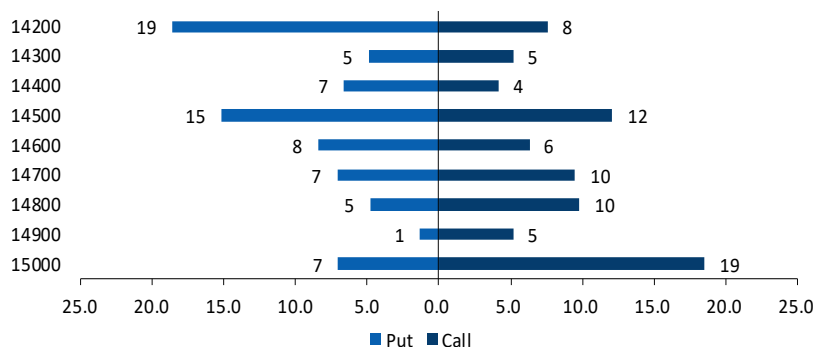
	Advances	Declines	Unchanged
BSE	1738	1241	162
NSE	1186	722	99

Daily Technical Calls

- Daily Technical Calls**
- Buy Div's Laboratories in the range of 3686.00-3696.00
 - Buy Bata India in the range of 1580.00-1586.00
- 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) Torrent Pharma

Buy TORPHA FEB Fut at ₹2666.00-2668.00
CMP: 2666
Target 1: 2703 Target 2: 2757
Stop Loss: 2631

ii) Pidilite Industries

Sell PIDIND FEB Fut at ₹1740.00-1742.00
CMP: 1741
Target 1: 1723 Target 2: 1696
Stop Loss: 1759

[See Derivatives view for more details](#)

Results/Events Calendar

18	January Monday	19	January Tuesday	20	January Wednesday	21	January Thursday	22	January Friday	23	January Saturday
Mindtree,Rallis India Mart, Majesco		Larsen & Toubro Infotech Alembic Pharma CEAT,Tata Metaliks Vardhman Special Steel Tata Communication		Bajaj Finance,Bajaj Finserv Philips Carbon ,Havells Ind HDFC AMC,Synegeene,Newgen Sagar Cement,Hind Zinc VST Ind.,Sterlite Tech.		Mphasis, Cyient,Biocon Bajaj Auto,Saregama India Zensar,Asian Paints,Bandhan Kajaria Ceramics,JK Tyre,MCX Music Broadcast,CPCL,IEX		JSW Steel,Crompton Greaves HDFC Life,Oberoi Realty Swaraj Engines Kewal Kiran,Symphony Ltd. SBI Life		Supreme India Mahindra Lifespace Supreme Ind. Polycab India UltraTech Cement	
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, Qess 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,IndusTowers Tata Chem.,Pidilite Ind.,EIH,Granules		Mahindra Log.,Dabur,IndusInd Ban Tata Motors, PNC Infra,Tech Mahir Dr.Reddy's,Sun Pharma,Cipla IOC,Exide Ind.,Shankara Build. Grindwell,Vedanta,Accelya		Dwarikesh Sugar,Anup Eng. Hester Bio,Titagarh Wagons 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 Siyaram 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 Hero Moto.,Sonata,Kalpataru Power 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 NMDC,Sun TV MM Forging,Jagran Prakash Elgi Equipments		Indoco, Mahanagar Gas Endurance Tech,Firstsource Aster DM,TCI Express,Century Firstsource,Berger Paints HEG,VST Tiller, Tractor		TTK Prestige,GSPL Titan,ENIL,Wabco India Happiest Minds,GAIL,NBCC Indraprastha Gas Greaves Cotton		Bosch,NCC,KNR Construction Gujarat Pipavav Port Ashok Leyland Petronet LNG Coal India,ITC		TV Today,NESCO Info Edge,Morpen Labs Bharat Forge,Sadbhav Eng. Timken,Moil,Sobha Ltd. Apollo Hospitals		Amara Raja Batteries	
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		JP Exports YoY JP Imports YoY JP Trade Balance		UK CPI YoY EU Construction Output US PPI US Retail Sales US Capacity Utilisation		EU CPI YoY EU Consumer Confidence JP Manufacturing PMI		Mahindra CIE EU Manufacturing PMI US Existing Home Sales US Manufacturing PMI US Manufacturing PMI			

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
01-Feb	Nikkei Markit Manuf. PMI	IN	Jan	57.7	56.0
01-Feb	Manufacturing PMI	US	Jan	54.8	54.7
01-Feb	Manufacturing PMI	EU	Dec	54.7	54.7
01-Feb	Unemployment Rate	EU	Dec	8.3%	8.3%
01-Feb	Exports	IN	Jan	27.24B	27.15B
01-Feb	Imports	IN	Jan	41.99B	42.59B
01-Feb	Trade Balance	IN	Jan	14.75B	-15.44B
02-Feb	GDP YoY	EU	Jan	-5.1%	-4.3%
02-Feb	Services PMI	JP	Jan	46.1	-
03-Feb	Services PMI	EU	Jan	45.4	45.0
03-Feb	CPI YoY	EU	Jan	0.9%	0.5%
03-Feb	PPI YoY	EU	Jan	-1.1%	-1.2%
03-Feb	Crude Oil Inventories	US	Jan	-0.994M	0.446M
03-Feb	Nikkei Services PMI	IN	Jan	52.8	53.0
Date	Event	Country	Period	Expected	Previous
04-Feb	Retail Sales	EU	Jan	0.3%	0.3%
04-Feb	Initial Jobless Claims	US	Jan	830K	847K
05-Feb	Cash Reserve Ratio	IN	Feb	3.0%	3.0%
05-Feb	Interest Rate Decision	IN	Feb	4.0%	4.0%
05-Feb	Reverse Repo Rate	IN	Feb	3.4%	3.4%
05-Feb	FX, Reserves USD	IN	Feb	-	585.33B

Result Preview

Company	Revenue	Chg(%)	EBITDA	Chg(%)	PAT	Chg(%)
Cr	Q3FY21E	YoY	Q3FY21E	YoY	Q3FY21E	YoY
Concor	1,630.6	6.7	337.5	-9.2	200.1	14.0
TCI Express	281.8	5.0	40.9	19.1	29.9	17.1
NTPC	23,554.5	0.2	7,287.0	4.5	3,113.6	3.9
Hero Moto.	9,752.0	39.4	1,094.0	5.3	811.0	-7.9
Minda Ind.	1,556.0	17.3	210.0	28.6	91.0	103.4
Brigade Ent.	420.0	-23.9	140.0	-10.0	29.9	-39.5
Kalpataru Power	2,183.3	10.3	231.4	11.3	141.7	19.6
IPCA Lab	1,374.5	13.3	358.4	31.0	261.9	32.5
SBI	27,727.3	7.9	16,320.9	-39.3	4,741.0	-15.1
Trent Ltd.	669.7	-23.0	99.8	-42.0	7.5	-86.0
Bajaj Electricals	1,427.3	11.2	121.3	80.2	70.5	653.6

Recent Releases

Date	Report
February 03,2021	Result Update-Ajanta Pharmaceuticals
February 03,2021	Result Update-Escorts
February 03,2021	Result Update-HDFC Limited
February 03,2021	Company Update-Siyaram Silk Mills Ltd.
February 03,2021	Company Update-Intellect Design Arena



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