

THE DAILY

Date: 16 Feb 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	52154	610	1.18
NIFTY	15315	151	1.00
MIDCAP	20190	279	1.40
SMALL CAP	19694	72	0.37

SECTORAL INDICES

	Close	Points	% Change
BANKEK	42187	1351	3.31
Finance	8109	214	2.71
REALTY	2833	41	1.46
CG	21944	150	0.69
Healthcare	21924	148	0.68
POWER	2265	13	0.58
AUTO	24746	109	0.44
OIL & GAS	14758	-48	-0.33
TECK	11866	-50	-0.42
METAL	12489	-54	-0.43
CD	32522	-183	-0.56
IT	25813	-160	-0.62

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
CHOLAFIN	13.45	UNIONBANK	-6.69
APOLLOHOSP	12.51	AMARAJABAT	-6.28
ATGL	11.64	GUJGAS	-4.02
ADANITRANS	8.88	IDEA	-3.67
LICHSGFIN	7.63	SAIL	-3.32

ADVANCE/DECLINES

	BSE	%
ADVANCES	1365	43
DECLINES	1674	52
UNCHANGED	154	5

INSTITUTIONAL ACTIVITY

Rs Cr	15/02/21	12/02/21	Feb Total
FII	1234	-37	14771 (prov.)
DII	-1049	-598	-8962 (prov.)

Indian markets could open flat to mildly higher, following largely positive Asian markets today.....

US markets were shut on Feb 15 due to President's day holiday. European shares ended at a near one-year high on Monday as major resource stocks benefited from expectations of a swift economic recovery and as copper prices leapt to a more than eight-year high. Banks and energy stocks also climbed as a so-called "recovery trade" sparked demand for sectors that had underperformed the broader index following early 2020's coronavirus-driven crash.

Switzerland's 30-year government bond yield, meanwhile, rose above 0% for the first time since early 2020.

Freezing weather in regions across the U.S. (An Arctic blast in the U.S. threatened to disrupt energy supplies) sparked another rally in energy prices and put West Texas Intermediate crude on pace to settle above \$60 a barrel for the first time since the early days of the coronavirus pandemic. WTI crude futures rose 62 cents, or 1%, to \$60.09 a barrel Monday. The jump brings WTI crude futures up about 24% so far in 2021. Oil prices also spiked amid fears of an escalation of tensions in the Middle East, after a Saudi-led coalition fighting in Yemen claimed to have intercepted an explosive drone fired by an Iranian-backed Houthi rebel group. India's exports grew by 6.16% to \$27.45 billion in January. Imports, too, grew by 2% to about \$42 billion, leaving a trade deficit of \$14.54 billion during the month. In December, India's trade deficit had widened to \$15.7 billion.

Global investors are the least fearful they've been in two decades, and perhaps the most greedy. A JPMorgan Chase & Co. gauge of cross-asset complacency based on valuations, positioning and price momentum is nearing the highest level since the time the dot-com bubble burst.

Stocks in Asia-Pacific rose in Tuesday morning trade as markets in mainland China remain closed for the Lunar New Year holiday. Global shares held firm on Tuesday, with a solid foundation in place to extend their bull run to a 12th consecutive session as optimism about the global economic recovery and expectations of low interest rates drive investments into riskier assets.

Indian benchmark equity indices began the new trading week on a strong note on Feb 15 – up for the third consecutive day, driven by outperformance from private financials as well as PSU Banks. At close, the NSE Nifty 50 index also gained 1% or 151.4 points to close at 15,314, another record high.

Nifty keeps rising with upgaps reflecting pent up buying partly driven by encouraging Q3 numbers. However selective buying in sectors means that the overall volumes are measured and advance decline ratio also is either flat or negative (like on Feb 15). The next resistance for the Nifty is 15470 while 15243 could provide support.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	31458	27.70	0.09
S & P 500	3935	18.45	0.47
NASDAQ	14095	69.70	0.50
FTSE	6756	166.32	2.52
CAC	5786	82.58	1.45
DAX	14109	59.59	0.42
NIKKEI	30507	422.85	1.41
SHNAGAI	3655	51.60	1.43
HANG SENG	30526	351.93	1.17
BOVESPA	119429	128.89	0.11

EXCHANGE RATES

	Value	% Change
USD/INR	72.6	0.20
EURO/USD	1.214	0.12
USD/GBP	1.394	0.27
USD/JPY	105.6	0.19

COMMODITIES

	Value	%
Gold (\$ / Oz)	1825.1	0.10
Silver (\$ / Oz)	27.9	1.97
Crude Oil Futures	60.2	1.18
Brent Oil (\$ / Barrel)	63.5	0.33

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.022	+0.032

ADR

	Value \$	%
Dr Reddys Labs	65.9	-0.47
HDFC Bank	83.1	2.53
ICICI Bank	18.1	3.13
Tata Motors	22.6	1.48
Wipro	6.73	1.66
Vedanta Ltd	10.31	-0.10
INFOSYS	18.06	1.29

India's January trade deficit narrows to \$14.54 bn while exports rose by 6%:

As per revised data released by the government, India's trade deficit in goods narrowed to \$14.54 billion in January as exports grew faster than imports. Exports in January 2021 were \$27.45 billion, as compared to \$25.85 billion in January 2020, exhibiting a positive growth of 6.16%. On the other hand, imports in January 2021 were \$41.99 billion, which is an increase of 2.03% in dollar terms

WPI inflation rises to 2.03% in January on costlier manufactured items:

The wholesale price-based inflation rose to 2.03 per cent in January, 2021, even as food prices cooled. The WPI inflation was 1.22 per cent in December, 2020 and 3.52 per cent in January last year. While food articles saw softening in inflation in January, manufactured items witnessed hardening of prices, as per data released by the Commerce and Industry ministry. Food inflation in January stood at (-) 2.8 per cent, against (-) 1.11 per cent in the previous month.

India shortlists four banks for potential privatisation: Sources

Government has shortlisted four mid-sized state-run banks for privatisation, under a new push to sell state assets and shore up government revenues, three government sources said. The four banks on the shortlist are Bank of Maharashtra, Bank of India, Indian Overseas Bank and the Central Bank of India, two officials told Reuters on condition of anonymity as the matter is not yet public.

RailTel Corporation IPO priced at Rs 93-94 per share

RailTel Corporation IPO will open on Feb 16 and closes on Feb 18. The IPO is priced at Rs 93-94 per share. The public issue comprises up to 8,71,53,369 equity shares of the face value of Rs 10 each and is a complete offer for sale by the Government of India. The company will not receive any proceeds from the offer and the funds would be received by the selling shareholder, which is the government. RailTel Corporation is an information and communications technology (ICT) infrastructure provider and one of the largest neutral telecom infrastructure providers in the country, owning a pan-India optic fibre network on exclusive right of way (ROW) along railway tracks. It is a Mini Ratna (Category-I) Central Public Sector Enterprise, wholly-owned (100 percent) by the Government of India and under the administrative control of the Ministry of Railways.

SIS approved Rs 100cr share buyback at Rs 550 per share:

Security Intelligence Services (SIS) announced a share buyback plan of Rs 100 crore. Company would buy back of 18,18,181 shares at a price of Rs 550 apiece. The shares being bought represent 1.23 percent of the total number of fully paid-up equity shares. Company would do buyback through tender offer route and promoters' would participate in the said buyback.



ONGC sees peak gas output of 15 million cubic metres per day from east coast block in 2024:

Oil and Natural Gas Corp (ONGC) expects to produce 15 million cubic metres of gas a day (mmscmd) in 2024 from its block in the Krishna Godavari (KG) basin, off India's east coast. India, the world's fourth biggest importer of liquefied natural gas, wants to boost local gas output as Prime Minister Narendra has set a target to raise the share of the cleaner fuel in the country's energy mix to 15 percent by 2030 from the current 6 percent.

HCL Tech signs MoU with IIT Kanpur to collaborate in the area of cybersecurity:

HCL Technologies has signed a memorandum of understanding (MoU) with Indian Institute of Technology, Kanpur (IITK) to collaborate in the area of cybersecurity. As part of the MoU, HCL will work with C3iHub, a specialised cybersecurity research center at IITK.

Vodafone Idea is ready for 5G rollout:

Vodafone Idea Ltd (Vi) is prepared for the rollout of 5G wireless service, after rival Bharti Airtel Ltd recently announced that its network is ready for a commercial launch of the technology as soon as the government permits and spectrum is available.

Wipro signs 5-year partnership with Telefónica Germany / O2:

Wipro Ltd has signed a five-year strategic partnership with O2, the commercial brand of Telefónica Germany, a provider of mobile telecommunications, broadband and landline in Germany. As a part of this contract, Wipro will work with Telefónica Germany / O2 and its wider ecosystem to transform its business support systems and associated quality assurance to enable superior customer experience and growth in the B2B market segment.

ONGC to scale up KG basin gas output this year:

ONGC will scale up natural gas production from a KG basin block to 2.5-3 million standard cubic meters per day by May this year and will hit the peak output sometime in 2023-24. Oil and Natural Gas Corporation (ONGC) last year started gas production from the USD 5.07 billion KG-DWN-98/2 project in the Krishna Godavari basin, off the east coast of India.

Vodafone Idea to shut 3G in FY22, fundraising to be closed soon:

Vodafone Idea (Vi) plans to fold up its 3G services by FY22 as it bids to move towards becoming 4G-focussed telco in a bid to boost revenue, although it would keep its 2G services running for years given that it has a large segment of basic phone subscribers. Vodafone Idea (Vi) plans to fold up its 3G services by FY22 as it bids to move towards becoming 4G-focussed telco in a bid to boost revenue, although it would keep its 2G services running for years given that it has a large segment of basic phone subscribers.

NTPC to pay Rs 20 lakh as compensation to kin of workers killed at its Tapovan project:

State-run power giant NTPC said it would pay a compensation of Rs 20 lakh each to the families of labourers who died in the recent flash flood at its Tapovan-Vishnugad hydel project in Uttarakhand.

TVS Motor ropes in Public Motors as distribution partner in UAE:

TVS Motor Company inked a new distribution partnership with Public Motors, a part of Ghaf Investments LLC, in the United Arab Emirates (UAE). As part of this association, a 2,000 sq ft marquee showroom was inaugurated along the Sheikh Zayed Road in Dubai. Apart from hosting a wide range of two-wheelers, the showroom will provide spare parts and feature a service facility.

Tata Motors aims to make Jaguar Land Rover an all-electric luxury brand from 2025:

Tata Motors said that its British luxury unit Jaguar Land Rover (JLR) aims to become a net-zero carbon business by 2039, as carmakers across the world race to manufacture clean-energy vehicles. Future models of Jaguar will be built exclusively on a pure electric architecture, the company further stated. Jaguar and Land Rover will offer pure electric power, nameplate by nameplate, by 2030.

For 4th straight year, Maruti sells one in two passenger vehicles in India

For the fourth consecutive year, half of India's passenger vehicle buyers opted for a model from the local unit of Japan's Suzuki Motor. What makes 2020 unique is that the 50% share was possible despite the company having a presence only in 80% of the market, after its exit from diesel-powered cars early in the year. The diesel segment had accounted for almost half a million cars, or about 30%, of Maruti annual volume not too long ago. Maruti now has a 67% market share in small cars, 50% in sedans, 55% in multiutility vehicles, 14% in SUVs and 98% in vans.



Important news/developments to influence markets

- India's Wholesale Price Index-based inflation stood at 2.03% in January 2021 compared with 1.22% in December.
- Japan's gross domestic product expanded a seasonally adjusted 3.0 percent on quarter in the fourth quarter of 2020.
- Japan's Industrial Production for December (final) -1% m/m (preliminary -1.6%).
- Eurozone industrial output fell more than expected in December as manufacturing of capital goods dropped. Industrial production dropped 1.6% from the month before. The reading was worse than analysts' average forecast for a 0.6% drop and marked a downturn after 2.6% growth in November.
- Eurozone December trade balance €27.5 billion vs €25.0 billion expected.
- Germany's gross domestic product (GDP) only grew by 0.1 percent in the fourth quarter of last year.

Daily Technical View on Nifty

Observation: Markets ended with healthy gains on Monday after a gap up opening. Though the index traded in a tight range for most of the trading session, a late surge towards the closing helped the Nifty to close near the highs of the day. The Nifty finally gained 151.4 points or 1.0% to close at 15,314.7.

Broad market indices like the BSE Mid Cap index gained more, thereby out performing the Sensex/Nifty. Market breadth was negative on the BSE/NSE.

Zooming into the Nifty 15 min charts, we observe that the Nifty opened with a strong upgap thereby indicating that the bulls were having an upper hand.

Though the index then traded in a range for the rest of the session, there was healthy buying in the last 30 minutes of trade which helped the Nifty to close above the day's trading range and near the highs of the day.

The strength seen in the late afternoon session could therefore carry over in the very near term.

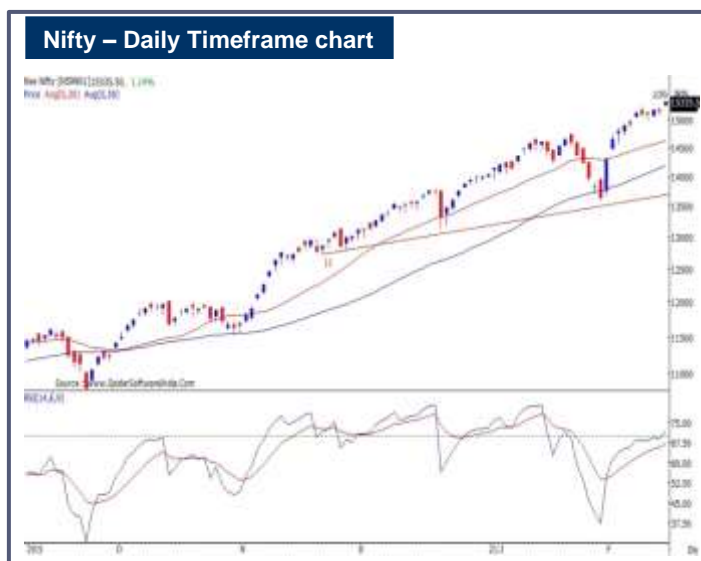
On the daily chart, we can observe that the Nifty remains in a comfortable uptrend and well above its 20 day and 50 day SMA. Short term momentum indicators like the 14-day RSI too are in uptrend and at 71.77 has entered into overbought territory, though not extremely overbought.

While we remain open to corrections in the near term, we expect the index to make new life highs in the coming sessions.

It is important that the Nifty does not move below the support of 14977 on any corrections for the short term uptrend to remain intact.

Conclusion: The 1-2 day trend of the Nifty remains up with the Nifty clearing the intraday trading range of Monday. Nifty is likely to test the 15400 levels in the very near term. Our 7-day view on the market too remains bullish as the Nifty remains in a strong uptrend on the daily chart. Our bullish bets for the next 7 sessions would be off if the Nifty moves lower and closes below the 14977 levels.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
15315	Bullish	15243	Bullish	14977
	Target 15400		Target 15700	





SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	15-FEB-21	BUY	IDFC FIRST BANK 53 CALL OPTION	2.6	2.9	1.8	3.7	30	22-FEB-21
2	15-FEB-21	BUY	AMBUJA CEMENT 285 FEB CALL OPTION	9.95	10.3	7.1	14	36	16-FEB-21
3	11-FEB-21	BUY	ICICI PRU LIFE FEB FUT	485-490.30	486.7	475.0	521	7	18-FEB-21
4	15-FEB-21	BUY	PFC FEB FUT	131.25-127.30	126.8	125.4	137	8	24-FEB-21
5	8-FEB-21	BUY	L&T	1557.60-1500	1537.7	1485.0	1660	8	17-FEB-21
6	11-FEB-21	BUY	GAIL	135.90-130.50	133.8	129.0	144	8	22-FEB-21
7	15-FEB-21	BUY	TATA MOTORS	331.25-321	333.4	316.0	351	5	24-FEB-21

OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	7-JAN-21	BUY	NESCO*	563.0	622.3	516.0	610.0	675.0	8	7-APR-21
2	28-JAN-21	BUY	BIOCON*	384.3	408.0	352.0	415.0	450.0	10	28-APR-21
3	2-FEB-21	BUY	HEG LTD*	1016.8	1239.8	900.0	1150.0	1300.0	5	1-AUG-21
4	2-FEB-21	BUY	PVR	1569.7	1471.7	1400.0	1750.0	2000.0	36	1-AUG-21
5	3-FEB-21	BUY	REDINGTON*	147.6	162.8	136.0	162.0	188.0	16	2-AUG-21
6	5-FEB-21	BUY	SPICE JET	90.1	89.3	82.5	100.0	112.0	25	6-MAY-21
7	8-FEB-21	BUY	INDIAN HOTEL	122.5	132.0	113.0	134.0	150.0	14	9-MAY-21
8	11-FEB-21	BUY	INDIABULLS HOUSING FINANCE	232.3	222.0	210.0	255.0	299.0	35	10-AUG-21
9	11-FEB-21	BUY	SUN TV	522.0	519.0	390.0	640.0	735.0	42	10-AUG-21
10	11-FEB-21	BUY	SADBHAV ENGINEERING*	70.2	80.0	60.0	80.0	100.0	25	10-AUG-21
11	12-FEB-21	BUY	EDELWEISS	68.9	67.9	63.0	76.0	85.0	25	13-MAY-21
12	15-FEB-21	BUY	MUNJAL SHOWA	160.4	166.9	144.5	181.0	210.0	26	16-MAY-21
13	15-FEB-21	BUY	GRANULES	351.5	352.0	319.0	387.0	450.0	28	16-MAY-21

*= 1st Target Achieved

OPEN DERI POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	2-FEB-21	BUY	UPL FEB FUT*	557.3	539.6	527.0	570.0	600.0	11	TILL 25TH FEB 21
2	3-FEB-21	BUY	SRF FEB FUT	5697.6	5649.4	5400.0	6020.0	6400.0	13	TILL 25TH FEB 21
3	4-FEB-21	BUY	MC DOWELL FEB FUT	592.0	572.0	560.0	620.0	660.0	15	TILL 25TH FEB 21
4	8-FEB-21	BUY	CIPLA FEB FUT	858.7	846.9	790.0	922.0	960.0	13	TILL 25TH FEB 21
5	9-FEB-21	BUY	SBI LIFE MARCH FUT*	884.8	901.7	855.0	921.0	954.0	6	TILL 25TH MAR 21
6	10-FEB-21	SELL	BPCL FEB FUT	397.0	404.6	431.0	355.0	-	12	TILL 25TH FEB 21

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	14-NOV-20	BUY	MAS FINANCIAL SERVICE*	930.0	843.5	820.0	1040.0	1150.0	36	14-MAY-21
2	23-NOV-20	BUY	BATA INDIA*	1464.0	1553.1	1330.0	1630.0	1850.0	19	23-MAY-21
3	5-JAN-21	BUY	FINOLEX CABLE*	358.8	385.6	320.0	402.0	450.0	17	5-APR-21
4	2-FEB-21	BUY	MHRIL	228.8	233.7	201.0	261.0	295.0	26	2-MAY-21
5	3-FEB-21	BUY	TRENT	668.3	701.7	611.0	735.0	-	5	3-MAY-21
6	8-FEB-21	BUY	EIH HOTEL	97.3	99.4	89.5	108.0	-	9	8-MAY-21
7	8-FEB-21	BUY	SAIL	67.7	62.7	60.0	76.0	84.0	34	8-MAY-21
8	10-FEB-21	BUY	BLUE DART	4603.0	4650.2	4190.0	5160.0	5500.0	18	10-MAY-21
9	15-FEB-21	BUY	CAN FIN HOMES	517.5	509.0	469.0	580.0	699.0	37	15-MAY-21
10	15-FEB-21	BUY	L&T FINANCE HOLDINGS	98.3	98.4	88.0	109.0	120.0	22	15-AUG-21

OPEN POSITIONAL PAIR TRADES

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	15-FEB-21	BUY	ASIAN PAINTS FEB FUT	2501.5	2460.5	2390	2700	-	10	TILL 25TH FEB 21
		SELL	TITAN FEB FUT	1503.05	1490.8	1569	1395	-	6	

*= 1st Target Achieved

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