

THE DAILY

Date: 25 Feb 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	50782	1030	2.07
NIFTY	14982	274	1.86
MIDCAP	20114	153	0.77
SMALL CAP	20020	214	1.08

SECTORAL INDICES

	Close	Points	% Change
BANKEX	40959	1463	3.70
Finance	7914	254	3.32
CG	22127	395	1.82
REALTY	2793	27	0.99
CD	31875	306	0.97
OIL & GAS	15596	112	0.72
METAL	13636	57	0.42
TECK	11464	45	0.39
AUTO	23501	87	0.37
Healthcare	21023	75	0.36
IT	24872	32	0.13
POWER	2405	-2	-0.08

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
ABCAPITAL	7.59	JUBLFOOD	-3.95
ABFRL	6.54	MPHASIS	-3.64
EDELWEISS	6.52	NIACL	-3.48
AUBANK	5.94	AIAENG	-2.59
ABB	5.70	CHOLAFIN	-2.58

ADVANCE/DECLINES

	BSE	%
ADVANCES	1863	60
DECLINES	1068	34
UNCHANGED	168	5

INSTITUTIONAL ACTIVITY

Rs Cr	24/02/21	23/02/21	Feb Total
FII	28739	-1569	44222 (prov.)
DII	230	216	-14671 (prov.)

Indian markets could open mildly higher, following largely positive Asian markets today and sharply higher US markets on Wednesday.....

The Dow Jones Industrial Average on Wednesday closed at a record, just shy of the 32,000 milestone, after Federal Reserve officials helped calm frayed market nerves after a run-up in bond yields briefly unsettled the bullish investing mood that's prevailed for weeks on Wall Street.

Chairman Jerome Powell's second day of dovish testimony helped give a boost to major benchmarks and the Fed's No. 2, Richard Clarida, said the economy is primed to show big improvement this year, owing to more Americans getting vaccinated and the passage of fiscal-spending packages.

Oil futures jumped to a 13-week high, with the U.S. benchmark up 2.5% to settle at \$63.22 a barrel, after data from the U.S. government showed weekly crude supplies edged higher. In economic data, sales of newly constructed houses ran at a 923,000 seasonally adjusted annual rate in January, trouncing the consensus of an 850,000 rate.

A surprisingly sharp rebound in the economy and earnings will drive further gains in U.S. stocks this year, though the S&P 500 is likely to end 2021 less than 6% up from its current level (up 3% so far in 2021 and after 16.3% gain in 2020), according to a Reuters poll of strategists.

Asian stocks perked up on Thursday after U.S. Federal Reserve Chair Jerome Powell reaffirmed interest rates would stay low, calming market fears that higher inflation might prompt the central bank to tighten the monetary spigot.

Indian equity benchmark indices witnessed a session marred by a technical outage that disrupted trading on the NSE for nearly four hours. At close the NSE Nifty 50 index gained 1.9% to end near the mark of 15,000 at 14,982.

Nifty has bounced up well after the 5 day fall seen recently. Although this rise is to be seen in the backdrop of the widespread weakness across Asia, the momentum in the indices could take the Nifty up to 15039-15132 band in the near term. However for the time being it seems as a correction of the recent fall and not a new uptrend.

RIL prices its Coal based Methane (CBM) gas at \$6 per mBtu, invites bids for sale

Reliance Industries Ltd sought bids from buyers for 0.82 million standard cubic meters per day of gas from its Sohagpur coal-bed methane block (west) in Madhya Pradesh. The gas has priced a minimum of \$6 at the current oil price. RIL has sought bids for the supply of gas to industries as well as city gas distributors for one year beginning April 1, 2021. RIL holds two adjacent CBM blocks SP (West) and SP(East) with an area of 995 square kilometers in the first round of CBM block bidding by the government of India in 2001.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	31962	424.51	1.35
S & P 500	3925	44.06	1.14
NASDAQ	13598	132.77	0.99
FTSE	6659	33.03	0.50
CAC	5798	18.14	0.31
DAX	13976	111.19	0.80
NIKKEI	30142	469.80	1.58
SHNAGAI	3569	4.76	0.13
HANG SENG	29873	154.76	0.52
BOVESPA	115668	440.32	0.38

EXCHANGE RATES

	Value	% Change
USD/INR	72.3	0.20
EURO/USD	1.216	-0.03
USD/GBP	1.414	-0.02
USD/JPY	106.1	0.22

COMMODITIES

	Value	%
Gold (\$ / Oz)	1797.6	-0.02
Silver (\$ / Oz)	28.0	0.58
Crude Oil Futures	63.3	0.14
Brent Oil (\$ / Barrel)	66.3	-0.23

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.147	-0.025

ADR

	Value \$	%
Dr Reddys Labs	61.0	-0.20
HDFC Bank	82.5	3.29
ICICI Bank	17.7	2.43
Tata Motors	22.1	0.91
Wipro	6.37	1.11
Vedanta Ltd	11.54	-0.60
INFOSYS	17.68	1.73

Cabinet approves PLI scheme for pharmaceuticals, IT hardware:

Union Cabinet approved the Production Linked Incentive (PLI) Scheme for the pharmaceuticals and IT hardware sectors, entailing an outlay of Rs 15,000 crore and Rs 7,350 crore, respectively.

The PLI scheme for pharmaceuticals, whose duration will be for nine years from 2020-21 till 2028-29, will benefit domestic manufacturers, help create employment and is expected to contribute to the availability of a wider range of affordable medicines for consumers. As per government estimates, the scheme has the potential to generate employment for more than 1,80,000 (direct and indirect jobs) over four years. "The scheme will provide impetus to domestic value addition for IT hardware which is expected to rise to 20-25% by 2025," it said.

ABFRL partners Tarun Tahiliani; to launch men's contemporary ethnic wear brand:

Aditya Birla Fashion and Retail Limited (ABFRL) will set up a new entity in partnership with designer Tarun Tahiliani that will retail contemporary ethnic wear for men. As part of the partnership, ABFRL will acquire a 33.5% stake in Goodview Properties Private Ltd giving it access Tahiliani's luxury couture business for an estimated Rs 67 crore.

IIFL Finance raises Rs 100 crore via NCDs:

IIFL Finance raised Rs 100 crore through issuance of non-convertible debentures (NCDs) on private placement basis. The NCDs will carry interest rate of 7.7 percent per annum.

Airtel enters advertising business; launches adtech platform

Bharti Airtel Ltd has launched an advertising platform which will connect brands to customers. The platform, Airtel Ads, allows brands to curate consent-based and safe campaigns for subscribers of the telco, it said. Airtel has over 320 million customers across businesses - mobile, direct-to-home (DTH) and homes.

Reliance Jio planning to build data centre in Uttar Pradesh with US\$ 950mn investment

Reliance Jio is planning to set up a data centre spread across 20-acre in Uttar Pradesh with an investment of about US\$ 950 million. This data centre is expected to be powered by the telco's own renewable energy plant.

Airtel, Vodafone Idea mention AGR calculation error plea in SC, court says to hear in 2 weeks

The Supreme Court will hear the case on calculation errors of adjusted gross revenue (AGR) by the telecom department in March. SC's verdict could be the closure of this chapter of the AGR case wherein telcos-Vodafone Idea, Bharti Airtel and Tata Teleservices (TTSL) have pointed out errors in calculations that have led to what they call as inflated demand of statutory dues by the department.



IRDAI gives approval for Axis Entities-Max Life Insurance deal:

The Insurance Regulatory and Development Authority of India (IRDAI) has given its formal approval for the acquisition of up to 12 percent stake in Max Life Insurance by Axis Bank and its subsidiaries, Axis Capital & Axis Securities. The IRDAI approval was an integral step in this long-awaited joint venture transaction which was first announced in April 2020.

Huhtamaki India Q4 CY20 result update:

Revenue for the quarter declined 17.7% yoy at Rs 558cr. EBITDA margin slipped 350bps yoy at 6.3%. Lower sales and poor operational performance led to 92% yoy decline in net profit at Rs 5cr. Company declared Rs 3 per share as final dividend for CY20.

Cyprium Therapeutics and Sentyln Therapeutics sign development and asset purchase agreement

Cyprium Therapeutics, Inc. ("Cyprium"), a Fortress Biotech, Inc. partner company, and Sentyln Therapeutics, Inc. ("Sentyln"), a U.S.-based specialty pharmaceutical company owned by the Zydus Group, has announced the execution of an asset purchase agreement to commit development funding for and acquire Cyprium's proprietary rights to CUTX-101, its Copper Histidinate product candidate for the treatment of Menkes disease. Under the terms of the agreement, Sentyln will make an upfront cash payment to Cyprium, provide additional cash payments upon the achievement of certain regulatory milestones, and pay royalties and commercial milestone payments based on the net sales of CUTX-101. Cyprium will retain development responsibility of CUTX-101 through approval of the New Drug Application ("NDA") by the US FDA, and Sentyln will be responsible for commercialization of CUTX-101 as well as progressing newborn screening activities. Continued development of CUTX-101 will be overseen by a Joint Steering Committee consisting of representatives from Cyprium and Sentyln.

Under the agreement, Cyprium is eligible to receive up to US\$ 20mn in upfront development and regulatory cash milestones through NDA approval, as well as potential sales milestones. Royalties on CUTX-101 net sales ranging from the mid-single digits up to the mid-twenties are also payable. Cyprium will retain 100% ownership over any FDA priority review voucher that may be issued at NDA approval for CUTX-101.

Nokia and NIIT launch 5G certification program over a webinar with COAI to train and certify industry professionals in India

NIIT, a global skills and talent development company and leading provider of managed training services, announced that it is introducing Nokia's 5G certification program to help industry professionals and youth aspiring for a career in telecom and IT to realize the full business potential of 5G networks in India.

Important news/developments to influence markets

- Germany's gross domestic product (GDP) in the fourth quarter (Q4) of last year rose by 0.3 percent compared with the previous quarter.
- US Total mortgage application volume fell 11.4% compared with the previous week.
- U.S. homes rose in January by more than forecast to a three-month high as buyers took advantage of attractive mortgage rates that are now starting to increase. Purchases of new single-family homes increased 4.3% to a 923,000 annualized pace in January from an upwardly revised 885,000 rate in the prior month.
- U.S. commercial crude oil inventories (*excluding those in the Strategic Petroleum Reserve*) increased by 1.3 million barrels from the previous week.

Daily Technical View on Nifty

Observation: Markets ended with hefty gains on Wednesday on the back of an extended session due to a technical glitch at the NSE. Though markets were positive in the morning session, it was the heavy buying seen after the markets reopened at 3.45 pm that pushed the Nifty to end with hefty gains. The Nifty finally gained 274.2 points or 1.86% to close at 14,982.

Broad market indices like the BSE Mid Cap and Small Cap indices gained less, thereby under 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 gradually moved higher before witnessing some selling near the previous session's highs. Strong buying emerged after the markets reopened at 3.45 PM which led to a breakout of Tuesday's highs and a strong surge to close near the highs of the day, thereby reversing the recent downtrend.

We also notice that the 20 period MA has crossed above the 50 period MA on the 15 min intra charts indicating a bullish MA crossover. The Nifty could therefore move up further in the very near term towards the 15160-15280 resistances.

On the daily chart, we can see that the Nifty is holding above the previous intermediate highs of 14754 (Though it did dip below that level temporarily). We can therefore see the change of polarity principle at work. Previous resistances are now acting as support.

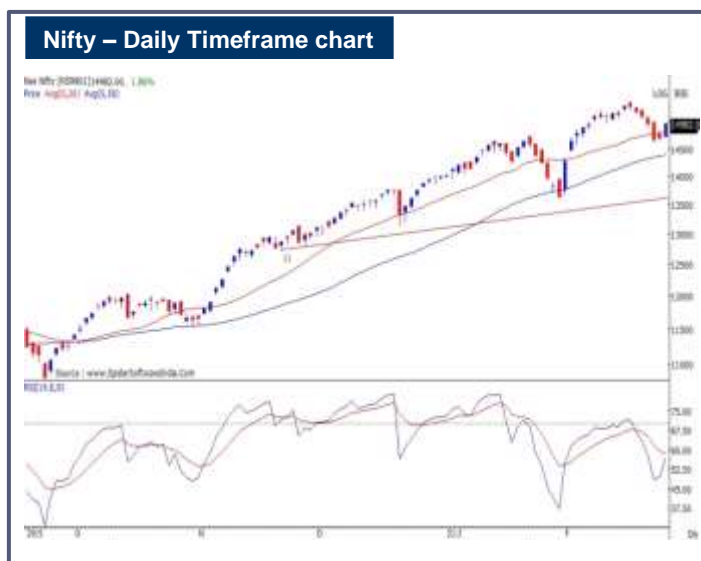
In the process, the Nifty has closed above the 20 day SMA. Short term momentum indicators like the 14-day RSI too have bounced back.

In this scenario the Nifty could again attempt to move towards its life highs of 15432. Downside supports to watch for resumption of weakness are now at 14723-14635.

Conclusion: The 1-2 day trend of the Nifty has now turned up with the Nifty breaking out of Tuesday's highs. Nifty is likely to test the 15280 levels in the very near term.

Our 7-day view on the market too has turned bullish with the Nifty holding above the previous intermediate highs of 14754 and closing above the 20 day SMA. The Nifty could again attempt to move towards its life highs of 15432.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14982	Bullish	14723	Bullish	14635
	Target 15280		Target 15432	





SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	24-FEB-21	BUY	IDFC FIRST 65 MAR CALL OPTION	3.8	4.2	2.8	5.2	24	3-MAR-21
2	24-FEB-21	BUY	BANK NIFTY 36500 MAR CALL OPTION (4TH MAR EXPIRY)	602.25	631.1	400.0	750	19	1-MAR-21
3	23-FEB-21	SELL	ASIAN PAINTS MAR FUT	2348.80-2380	2375.0	2419.0	2281	4	26-FEB-21
4	18-FEB-21	BUY	PI INDS	2263.65-2175	2252.3	2152.0	2425	8	1-MAR-21
5	24-FEB-21	BUY	BOMBAY DYEING	74.75	75.2	71.8	80	6	25-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	600.6	516.0	610.0	675.0	12	7-APR-21
2	28-JAN-21	BUY	BIOCON*	384.3	389.5	352.0	415.0	450.0	16	28-APR-21
3	8-FEB-21	BUY	INDIAN HOTEL	122.5	119.7	113.0	134.0	150.0	25	9-MAY-21
4	11-FEB-21	BUY	SUN TV	522.0	497.9	390.0	640.0	735.0	48	10-AUG-21
5	11-FEB-21	BUY	SADBHAV ENGINEERING*	70.2	74.6	60.0	80.0	100.0	34	10-AUG-21
6	15-FEB-21	BUY	MUNJAL SHOWA	160.4	154.9	144.5	181.0	210.0	36	16-MAY-21
7	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	449.7	325.0	475.0	523.0	16	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	19-FEB-21	SELL	M&M FINANCIAL SERVICE MAR FUT	205.9	213.6	221.0	185.0	-	13	TILL 25TH MAR 21
2	22-FEB-21	SELL	L&T MAR FUT	1468.8	1532.0	1540.0	1397.0	1350.0	9	TILL 25TH MAR 21
3	22-FEB-21	SELL	BANDHAN BANK MAR FUT	325.1	335.9	351.0	292.0	-	13	TILL 25TH MAR 21
4	22-FEB-21	SELL	APOLLO TYRE MAR FUT	229.0	240.5	242.0	216.0	203.0	10	TILL 25TH MAR 21
5	23-FEB-21	SELL	MINDTREE MAR FUT	1598.0	1619.0	1716.0	1470.0	1400.0	9	TILL 25TH MAR 21
6	24-FEB-21	BUY	SIEMENS MAR FUT	1877.8	1911.0	1750.0	2010.0	2110.0	5	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	1476.2	1330.0	1630.0	1850.0	25	23-MAY-21
2	5-JAN-21	BUY	FINOLEX CABLE*	358.8	388.8	320.0	402.0	450.0	16	5-APR-21
3	15-FEB-21	BUY	CAN FIN HOMES	517.5	496.1	469.0	580.0	699.0	41	15-MAY-21
4	24-FEB-21	BUY	RAIN INDUSTRIES	165.1	167.5	140.0	190.0	215.0	28	24-AUG-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.