

## Market Outlook

Indian markets are likely to see a gap up opening tracking strong global cues amid upbeat news on the earnings, economic data and updates on vaccination drive. However, global news flows and sector specific developments will be key monitorables.

## Markets Yesterday

- Domestic markets ended higher on the back of mainly banking and pharma stocks amid RBI keeping policy rates unchanged and positive global cues
- US markets ended higher amid corporates' quarterly earnings and hopes of additional stimulus

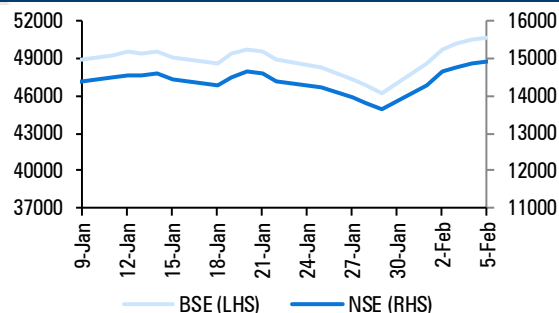
## Key Developments

- For Q3FY21, we expect NMDC to report a healthy performance on the back of successive price hikes taken by the company during the quarter. Furthermore, we expect NMDC to report sales volume of 9.4 MT for Q3FY21, up 12% YoY, 43% QoQ. Topline is expected to come in at ₹ 4540 crore, up 51% YoY, 104% QoQ. EBITDA is expected to come in at ₹ 2546 crore, up 147% QoQ, 60% YoY. EBITDA margin is likely to come in at 56.1% (52.9% in Q3FY20, 46.2% in Q2FY21). Ensuing PAT is likely to come at ₹ 1960 crore, up 42% YoY, 153% QoQ
- Torrent Pharma's Q3FY21E revenues are expected to grow 5.4% YoY to ₹ 2072 crore with domestic sales growing 12% YoY to ₹ 976 crore partially offset by continued decline in US sales. EBITDA margins are expected to improve 303 bps to 30.5% due to lower marketing and travel spend. PAT is expected to increase ~15% YoY to ₹ 289 crore

## Today's Highlights

Results: NMDC, Torrent Pharma, Sun TV, Elgi Equipments, Balkrishna Industries, ABFRL, Globus Spirits, MM Forging, Jagran Prakashan, Jindal Stainless(Hisar)

## Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	50,732	50,614	0.2	9.6	6.2	29.6
Nifty	14,924	14,896	0.2	9.5	6.7	28.3

## Institutional Activity

	CY19	CY20	YTD CY21	Yesterday	Last 5 Days
FII (₹ cr)	40,893	64,379	22,576	1,462	6,203
DII (₹ cr)	44,478	-28,544	-16,683	-1,419	-851

## World Indices – Monthly performance

Index	Value	Chg (%)
Nikkei	28,779	6.0%
NSE	14,924	5.1%
Nasdaq	13,856	5.0%
BSE	50,732	4.7%
Kospi	3,121	4.3%
Dow Jones	31,148	0.2%
Germany	14,057	0.1%
France	5,659	-0.8%
Shanghai	3,496	-0.9%
U.K.	6,489	-5.6%

## Nifty Heat Map

SBI	393	10.7%	Tata Steel	685	4.4%	Divis Lab	3,822	3.9%	Kotak Bank	1,983	3.8%	Dr Reddy	4,801	2.8%
Ultratech	6,352	2.7%	ITC	234	1.9%	Cipla	848	1.6%	HDFC Bank	1,598	1.2%	HUL	2,270	1.1%
Power Grid	207	0.9%	Bajaj Finance	5,539	0.6%	Sun Pharma	635	0.5%	HDFC Ltd	2,722	0.5%	JSW Steel	402	0.5%
NTPC	100	0.5%	Nestle	17,116	0.2%	Bajaj Finserv	9,722	0.2%	Bajaj Auto	4,231	0.2%	HDFC Life	682	0.2%
Hindalco	262	0.1%	SBI Life	864	0.0%	ONGC	98	0.0%	Reliance Ind.	1,924	0.0%	M&M	866	-0.1%
Grasim Ind	1,186	-0.2%	Adani Ports	567	-0.3%	Titan	1,509	-0.3%	Hero Moto	3,429	-0.3%	Infosys	1,272	-0.6%
Indusind Bank	1,025	-0.7%	BPCL	415	-0.8%	L&T	1,517	-0.9%	TCS	3,158	-1.0%	TechM	959	-1.0%
Wipro	426	-1.0%	Asian Paints	2,377	-1.0%	Eicher	2,932	-1.1%	Britannia	3,542	-1.1%	IOC	102	-1.2%
HCI Tech	946	-1.2%	Shree Cement	26,723	-1.4%	Maruti	7,494	-1.9%	GAIL	128	-1.9%	Coal India	141	-1.9%
UPL	537	-2.1%	ICICI Bank	614	-2.3%	Tata Motors	316	-3.1%	Bharti Airtel	581	-3.2%	Axis Bank	720	-3.3%

## Markets Today (Updated till yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	47,270	46,715	1.2	-3.1	-5.2
Silver (₹/kg)	68,671	66,818	2.8	-1.4	0.8
Crude (\$/barrel)	59.3	58.8	0.9	6.2	14.6
Copper (\$/tonne)	7,913	7,823	1.1	1.0	2.5
Currency					
USD/INR	72.9	72.9	0.0	0.0	0.2
EUR/USD	1.2	1.2	0.7	-0.7	-1.3
USD/YEN	105.4	105.5	-0.1	-1.0	-2.4
ADRs					
HDFC Bank	82.0	79.8	2.8	13.4	13.1
ICICI Bank	17.6	17.4	1.2	16.1	18.0
Tata Motors	21.5	22.3	-3.5	21.8	73.6
Infosys	17.6	17.6	0.2	4.4	4.0
Dr Reddys Labs	65.6	63.5	3.3	6.9	-7.6
Wipro	6.4	6.5	-0.3	4.6	13.8

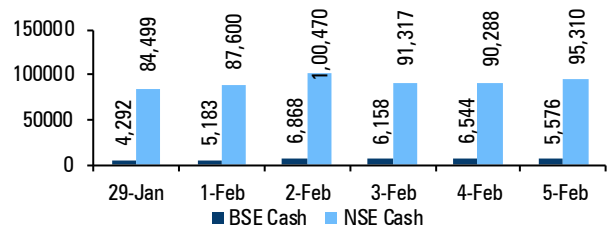
Key Data Points

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%

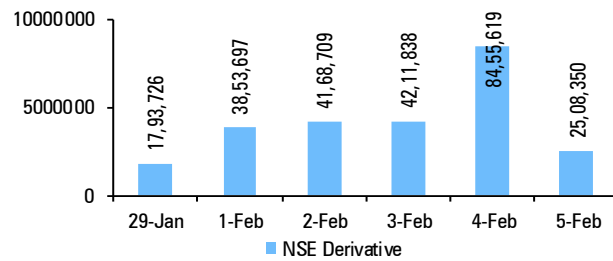
Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
IIFL Securities	Buyback			Ongoing	54.00
Accelya Solutions India	Dividend	05-Feb-21	08-Feb-21		35.00
Nippon Life	Dividend	05-Feb-21	08-Feb-21		3.00
Bharat Electronics	Dividend	08-Feb-21	09-Feb-21		1.40
Granules India	Dividend	08-Feb-21	09-Feb-21		0.25
Indus Tower	Dividend	08-Feb-21	09-Feb-21		17.82
Laurus Labs	Dividend	08-Feb-21	09-Feb-21		0.40
Motilal Oswal Financial	Dividend	08-Feb-21	09-Feb-21		5.00
Orient Cement	Dividend	08-Feb-21	09-Feb-21		0.50
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

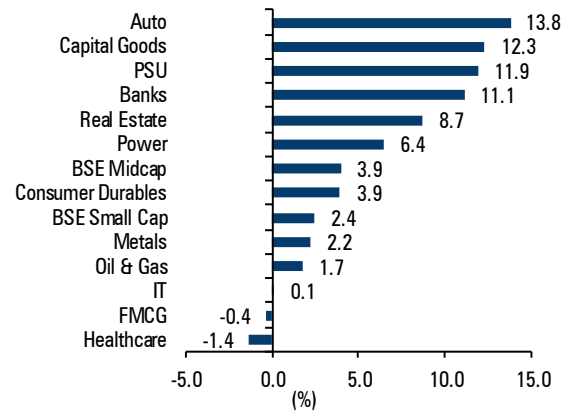
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)









Sectoral Performance – Monthly Returns (%)






Key News for Today



Company/I industry	News	View	Impact
Divi's Lab	Divi's reported a strong Q3FY21 performance. Revenues grew 21.9% YoY to ₹ 1701 crore (I-direct estimate: ₹ 1770 crore). Generic segment grew 21% YoY to ₹ 876 crore. Custom synthesis grew 18.9% YoY to ₹ 681 crore. Carotenoids grew 45.0% YoY to ₹ 145 crore. EBITDA margins expanded 525 bps YoY to 40.6% (I-direct estimate of 39.5%) due to significantly better gross margin performance (up 824 bps YoY to 69.0%) partly offset by higher staff costs. Subsequently, EBITDA grew 39.9% YoY to ₹ 691 crore (I-direct estimate: ₹ 699 crore). PAT grew 31.1% YoY to ₹ 471 crore (I-direct estimate: ₹ 492 crore) in line with a strong operational performance	Q3 results were mostly in line with I-direct estimates on all fronts. More than strong quarterly performance (the management stresses in a business like this can be lumpy) the important narrative for Divi's is unprecedented capex to further augment capacities besides preparing for growing opportunities arising from China plus one factor. The impact of this massive investment is already visible and expected to reflect in FY22-23. Divi's stays a quintessential play on Indian API/CRAMS segment with its product offering, execution prowess	

<p>Cadila Healthcare</p>	<p>Q3FY21 revenues grew 4.3% YoY to ₹ 3796 crore (I-direct estimate: ₹ 3906 crore). Domestic formulations posted strong growth of 21.2% YoY to ₹ 1104 crore. However, US sales declined 4.3% YoY to ₹ 1603 crore. Wellness segment also grew a robust 15.8% YoY to ₹ 376 crore. Emerging markets grew 10.9% YoY to ₹ 293 crore. API segment de-grew 18.8% YoY to ₹ 132 crore. Animal health segment grew 17.0% YoY to ₹ 163 crore. EBITDA margins expanded 220 bps YoY to 21.3% (I-direct estimate: 21.2%) due to a better overall operational performance. Subsequently, EBITDA grew 16.4% YoY to ₹ 807 crore (I-direct estimate: ₹ 828 crore). Adjusted PAT grew 40.5% YoY to ₹ 527 crore (I-direct estimate: ₹ 495 crore)</p>	<p>Q3 operational performance was mostly in line with I-direct estimates (albeit skewed) led by strong domestic formulations growth whereas profitability was higher due to lower interest cost and tax rate. On the US front, the company plans to venture into complex injectables (71 filed ANDAs), which is likely to provide meaningful traction from FY23-24 onwards. Similarly, addition of biosimilars for Emerging markets are expected to provide growth impetus, going ahead. Additionally, the company has significantly improved its net debt position in 9MFY21 (down ~44% from FY20) utilising proceeds from QIP of consumer wellness business and through internal accruals amid better working capital control</p>	
<p>Pfizer</p>	<p>Pfizer posted a strong Q3FY21 performance with revenues growing 10.3% YoY to ₹ 594 crore. EBITDA margins expanded 836 bps to 33.2% YoY due to a better overall operational performance mainly led by lower other expenditure (down 21% YoY). Subsequently, EBITDA grew 47.5% YoY to ₹ 197 crore. However, PAT grew a mere 1.6% YoY to ₹ 141 crore. Delta vis-à-vis EBITDA was due to lower other income and higher tax rate (21.6% vs. 15.5% in Q3FY20)</p>	<p>Pfizer's Q3 performance was above I-direct estimates on all fronts likely led by continued recovery of the hospital and vaccines business towards pre-Covid levels. Decline in other expenses likely stems from lower promotional and marketing activity related expenses. Despite Covid-19 related operational challenges, the company posted a strong set of numbers. We continue to believe in Pfizer's strong growth track record in power brands and capability in new launches on a fairly consistent basis</p>	
<p>Birlasoft</p>	<p>Birlasoft reported a healthy Q3FY21, especially on the margin front. Revenues increased 3.3% QoQ (up 2.3% YoY) to US\$119.5 million mainly led by healthy growth across verticals. The manufacturing vertical increased 2.9% QoQ, BFSI up 3.4% QoQ and lifescience up 5.1% QoQ. EBITDA margin increased 247 QoQ (up 350 bps YoY) to 16.4% mainly led by higher utilisation &amp; SG&amp;A rationalisation. PAT increased 39.4% QoQ (up 32.6% YoY), mainly led by higher operating margins and lower tax rate. The company has migrated to the new tax regime in the current quarter. The company's deal wins were at US\$109 million (book to bill of 0.9x)</p>	<p>Going forward, the company plans to increase annuity revenues from 67% to 70%. The company aims to grow in double digit in FY22E and expects margins to sustain above 15%. Further, healthy cash balance could lead to inorganic expansion or healthy dividend payout. This prompts us to be positive on the stock from a long term perspective</p>	

<p>Gujarat Gas</p>	<p>Revenues increased 12.9% YoY to ₹ 2829.4 crore as sales volume jumped 22.9% YoY. Gross margins improved ₹ 1.2/scm YoY to ₹ 7.8/scm. EBITDA was at ₹ 614.8 crore, up 65.9% YoY and down 16.1% QoQ. Reported PAT was at ₹ 392.2 crore, up 99.5% YoY and down 17.4% QoQ</p>	<p>Gujarat Gas' Q3FY21 results were better than our estimates on account of higher volumes and lower than anticipated decline in margins. Sales volume recovery was faster post lockdown and both CNG and industrial PNG volumes reported robust growth in unlock phases. Maintaining balance between volumes and margins will be key to the company's performance</p>	
<p>Narayana Hrudayalaya</p>	<p>Continued sequential recovery in financial performance amid the pandemic was significantly better than expected. Revenues grew 24.9% QoQ to ₹ 750 crore (down just 4.4% YoY) due to strong recovery seen across mature and new hospitals. On the EBITDA front, margins have already exceeded Q3FY20 levels by 90 bps (up 953 bps QoQ) coming in at a robust 14.0% amid lower employee and other expenditure. Subsequently, EBITDA grew 2.2/292.1% YoY/QoQ to ₹ 105 crore. Net Profit for the quarter stood at ₹ 40.8 crore (up 30.1% YoY) against loss of ₹ 3.4 crore in Q2FY21. Delta vis-a-vis EBITDA was due to lower tax outgo.</p>	<p>Despite Covid-related challenges, the company posted a substantial improvement in operational performance. New hospitals continue to see a reduction in losses on account of ramp up in occupancies. We continue to believe in the long term prospects of the company on the back of asset-right model and affordability philosophy. We would be coming out with a detailed report post the conference call</p>	
<p>Jubilant Lifesciences</p>	<p>The company posted a strong set of quarterly results. Q3FY21 revenues were up 15% to ₹ 2664 crore. Pharma segment grew 17% YoY to ₹ 1692 crore led by CDMO and generics segment. LSI segment grew 12% YoY to 893 crore driven by strong demand in Nutrition and LSC businesses. EBITDA was up 27% YoY to ₹ 653 crore clocking an EBITDA margin of 24.5%, up from 22.2% in Q3FY20. PAT was up 52% YoY to ₹ 310 crore. Note: Pursuant to the recently received NCLT approval, the LSI business of the company has been demerged into Jubilant Ingrevia (to be listed in March 2021) effective February 1, 2021. Additionally, the name of Jubilant Lifesciences, which continues to hold pharma, CDMO and proprietary novel drugs businesses has been changed to Jubilant Pharmova</p>	<p>Despite Covid-related challenges, the management expects no material impact on FY21 performance due to strong demand recovery and new business sign-ups. In addition to a strong set of numbers and growth outlook, the demerger of the LSI segment will lead to value unlocking for Jubilant Pharmova as it will face less uncertainty from the commoditised nature of life science chemicals. We will be coming out with an update on the same as and when complete financials of the two demerged entities becomes available</p>	

<p>TCNS Clothings</p>	<p>Driven by festive season demand, TCNS Clothing reported a strong sequential growth with revenue recovery rate reaching 72% in Q3FY21 vs. 45% in Q2FY21. The recovery rate is broadly in line with the industry revenue recovery rate. Sales came in at ₹ 237.9 crore, down 28% YoY (up 65% QoQ). Online secondary sales tracking at ~1.7X of pre-Covid levels in Q3. EBOs and LFS are on similar revenue trajectory. Offline store network fully operational as of end December. Rationalisation of operating overheads and recovery in sales resulted in the company reporting PAT of ₹ 12.7 crore vs. net loss of ₹ 28 crore in Q2FY21</p>	<p>TCNS has redeployed SS20 merchandise to SS21 resulting in inventory reduction and working capital release. Subsequently, cash reserves increased from ₹ 110 crore in Q2FY21 to ₹ 155 crore (tracking close to FY20 year end levels). MBO primary sales have also resumed with SS21 season launch. Given the anticipated higher demand for FY22E, the company is embarking on an accelerated store expansion plans with new stores in FY22</p>	
<p>Sumitomo Chemical</p>	<p>Sumitomo Chemical reported topline growth of 7.2% YoY to ₹ 561 crore largely led by Herbicide (+21% YoY), PGR (+57% YoY), Animal Nutrition &amp; Environmental health segments (+41% YoY). On the other hand, revenue from insecticide (-4.3% YoY, ~39% of revenue) and metal phosphides (-4% YoY, ~10% of revenue) remained subdued, which dented the topline performance to the extent. OPM for the quarter expanded by 514 bps YoY to 13.9% owing to improvement in the gross margins due to change in the product mix, led an EBITDA growth of 70% YoY to ₹ 78 crore. OPM from agrochemical business expanded by 565 bps YoY to 14.5% while the same from other segments up by 277 bps YoY to 7.9%. PAT was at ₹ 54.1 crore (+2274% YoY). The bottomline growth was led by better operational performance and lower tax outgo (24% vs. 94%)</p>	<p>We believe the strategy of the company is towards improving margins by changes in the product mix. This can also be ascertained from the fact that speciality business revenue share increased to 34% for 9MFY21 against 31% in 9MFY20, which led an improvement in the OPM (up 497 bps YoY to 18.8%) for 9MFY21. This was partly due to favourable pricing scenario along with higher share of speciality business. Going ahead, we expect with increasing share towards CRAMS, PGR, AND &amp; EHD would aid this mix further and thereby group operational performance. This should support group return ratios, FCF and thereby valuations</p>	
<p>Ashoka Buildcon</p>	<p>Ashoka Buildcon reported muted revenues and lower margins, which percolated to bottomline. Standalone revenue was flattish YoY to ₹ 981 crore possibly due to slower execution. EBITDA margin was at 10.8% (down 188 bps YoY), impacted by muted topline. Weak operating performance translated into YoY muted bottomline at ₹ 85.7 crore</p>	<p>Ashoka Buildcon execution pick-up was weaker than expected and much lower than PNC which reported revenues growth. The SBI-Macquarie stake exit and asset monetization remains the key overhang on the company. Management commentary on outlook is key</p>	



<p>Kalpataru Power</p>	<p>Kalpataru Power (KPTL) through its wholly owned subsidiary signed definitive agreement to acquire controlling stake of 51% in Fasttel Engenharia Ltda., Brazil (Fasttel) for around USD \$ 8.8 Mn ( ₹ 64 crore). Out of total investment by Kalpataru Brazil, USD \$ 4.70 Mn will be paid for acquiring shares from existing shareholders and USD \$ 4.10 Mn will be infused into Fasttel for issuance of new equity shares to Kalpataru Brazil and has an option to buy additional 29% shares.</p>	<p>The acquisition of Fasttel is at ~0.4x sales. Fasttel does EPC of substation, transmission lines and power distribution services has achieved revenue growth of over 25% CAGR (revenue at ₹ 343 crore) for the last 5 years and has a track record of consistent profitability. The acquisition of Fasttel is in line with KPTL's strategy to strengthen its core EPC business and have greater geographical presence in stable and growing markets. KPTL's global procurement strength and India manufacturing base will be leveraged for efficient operations and to scale-up market penetration.</p>	
<p>NTPC</p>	<p>As per media reports, NTPC's 520 MW Hydel project on Dhauliganga river in Uttarakhand has been damaged by the flash floods. Out of the 70% of the project had been completed. reports suggest that 60-70% of the construction may have been lost. Further, THDC's 444 MW Pipal Koti project has also suffered damage in the deluge</p>	<p>The flash floods will lead even more delay and cost over runs in the Dhauliganga river project which had been delayed for 8 years. Further the damage done th THDC's project is negative for NTPC group</p>	

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

- Balkrishna Industries (BIL) is expected to report a robust performance in Q3FY21E. Total tyre sales volume for the quarter is expected at 54.4k MT, up 15% YoY, primarily tracking robust underlying demand in the agri segment overseas. Consequent net sales in Q3FY21E is expected at ₹ 1,403 crore, up 21% YoY. EBITDA in Q3FY21E is expected at ₹ 435 crore with corresponding EBITDA margins at 31%, down 300 bps QoQ primarily tracking increase in raw material costs (natural rubber and crude derivatives) amid normalised operating leverage. Ensuing PAT is expected at ₹ 259 crore, up 17.4% YoY
- We expect Sun TV's ad revenues to decline 4% YoY given ad volumes as well as prices are yet to fully recover in Tamil market. However, subscription revenues are expected to maintain growth momentum and grow ~8% YoY. Net revenues are expected to increase 23% YoY owing to IPL revenues. Ex-IPL revenues are expected at ₹ 830 crore, growth of ~2% YoY. We also build in IPL related expenses and normalised cost of sales for the quarter. We expect EBITDA margins (ex-IPL) margins to decline 250 bps YoY to 68.7%
- For Q3FY21E, Elgi Equipment's consolidated revenues are expected to grow by 9.1% YoY to ₹505.4 crore while EBITDA margin is expected to rebound to 13.5% YoY leading absolute EBITDA to more than double to ₹ 68.2 crore while PAT is expected to grow significantly 165.4% to ₹34.1 crore aided by positive operating leverage. Elgi Equipments is likely to post a reasonable performance on the domestic front amid industrial recovery while the international air compressor market is likely to report strong revenue growth as it is gradually ramping up in key markets
- We expect the overall recovery rate for ABFRL to get enhanced from 45% in Q2FY21 to 70% in Q3FY21E. On the segmental front, we expect revenue from lifestyle brands to decline 28% YoY. On the back of significant cost saving initiatives, we expect PBT losses to narrow down to ₹ 38 crore vs. loss of ₹ 333 crore sequentially
- Mahindra & Mahindra (M&M) reported a healthy operational performance in Q3FY21. Standalone net sales were at ₹ 14,216 crore (up 15.2% YoY) – with automotive and tractor ASPs at ₹ 6.92 lakh/unit (down 1.6% QoQ) and ₹ 5.19 lakh/unit (flat QoQ), respectively. Standalone EBITDA margins at 16% dipped 12 bps QoQ, as operating leverage benefits cancelled out 150 bps contraction in gross margins. Automotive EBIT margins rose ~210 bps QoQ to 6.3% while tractor margins were down ~100 bps QoQ to 23.4%. Standalone PAT came in at ₹ 31 crore, impacted by a large impairment hit of ₹ 1,692 crore in relation to long term investments

- Bhel's Q3FY21 revenues came in at ₹ 4451.4 crore with significant decline of 21.6% on YoY basis impacted by execution headwinds and pandemic. The company registered EBITDA level loss of ₹ 179.6 crore (Vs. EBITDA of ₹ 328.7 crore in Q3FY20) YoY owing to lesser revenue booking and higher than expected operating expenses. Net loss came in at ₹ 231.0 crore (Vs Net Income of ₹ 158.8 crore in Q3FY20) partly impacted by lower other income which declined by 43.6% to ₹ 85.3 crore. For Q3FY21, order inflow came in at ₹ 3890 crore
- JK cement posted healthy numbers for Q3FY21. Revenue and EBITDA grew by 25.3% and 61.6% on YoY basis led by sales volumes that were up by 23.8% YoY to 3.17MT. Lower cost also kept margins healthy at 25.5% with EBITDA/t of ₹1416/t. PAT for the quarter grew by 73.2% YoY, 6.6% QoQ to ₹ 238.3 crore
- Affle reported healthy set of Q3FY21 results. The company's revenues increased 59.3% YoY (11.5% QoQ) to ₹ 150.5 mainly led by 43.6% YoY increase in India revenues and 81.2% increase in revenues outside India. The company's Converted User (CPCU) revenues increased 45.6% YoY to ₹ 125.4 crore. The company's EBITDA margin declined 340 bps YoY (flat QoQ) to 25.5% mainly led by higher employee expenses. The company's PAT increased 42.9% YoY to ₹ 30.6 crore. We would be revising our estimates and target price post conference call today
- NIIT reported healthy set of Q3FY21 numbers. The company's revenues increased 16% QoQ (4% YoY) to ₹ 253 crore mainly led by 12% QoQ increase in corporate learning revenues. EBITDA margin increased 287 bps QoQ to 19% mainly led by 250 bps QoQ increase in corporate learning segment. The company's PAT increased 60% QoQ mainly due to higher other income
- Ador Welding (AWL) reported consolidated revenues at ₹ 135.2 crore which grew by 5.7% on YoY mainly impacted by headwinds faced in the project engineering business. For Q3FY21, Consumables segment revenue came in at ₹ 107.1 crore (which contributes ~79% to total revenue), which grew by 14.3% on YoY while Project & Engineering Business revenue declined by 17.5% to ₹ 28.3 crore. EBITDA came in at ₹ 7.2 crore which declined by 40% on YoY basis impacted by higher raw material cost, other operating expenses. EBITDA margin declined by 410bps to 5.3%. PAT came in at ₹ 3.5 crore which declined by 50.9% on YoY basis, partly impacted by lower other income for the quarter
- Gulf Oil Lubricants revenue increased 14.2% YoY to ₹ 481.9 crore on the back of strong volume growth of ~16% YoY. Gross margins were at ₹ 231.7 crore while EBITDA was ₹ 83.4 crore, up 7.5% YoY. Reported PAT stood at ₹ 64 crore, up 14.6% YoY. All segments (except PCMO) reached normalcy during the quarter. All key products under the B2C segment reported strong growth. Also, B2B and industrial segments supported growth in sales
- D-link India reported muted set of Q3 numbers. Topline at ₹ 200.1 crore, was up 3.3% YoY. EBITDA at ₹ 1.8 crore, was up 3.4% YoY with margins of 5.9%, flattish YoY. PAT at ₹ 9.3 crore was up ~15% YoY, also aided by lower depreciation and higher other income
- Sundaram Finance registered a 45% rise in net profit at ₹ 242 crore for the quarter Q3FY21 up from ₹ 167 crore YoY, Nil (calc) was up by 10% YoY to ₹ 398.1 crore. Disbursements increased by 8.5% YoY to ₹ 4,307 crore. AUM stood at ₹31,226 crore (up 2.3%) compared to ₹ 30,502 crore YoY. Net NPA (Stage III) stood at 1.59% as on December 31, 2020. Proforma Stage III / Stage III (net of ECL) would have been 2.47% and 1.51% respectively
- Mangalam Cement reported sharp margin expansion of 982bps YoY to 23% that was mainly led by inventory adjustments (credit of ₹32 crore) and lower other expenses (down 18.2% YoY to ₹22.6 crore). This along with last year's low base led to net profit growth of 201% YoY to ₹37.5 crore (up 76% QoQ) for the quarter. Revenues were up by 10.2% YoY only to ₹ 340.5 crore
- As per AIOCD data, domestic Pharma market growth has moderated to 4.5% in January, after growing 8.5% in December. Cardiac segment grew 8.8% (14.9% in Dec) whereas anti-diabetic grew 5.3% (9.9% in Dec). Vitamins segment maintained its growth pace at 12.2% vs 14.0% in Dec. Anti-infectives declined once again witnessing a 2.7% de-growth vs 5.2% growth in the preceding month. Respiratory segment de-grew 14.1% vs 9.8% de-growth in Dec. Some notable company wise YoY growth rates in January 2021 were- Ajanta 16.0%, Ipca 12.5%
- India's coal imports rose by 15.1%YoY to 23.63 million tonnes (MT) in December 2020(20.52 MT in Dec 19'). Non-coking coal imports were at 15.63 MT in December 20' as compared to 14.21 MT in Dec 19'. Coking coal imports were at 5.36 MT in Dec 20' against 4.47 MT in Dec 19'. However, for the period April'20 -December'20 the India's coal imports dropped by 13.5% to 160.79 MT(185.88 MT in April'19-Dec 19') & non-coking coal imports dropped by 16% to 107.07 MT (128.26MT in April'19-Dec 19)
- A new government-owned development finance institution (DFI) is likely to be set up with India Infrastructure Finance Company's (IIFCL's) paid-up capital of Rs 10,000 crore and an equivalent amount from budgetary support. It may have a lower minimum capital adequacy ratio of 9 per cent, compared to 12-15 per cent for non-banking financial companies, as reported in business standard
- The central bank has opened an on-tap window for banks to borrow funds from it and lend to NBFCs - either by investing in their debt instruments or directly extending these funds as loans. To make it easier for banks and NBFCs to avail this facility, RBI has allowed banks to classify even above 25% of the total investment permitted to be included in the held to maturity (HTM) portfolio

- Delhi Government has decided to reduce the circle rates by 20% for residential, commercial and industrial properties across all categories of localities. The reduction of 20% in the circle rate would have an impact close to reduction by 1% in the stamp duty or registration charges. The move, we believe, is in line with push by other state government (Maharashtra) to drive sales volumes recovery, which has been relatively muted in Delhi
- The board of directors of JK Cement has approved setting up of integrated cement plant with capacity of 4MT at Panna, MP and split grinding unit in UP for total capex of ₹2,970 crore. Post this expansion, the total capacity of the company would reach to ~20 MT
- The ministry of road transport and highways is expecting a private investment of ₹ 30,000 crore through Hybrid annuity model and Build-Operate-Transfer models driven by easing of eligibility criteria for such projects, besides reducing litigation at NHAI, which has resulted in a “deluge of response” for such project
- The Bengal government, in its budget, proposed a slew of road infrastructure projects to build 46,000 km new rural roads in the next five years, in which 10,000 km new rural roads to be constructed and repaired in the next year. It allocated ₹ 2475 crore for highways, bridges and connectivity projects including ₹ 500 crore for rural roads
- Tech Mahindra announced that the current Chief Financial officer (CFO) CFO Manoj Bhatt will cease to be CFO and he will be transferred to Mahindra & Mahindra Limited (“M&M”) w.e.f. 2 April 2021. He will also be appointed as additional director to Tech Mahindra. Mr. Milind Kulkarni will be new CFO of Tech Mahindra
- According to Economic Times, the United States Citizenship Services has rescinded a memo that had said that computer programmers did not qualify as a H1-B speciality occupation
- As per USFDA's latest enforcement reports, Sun Pharma has issued a class-III recall for 36275 cartons of Testosterone Cypionate Injection in US due to incorrect labelling
- Natco Pharma has received approval for 'Chlorantraniliprole (CTPR) Technical', its first key product of Crop Health Sciences Division. Natco would be the first indigenous manufacturer of this technical product that is formulated into broad-spectrum insecticides used in several crops for better pest management. The company hopes to bring products based on CTPR shortly in India which it believes to have a current market size of ₹ 2000+ crore. Natco has a pending litigation against FMC for declaration of freedom to use of CTPR, which FDC uses as an active ingredient in its brands Coragen & Ferterra
- Sanofi India's board has reviewed parent, Sanofi group's proposed plan to sell its old brands (with trademarks) such as Soframycin and Sofradex. The products manufactured through a third-party and distributed by Sanofi India comprised 2.8% of the company's 9MCY20 sales. Note: Post completion of the sale by its parent, Sanofi India will not have the authority to distribute products under these brands
- The Hon'ble CM of MP performed the ground breaking ceremony of ACC's greenfield project of 2.7MT integrated cement plant with 1MT grinding unit at Ametha. Post this expansion, ACC's capacity in MP will increase to 6.42MT from current 2.72MT (including clinker unit of 3.6 MT)
- Gulf Oil Lubricants acquired minority stake of 7.9% in Indra Renewables at ₹1.5 million. Indra Renewables operates in smart energy product space including EV chargers. Investment in Indra is a key stepping-stone for Gulf into the e-mobility sector, with the view to accelerate investments and partnerships in this space in future
- Gail has completed Dobhi to Durgapur gas pipeline of 348 km at a cost of ₹ 2433 crore
- Telangana government has allowed cinemas to operate at 100% seating capacity in the state



Nifty Weekly Chart

NSE NIFTY [N59901] 13758.60, 15014.65, 13661.75, 14924.25, 19234355200 9.46%  
Price



Technical Outlook

Equity benchmarks snapped past two weeks corrective decline and staged a strong comeback that helped Nifty to scale to a fresh all time high of 15015. Nifty ended the week at 14924, up 9.5%. In the coming session, Nifty future is likely to open on a positive note tracking firm global cues. We expect index to trade with a positive bias and maintain a higher high-low formation. Hence, use intraday dips towards 14925-14948 to create long position for the target of 15035.

Going ahead, we expect index to head towards 15500 in coming months as the revived momentum in cyclical backed by strong market breadth makes us confident to reiterate our constructive stance. We believe, traction in Banking, Infra, Pharma and consumption would drive index higher towards 15500.

Structurally, formation of higher peak, trough indicating robust price structure which makes us confident to revise support base upward, as we expect strong buying demand to emerge in the vicinity of 14400.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	50731.6	50507	50282	51015	51298
Nifty 50	Positive	14924.3	14855	14785	15005	15085
ACC Ltd	Neutral	1723.0	1705	1686	1753	1782
Axis Bank Ltd	Neutral	719.6	702	685	751	783
HDFC BANK LTD	Positive	1597.6	1558	1518	1628	1658
SBI	Positive	393.1	384	373	407	419
HERO MOTOCORP LT	Neutral	3429.2	3344	3258	3538	3646
MOTHERSON SUMI	Negative	156.4	154	150	160	164
Tata Motors	Negative	315.9	310	303	327	337
M&M FIN SERVICES	Neutral	177.0	174	170	182	188
BAJAJ AUTO LTD	Negative	4231.3	4171	4110	4283	4334
TCS	Negative	3158.0	3122	3087	3199	3241
INDIAN OIL CORP	Neutral	102.4	101	100	104	106
CIPLA LTD	Negative	847.7	833	820	858	868
PIDILITE INDS	Negative	1728.8	1715	1700	1755	1780
Reliance Industries	Positive	1923.8	1913	1904	1938	1954
BHARTI AIRTEL	Negative	581.1	570	558	600	618
DR REDDY'S LABS	Positive	4800.9	4674	4548	4878	4956

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	14930-14870	14400
Resistance	15015-15070	15500
20 day EMA	0	14374.0
200 day EMA	0	12340.0

Advances/Declines

	Advances	Declines	Unchanged
BSE	1289	1688	51
NSE	760	1153	84

Daily Technical Calls

- Daily Technical Calls**
- Buy Tata Steel in the range of 690.0-692.0
  - Buy Lupin in the range of 1073.00-1075.00
- All recommendations of February Future

[See Momentum Pick for more details](#)

Intraday Derivative Strategy

**i) Aurobindo Pharma**

Buy AURPHA FEB Fut at ₹946.00-948.00

CMP: 947

Target 1: 960.8 Target 2: 981.6

Stop Loss: 933.2

**ii) Berger Paints**

Sell BERPAI FEB Fut at ₹731.00-732.00

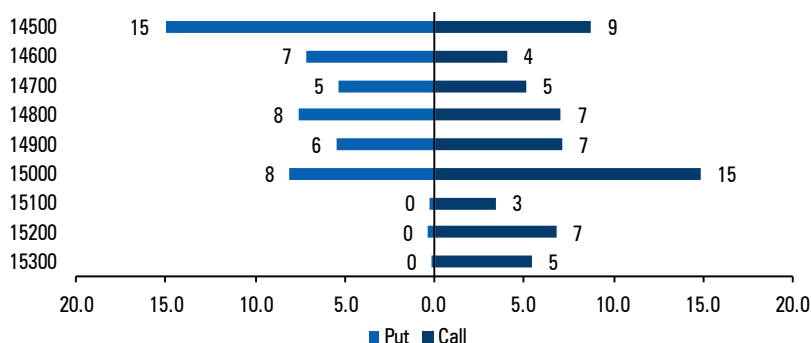
CMP: 730

Target 1: 723.3 Target 2: 711

Stop Loss: 739.7

[See Derivatives view for more details](#)

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



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, IndusInd Bank Tata Motors, PNC Infra, Tech Mahindra 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, NTPC Hero Moto., Sonata Trent, IPCA Lab, Somany Cera., SBI Sonata, Jindal Stainless, Bajaj Electricals		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 Endurance Tech, Firstsource Aster DM, TCI Express, Century Ply Firstsource, Berger Paints, Indoco HEG, VST Tiller, J&K Bank		Hindalco Ind., TTK Prestige Titan, ENIL, Wabco India, Bata India Happiest Minds, GAIL, NBCC, GSPL Indraprastha Gas, Hind Rectifier Greaves Cotton, ESAB India		Bosch, NCC, KNR Construction Gujarat Pipavav Port, Greenply Ashok Leyland, Coal India Petronet LNG, Zee Media ITC, Graphite India		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		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			
22	February Monday	23	February Tuesday	24	February Wednesday	25	February Thursday	26	February Friday	27	February Saturday
US Chicago Fed Activity		US CB Consumer Confidence UK Unemployment Rate		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
Date	Event	Country	Period	Expected	Previous
9-Feb	CPI YoY	CH	Jan	-0.1%	0.2%
9-Feb	PPI YoY	CH	Jan	0.4%	-0.4%
10-Feb	M3 Money Supply	IN	Jan	-	12.5%
10-Feb	CPI (MoM)	US	Jan	0.3%	0.4%
10-Feb	Crude Oil Inventories	US	Jan	-	-0.994M
10-Feb	Federal Budget Balance	US	Jan	-147.0B	-144.0B
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
Torrent Pharma	2,071.6	5.4	2.7	631.9	17.0	-0.5
ABFRL	1,806.0	-30.0	77.0	274.5	-33.0	LP
NMDC	4,540.0	51.0	103.6	2,546.0	60.0	147.2
Sun TV	1,004.8	23.3	32.9	625.1	7.7	24.5
Elgi Equipment	505.4	9.1	5.2	68.2	111.3	2.8
Balkrishna Ind.	1,403.0	20.9	-11.1	435.0	27.4	-18.9

Recent Releases

Date	Report
February 07, 2021	<a href="#">Company Update-KPR Mill</a>
February 07, 2021	<a href="#">Result Update- Mahindra &amp; Mahindra</a>
February 07, 2021	<a href="#">Result Update-PNC Infratech</a>
February 07, 2021	<a href="#">Result Update-Somany Ceramics.</a>
February 06, 2021	<a href="#">Result Update-Divi's Laboratories.</a>



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