

THE DAILY

Date: 24 Feb 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	49751	7	0.01
NIFTY	14708	32	0.22
MIDCAP	19961	194	0.98
SMALL CAP	19806	145	0.74

SECTORAL INDICES

	Close	Points	% Change
METAL	13579	485	3.71
REALTY	2766	78	2.89
OIL & GAS	15484	307	2.02
CG	21731	426	2.00
POWER	2407	31	1.30
CD	31569	363	1.16
AUTO	23414	165	0.71
IT	24840	51	0.20
Healthcare	20948	35	0.17
TECK	11419	10	0.09
Finance	7660	-23	-0.30
BANKEX	39496	-216	-0.54

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
NIACL	8.73	BANKINDIA	-4.35
TATASTEEL	6.71	TRENT	-3.98
TATAMOTORS	6.56	KOTAKBANK	-3.87
ABCAPITAL	6.02	LTTS	-3.52
DMART	5.62	ADANITRANS	-3.42

ADVANCE/DECLINES

	BSE	%
ADVANCES	1690	55
DECLINES	1232	40
UNCHANGED	159	5

INSTITUTIONAL ACTIVITY

Rs Cr	23/02/21	22/02/21	Feb Total
FII	-1569	-893	15483 (prov.)
DII	216	-920	-14901 (prov.)

Indian markets could open mildly higher, despite largely negative Asian markets today and mixed but weak tech space in US markets on Tuesday.....

The Dow and S&P 500 eked out gains in the final hour of trade Tuesday, while the tech-heavy Nasdaq Composite finished modestly lower, after congressional testimony from Federal Reserve Chairman Jerome Powell helped reverse a market selloff tied largely to a sharp rise in bond yields. The Fed boss, during the first of two days of testimony in Washington, vowed to keep monetary policy accommodative, and warned that the U.S. economic recovery remains uneven and far from complete.

The S&P CoreLogic Case-Shiller home price index showed house prices rose 10% in December. The Conference Board said its index of consumer confidence rose to a three-month high of 91.3 in February from a revised 88.9 in January. The Bloomberg Commodity Spot Index, which tracks price movements for 23 raw materials, rose 1.6% on Monday to its highest since March 2013. The gauge has already gained more than 60% since reaching a four-year low in March 2020.

Shares mostly fell across Asia on Wednesday as investors turned cautious, despite remarks overnight from Federal Reserve Chair Jerome Powell that attempted to ease some worries around higher interest rates and inflation.

Indian benchmark equity indices closed off the highest point of the day on Feb 23 but managed to snap a five-day losing streak. At close, the Nifty 50 index ended 32 points higher at 14,707.

Nifty halted the 5 day losing streak but the recovery or bounce was feeble. This raises doubts about sustainability of this bounce. However positive advance decline ratio raises hope for the broader markets.

Bharti Airtel ties up with Qualcomm for 5G services in India:

Bharti Airtel Ltd will work with U.S. chipmaker Qualcomm for 5G services in India, as telecom firms in the world's second-largest wireless market gear up to usher in the latest generation of wireless networks. This collaboration aims to allow a faster rollout of broadband services across India for "last mile" connectivity challenges that are becoming increasingly important in today's remote, mobile-first society.

Indian media, entertainment sector to see 27% revenue growth in FY22: CRISIL

Indian media and entertainment (M&E) sector is expected to witness a strong 27 percent growth in revenue to around Rs 1.37 lakh crore in 2021-22, after contracting 26 percent this fiscal, according to ratings agency CRISIL. Segments such as digital and television (TV) will have relatively shorter time to bounce-back to pre-pandemic levels while print, films, outdoor, and radio would take longer.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	31537	15.66	0.05
S & P 500	3881	4.87	0.13
NASDAQ	13465	-67.85	-0.50
FTSE	6626	13.70	0.21
CAC	5780	12.40	0.22
DAX	13865	-85.23	-0.61
NIKKEI	29934	-222.03	-0.74
SHNAGAI	3610	-26.00	-0.71
HANG SENG	30416	-216.89	-0.71
BOVESPA	115227	2559.76	2.27

EXCHANGE RATES

	Value	% Change
USD/INR	72.3	0.20
EURO/USD	1.216	0.06
USD/GBP	1.417	0.41
USD/JPY	105.5	0.19

COMMODITIES

	Value	%
Gold (\$ / Oz)	1811.6	0.31
Silver (\$ / Oz)	27.9	0.88
Crude Oil Futures	61.1	-0.88
Brent Oil (\$ / Barrel)	64.1	-0.08

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.172	-0.029

ADR

	Value \$	%
Dr Reddys Labs	61.1	0.00
HDFC Bank	79.9	-0.29
ICICI Bank	17.3	1.83
Tata Motors	21.9	4.63
Wipro	6.30	-2.17
Vedanta Ltd	11.61	1.22
INFOSYS	17.38	-1.31

Reliance to spin off O2C biz into 100% subsidiary:

Reliance Industries Ltd (RIL) is carving out its Oil-to-Chemicals (O2C) business into an independent subsidiary that will facilitate the entry of strategic investors and accelerate its move towards becoming a powerhouse of clean energy and new materials. It will retain 100 percent management control in the subsidiary which will take charge of all of RIL's refining, marketing and petrochemicals assets that include the world's largest refining complex at Jamnagar and global-scale petrochemical units.

NTPC inks pact to buy GAIL's 25.1% stake in Ratnagiri Gas and Power:

NTPC signed a share purchase agreement to buy GAIL's 25.51% stake in Ratnagiri Gas and Power Pvt Ltd (RGPPPL), which is commonly known as Dabhol project. After the transaction is complete, NTPC would have 86.49% stake in the RGPPPL. Earlier in January, the company had announced acquiring 37.47% stake in RGPPPL from its lenders.

Cochin Shipyard bags Rs 10,000 crore Navy order for six missile vessels:

Cochin Shipyard Ltd (CSL) has been declared as the lowest bidder by ministry of defence for construction of six next-generation missile vessels to be used by Indian Navy. The estimated total order value is about Rs 10,000 crore.

SBI Card raises Rs 550 crore through bonds:

SBI Cards and Payment Services (SBI Card) on Tuesday said it had raised Rs 550 crore by issuing bonds on a private placement basis. The Stakeholder Relationship Committee of the company has approved the allotment of 5,500 non-convertible debentures aggregating to Rs 550 crore on private placement basis. The tenure of the bonds is three years with a maturity date of February 23, 2024. The coupon rate on the bonds is fixed at 5.90 percent per annum.

Bharat Forge secures Rs 178 crore worth of order from defence ministry:

The Defence Acquisition Council (DAC), under the ministry of defence approved the acquisitions of various weapons systems and platforms for the Indian Army, Navy and Air Force worth Rs 13,700 crore. Separately, the ministry placed an order with Bharat Forge Limited worth Rs 177.95 crore for the supply of Kalyani M4 armored personnel carrier vehicles.

Tata Consumer Products to enter Nifty 50 index from 31 March; GAIL will be excluded:

Tata Consumer Products will be included in the benchmark Nifty50 index, with effect from 31 March, 2021, the National Stock Exchange (NSE) said. Other notable changes include the exit of Bank of Baroda, Container Corporation of India, and Hindustan Zinc from Nifty Next50 index. At the same time, NSE will include shares of Adani Enterprises, MRF and Jubilant Foodworks into the Nifty Next50 index.



IT sector continues to see sequential growth in hiring in January: Report

India's IT sector is experiencing a sequential growth in hiring since the lockdown in 2020, witnessing 39 percent growth in job postings in January compared to the previous month, according to a report. IT sector was followed by BPO (10 percent growth) and banking (6 percent), according to the report by job site SCIKEY. Job postings have seen a significant rise in several metro cities, including Bengaluru, Hyderabad, Pune and Delhi, accounting for more than 50 percent jobs in the sector in January 2021.

US FDA sought a new phase III study for Taclantis

Sun Pharma Advanced Research Company (SPARC) said that the US FDA has ruled against its appeal related to Taclantis, under development product for treatment of breast cancer.

The Office of New Drugs (OND) of the US Food and Drug Administration (FDA) has denied the company's appeal of the Complete Response Letter (CRL) in relation to the New Drug Application (NDA) for Taclantis. In its letter, the OND requested the conduct of a new Phase 3 study in metastatic breast cancer patients to support any potential resubmission of the Taclantis NDA, it added.

The company will review FDA's response and decide on appropriate next steps soon, SPARC noted. As per the US FDA, a CRL is sent to an applicant if the agency determines that it will not approve the application or abbreviated application in its present form.

NTPC raises Rs 900 crore via debentures

The NTPC has issued 9,000 unsecured, redeemable, taxable, listed, rated non-convertible debentures worth Rs 900 crore on February 23, 2021. The Series-I debentures worth Rs 400 crore would mature on February 23, 2024, while Series-II debentures worth Rs 500 crore would mature on February 23, 2026

Sanofi India Q4 CY20 result update

Revenue for the quarter declined 12.8% yoy while it grew 5.5% on qoq basis. Operating margin improved 160bps yoy at 23.2%. Strong operating margin coupled with lower tax expenses helped the company to register 26% yoy growth in net profit at Rs 123cr. EPS for the quarter stood at Rs 53.4 and it stood at Rs 207.4 for CY20. Sanofi India has cash & equivalents of Rs 1197cr as on Dec-2020.

Board has recommended a dividend of Rs 125 per share for the year ended December 31, 2020. In addition, considering the closure of the slump sale transaction relating to Ankleshwar Manufacturing facility and after reviewing the cash requirements, a special dividend of Rs 240 per share is being recommended. The total dividend of Rs 365 per share will be paid after approval of shareholders at the ensuing Annual General Meeting of the Company.

Stove Kraft Q3 FY21 result update

Revenue for the quarter grew 47% yoy at Rs 294.7cr. EBITDA margin improved 630bps yoy at 14.5%. Company reported 277% yoy surge in PAT at Rs 33.5cr on strong revenue and margin. During the current financial year, Stove Kraft has reduced its debt by Rs 134cr, ~Rs 93cr through the IPO and Rs 41cr from internal accruals.

Coal India to consider second interim dividend on March 5

Board will meet on March 05, 2021 to consider second interim dividend for FY21. Coal India has paid Rs 7.5 per share dividend in Nov-2020.

CSB Bank strengthens senior leadership aims for 30% growth

Canadian billionaire Prem Watsa-backed CSB Bank is targeting a 30% growth on its Rs 13,000-crore loan book. The bank is reworking a retail strategy after industry veteran Pralay Mondal joined the leadership team at the end of last year. While continuing to bank on gold loans as primary growth driver, the bank is set to target opportunities in the SME, two wheeler and secured loan segments.

Bajaj launches new Pulsar 180 priced at Rs 1.08 lakh

Bajaj Auto on Tuesday said it has launched the new version of Pulsar 180 bike in the country priced at Rs 1,07,904 (ex-showroom Delhi). The 178.6 cc model gets sporty split seats, black alloy wheels, LED tail lamp, five-speed transmission gear box with telescopic anti friction bush in the front suspension and a five-way adjustable nitrox shock absorber in the rear suspension.



Important news/developments to influence markets

- China's house-price growth accelerated in January as low inventory stoked a fear of missing out among buyers even as authorities widened curbs. New home prices in 70 major cities, excluding state-subsidized housing, rose 0.28% last month from December after climbing 0.12% in each of the previous two months,.
- Eurozone CPI for January, the consumer prices came in at 0.9% on a yearly basis, meeting the flash estimate of 0.9% and 0.9% expectations. While the core figures rose by 1.4% versus +1.4% previous and +1.4% expectations.
- UK's unemployment rate reaches highest in 5 years at 5.1%
- UK's retail sales declined sharply in February, with a reported sales balance of -45%. That is an improvement on January's eight-month low of -50%, but below analyst expectations for around -40%.
- US Redbook (MoM) -0.8%, -0.9% previous. US Redbook (MoM) -0.8%, -0.9% previous.
- U.S. house prices rose 10.8 percent from the fourth quarter of 2019 to the fourth quarter of 2020.



Daily Technical View on Nifty

Observation: Markets ended with modest gains on Tuesday after correcting for five consecutive sessions. Despite the Nifty trading within a 200 point range, the session was volatile as there were alternate bouts of buying and selling. The Nifty finally gained 32.1 points or 0.22% to close at 14,707.8.

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

Zooming into the Nifty 15 min charts, we observe that the Nifty opened higher and then traded within a 200 point range for the rest of the trading session with alternate bouts of up moves and down moves within the range.

We also notice that the 20 and 50 period moving average on the 15 min intra charts have flattened out, indicating that the markets could trade in a range in the very near term before resuming the downtrend.

A move below the immediate support of 14635 will accelerate the downtrend towards the next major support at 14369.

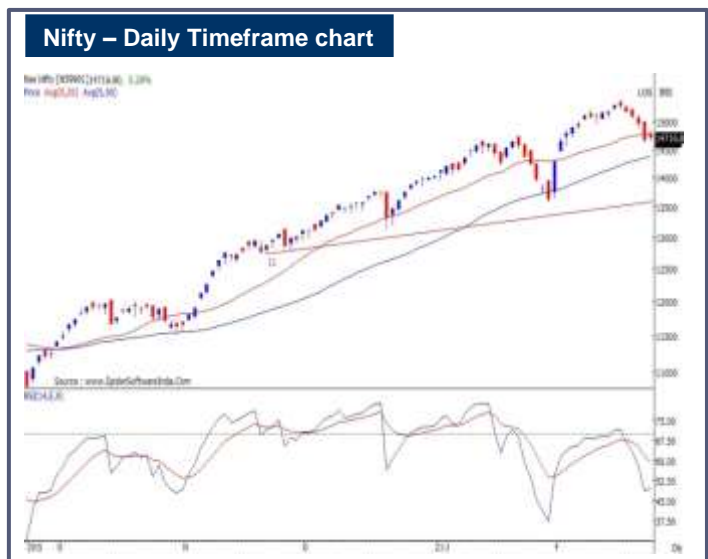
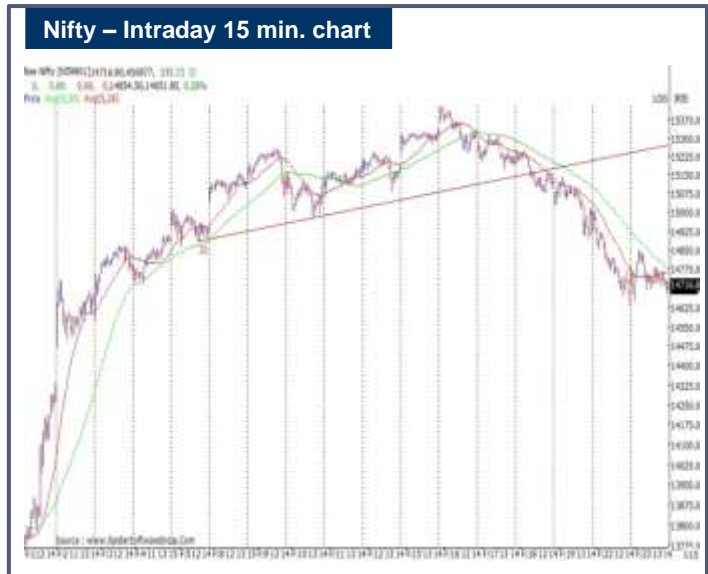
On the daily chart, we can observe that the Nifty has now reversed its recent uptrend by moving below the recent support of 14977. In the process, the Nifty has closed below the 20 day SMA. Short term momentum indicators like the 14-day RSI too are in decline mode, indicating a rapid loss in momentum.

While we remain open to pullback rallies, we expect the index to move down further in the coming sessions. We would not be surprised if the Nifty breaks the 50 day SMA currently at 14345 and moves down further towards a trend line support at 14000-13900.

Conclusion: The 1-2 day trend of the Nifty remains down with the Nifty breaking an intraday trend line a few sessions back and continuing to trade below the 20 and 50 period MA on the 15 min intra chart. Nifty is likely to test the 14369 levels in the very near term.

Our 7-day view on the market too is bearish with the Nifty reversing the recent uptrend and closing below the 20 day SMA. With the downward momentum gathering pace, we would not be surprised if the Nifty breaks the 50 day SMA at 14369 and moves down further towards a trend line support at 14000-13900.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14708	Bearish	14855	Bearish	15010
	Target 14369		Target 13900	





SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	23-FEB-21	SELL	FIN NIFTY FEB FUT	16414.25-16550	16421.7	16580.0	16160	2	26-FEB-21
2	23-FEB-21	SELL	BANK NIFTY FEB FUT	35269.40-35520	35119.9	35620.0	34700	1	26-FEB-21
3	23-FEB-21	SELL	NIFTY FEB FUT	14706.80-14770	14711.6	14800.0	14580	1	2-MAR-21
4	23-FEB-21	BUY	NIFTY 14650 MAR PUT OPTION (4TH MAR EXPIRY)	153.05	148.9	99.0	224	50	26-FEB-21
5	22-FEB-21	SELL	SRF MAR FUT	5455-5585	5432.0	5605.0	5293	3	25-FEB-21
6	23-FEB-21	SELL	ASIAN PAINTS MAR FUT	2348.80-2380	2385.4	2419.0	2281	4	26-FEB-21
7	23-FEB-21	SELL	INDUSIND BANK MAR FUT	1043.10-1068	1052.4	1072.0	1012	4	26-FEB-21
8	18-FEB-21	BUY	PI INDS	2263.65-2175	2259.1	2152.0	2425	7	1-MAR-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	603.4	516.0	610.0	675.0	12	7-APR-21
2	28-JAN-21	BUY	BIOCON*	384.3	385.4	352.0	415.0	450.0	17	28-APR-21
3	8-FEB-21	BUY	INDIAN HOTEL	122.5	118.2	113.0	134.0	150.0	27	9-MAY-21
4	11-FEB-21	BUY	SUN TV	522.0	498.3	390.0	640.0	735.0	48	10-AUG-21
5	11-FEB-21	BUY	SADBHAV ENGINEERING*	70.2	73.3	60.0	80.0	100.0	37	10-AUG-21
6	15-FEB-21	BUY	MUNJAL SHOWA	160.4	150.6	144.5	181.0	210.0	39	16-MAY-21
7	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	429.7	325.0	475.0	523.0	22	15-AUG-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	567.1	527.0	570.0	600.0	10	TILL 25TH FEB 21
2	19-FEB-21	SELL	M&M FINANCIAL SERVICE MAR FUT	205.9	208.8	221.0	185.0	-	11	TILL 25TH MAR 21
3	22-FEB-21	SELL	L&T MAR FUT	1468.8	1487.8	1540.0	1397.0	1350.0	10	TILL 25TH MAR 21
4	22-FEB-21	SELL	BANDHAN BANK MAR FUT	325.1	325.6	351.0	292.0	-	10	TILL 25TH MAR 21
5	22-FEB-21	SELL	APOLLO TYRE MAR FUT	229.0	230.4	242.0	216.0	203.0	6	TILL 25TH MAR 21
6	23-FEB-21	SELL	MINDTREE MAR FUT	1598.0	1610.5	1716.0	1470.0	1400.0	9	TILL 25TH MAR 21

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	23-NOV-20	BUY	BATA INDIA*	1464.0	1479.0	1330.0	1630.0	1850.0	25	23-MAY-21
2	5-JAN-21	BUY	FINOLEX CABLE*	358.8	382.0	320.0	402.0	450.0	18	5-APR-21
3	8-FEB-21	BUY	SAIL	67.7	70.6	60.0	76.0	84.0	19	8-MAY-21
4	15-FEB-21	BUY	CAN FIN HOMES	517.5	485.9	469.0	580.0	699.0	44	15-MAY-21

*= 1st Target Achieved

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is meant for sole use by the recipient and not for circulation. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of HSL.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk.

It should not be considered to be taken as an offer to sell or a solicitation to buy any security. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, SEBI Registration No.: INZ000186937 (NSE, BSE, MSEI, MCX) | NSE Trading Member Code: 11094 | BSE Clearing Number: 393 | MSEI Trading Member Code: 30000 | MCX Member Code: 56015 | IN-DP-372-2018 (CDSL, NSDL) | CDSL DP ID: 12086700 | NSDL DP ID: IN304279 | AMFI Reg No. ARN -13549 | PFRDA Reg. No - POP 11092018 | IRDA Corporate Agent Licence No.CA0062 | Research Analyst Reg. No. INH000002475 | Investment Adviser: INA000011538 | CIN-U67120MH2000PLC152193

Registered Address: I Think Techno Campus, Building, B, Alpha, Office Floor 8, Near Kanjurmarg Station, Kanjurmarg (East), Mumbai - 400 042. Tel -022 30753400. Compliance Officer: Ms. Binkle R Oza. Ph: 022-3045 3600, Email: complianceofficer@hdfcsec.com.

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.