

## Market Outlook

Indian markets are likely to see a flattish opening amid some uncertainty about the near-term outlook for the markets following the run to record highs. However, global news flows and sector specific development will be key monitorables

## Markets Yesterday

- Domestic markets ended lower tracking select BFSI and metal stocks amid profit booking
- US markets ended mixed amid hopes of additional stimulus and faster vaccine distribution

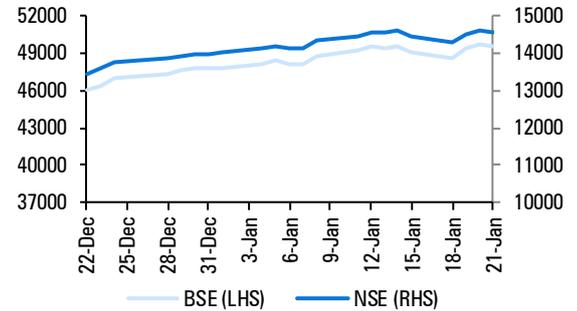
## Key Developments

- For Q3FY21, we expect JSW Steel's standalone sales volume to remain flattish both QoQ as well as YoY basis and come in at 4.0 MT. For the quarter, we expect JSW Steel to report a consolidated topline of ₹ 20857 crore, up 8% QoQ and 16% YoY, while consolidated EBITDA is likely to come in at ₹5269 crore, up 115% YoY and 53% QoQ. JSW Steel is likely to report EBITDA/tonne of ₹13000/tonne (₹5598/tonne in Q3FY20 and ₹10136/tonne in Q2FY21). Consolidated EBITDA margin is likely to come in at 25.3% (13.6% in Q3FY20 and 22.9% in Q2FY21).
- Bajaj Auto reported robust performance in Q3FY21. Net revenues came in at ₹ 8,910 crore; up 16.6% YoY. Reported EBITDA in Q3FY21 was at ₹ 1730 crore, with EBITDA margins coming in at 19.4% (up 172 bps QoQ, up 152 bps YoY). Gross margins remained stable QoQ at ~30%. Consequent reported PAT was up by 23.4% YoY to ₹ 1,556 crore (highest ever quarterly PAT)

## Today's Highlights

Results: JSW Steel, Crompton Greaves, HDFC Life, Oberoi Realty, Swaraj Engines, Kewal Kiran, Symphony Ltd, SBI Life

## Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	49,625	49,792	-0.3	3.9	3.9	29.8
Nifty	14,590	14,645	-0.4	4.4	4.4	28.8

## Institutional Activity

	CY19	CY20	YTD CY21	Yesterday	Last 5 Days
FII (₹ cr)	40,893	64,379	21,713	1,615	5,245
DII (₹ cr)	44,478	-28,544	-14,469	-1,039	-2,237

## World Indices – Monthly performance

	Kospi	NSE	BSE	Nikkei	Nasdaq
	3,161	14,590	49,625	28,757	13,531
	13.8%	9.5%	8.9%	7.6%	6.2%
	Shanghai	U.K.	Germany	Dow Jones	France
	3,621	6,715	13,907	31,176	5,591
	5.9%	4.1%	3.6%	3.2%	2.3%

## Nifty Heat Map

Tata Motors	291	Bajaj Finance	5,118	Reliance Ind.	2,099	Bajaj Auto	3,703	Eicher	2,927
	5.7%		2.7%		2.2%		1.6%		1.6%
UPL	585	Bajaj Finserv	9,053	Britannia	3,631	Asian Paints	2,716	HUL	2,368
	1.4%		1.3%		1.1%		0.7%		0.5%
ICICI Bank	553	Nestle	17,716	Wipro	446	Infosys	1,340	Axis Bank	676
	0.3%		0.2%		0.2%		0.0%		0.0%
Divis Lab	3,605	Ultratech	5,543	HCI Tech	993	HDFC Life	701	Power Grid	195
	0.0%		-0.1%		-0.2%		-0.3%		-0.5%
Dr Reddy	5,052	L&T	1,371	Maruti	8,077	Hero Moto	3,247	Titan	1,517
	-0.6%		-0.8%		-0.8%		-0.9%		-0.9%
HDFC Ltd	2,663	TCS	3,274	Shree Cement	23,719	HDFC Bank	1,475	Hindalco	249
	-0.9%		-1.1%		-1.1%		-1.2%		-1.3%
BPCL	408	Kotak Bank	1,858	TechM	1,005	IOC	97	Grasim Ind	1,017
	-1.3%		-1.4%		-1.4%		-1.6%		-1.7%
ITC	214	JSW Steel	393	Adani Ports	548	M&M	808	Sun Pharma	583
	-1.8%		-1.9%		-2.0%		-2.0%		-2.0%
SBI Life	878	NTPC	96	Indusind Bank	926	Cipla	813	Bharti Airtel	581
	-2.1%		-2.2%		-2.3%		-2.4%		-2.5%
SBI	295	Coal India	137	GAIL	134	Tata Steel	667	ONGC	95
	-2.5%		-2.9%		-3.1%		-3.4%		-4.2%

## Markets Today (Currency, ADRs updated till yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	49,445	49,534	-0.2	-1.4	-1.4
Silver (₹/kg)	67,320	66,990	0.5	-1.0	-1.0
Crude (\$/barrel)	56.2	55.7	0.9	7.3	7.3
Copper (\$/tonne)	8,022	8,045	-0.3	2.5	2.5
Currency					
USD/INR	73.0	73.0	0.0	0.1	0.1
EUR/USD	1.2	1.2	0.3	-0.6	-0.6
USD/YEN	103.4	103.3	0.1	-0.2	-0.2
ADRs					
HDFC Bank	75.2	74.9	0.4	4.1	4.1
ICICI Bank	15.3	15.1	1.6	3.1	3.1
Tata Motors	18.9	17.7	7.1	50.3	50.3
Infosys	18.4	18.1	1.5	8.6	8.6
Dr Reddys Labs	69.6	69.6	0.0	-2.3	-2.3
Wipro	6.6	6.3	3.8	16.3	16.3

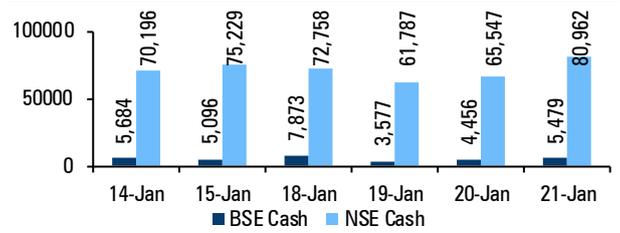
**Key Data Points**

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	3.00%	3.00%
RBI Repo Rate	N/A	4.00%	4.00%
RBI Reverse Repo Rate	N/A	3.35%	3.35%
CPI YY	Dec	4.59%	6.93%
Current Account Balance	Q2	15.5bn \$	19.8bn \$
Exports - USD	Dec	26.9 bln\$	23.5 bln\$
FX Reserves, USD Final	Dec	585 bln\$	575 bln\$
GDP Quarterly yy	Q2	-7.50%	-23.90%
GDP Annual	FY20	4.20%	6.10%
Imports - USD	Dec	42.6 bln \$	33.4 bln \$
Industrial Output yy	Nov	-1.90%	3.60%
Manufacturing Output	Nov	-1.70%	3.50%
Trade Deficit Govt - USD	Dec	-15.7bn \$	-9.9bn \$
WPI Food yy	Dec	-1.11%	3.94%
WPI Fuel yy	Dec	-8.72%	-9.87%
WPI Inflation yy	Dec	1.22%	1.55%
WPI Manuf Inflation yy	Dec	4.24%	2.97%

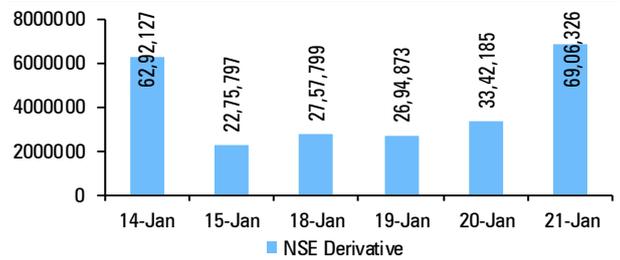
**Corporate Action Tracker**

Security name	Action	Ex Date	Record Date	Status	Price (₹)
IIFL Securities	Buyback			Ongoing	54.00
ABFRL	Rights Issue			Ongoing	
HCL Tech	Dividend	21-Jan-21	23-Jan-21		4.00
CESC	Dividend	22-Jan-21	25-Jan-21		45.00
Wipro	Dividend	22-Jan-21	25-Jan-21		1.00

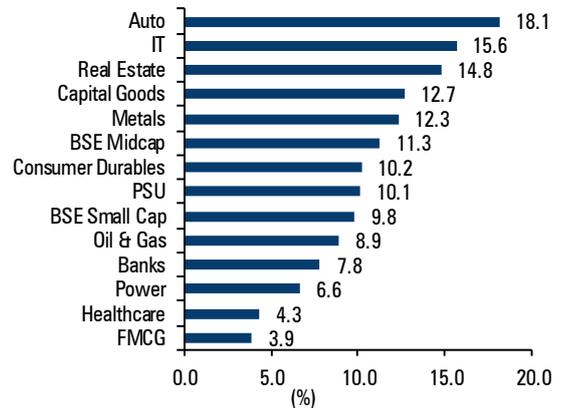
**Exchange Cash Turnover (₹ crore)**



**NSE Derivative Turnover (₹ crore)**



**Sectoral Performance – Monthly Returns (%)**



**Key News for Today**

Company/ Industry	News	View	Impact
Asian Paints	Asian paints recorded a robust quarterly performance with consolidated revenue growth of 25% YoY to ₹6789 crore led by by ~30% YoY volume growth during Q3FY21. Benign raw material prices, change in product mix and better operating leverage help drive EBITDA margin up by ~440 bps YoY to ~26%. As a result, PAT came in at ₹ 1265 crore up 62% YoY, better than our expectation of ₹ 918 crore	We believe, Asian paints has recorded one of the best performance during Q3FY21 in terms of volume growth and EBITDA margin expansion. We believe, strong decorative volume growth of Asian paints would be largely on the back of its robust dealer network (~70,000 +), strong supply chain and market share gains from unorganized/regional players. However, we do believe such a high volume growth (~30%) and EBITDA margin expansion is one off event and it will be normalised going forward	

<p>Cyient</p>	<p>Cyient reported Q3FY21 numbers. The company's services revenues increased 1.0% QoQ (0.3% QoQ in cc terms) to US\$115.3 million mainly led by acquisition of IGPartners (which contributed 1.3% to service revenues). The company's DLM revenues increased 24.9% QoQ to US\$26 million leading to overall revenues increasing by 4.7% QoQ to US\$141.4 million. The company's services EBIT margin declined 88 bps QoQ to 11.3% mainly due to wage hike and furlough impact. However, DLM EBIT margins increased 594 bps QoQ to 10.6% leading to overall EBIT margin of 11.2% (up 14 bps QoQ). The company's PAT increased 13.8% QoQ (down 11.9% YoY) to ₹ 95.4 crore mainly led by higher other income</p>	<p>Going forward the company expects healthy QoQ growth in Q4FY21E (Q4FY20 revenues in Q4FY21E) mainly led by traction in services and DLM business. We believe this will lead to high single digit (~5.5%) growth in Q4FY21E. In addition, margins are expected to improve by~150 bps QoQ in Q4FY21E leading to 80 bps YoY increase in FY21E EBIT margins to 10%. Further, the company has also won 5 multi-year deal with total contract potential of US\$106 million in the quarter and its order book has increased by 7% YoY which we believe will drive company's long term revenues. This coupled with restructuring of organisation to drive growth and reasonable valuation prompt us to be positive on the stock.</p>	
<p>JK Tyre &amp; Industries</p>	<p>The company reported robust performance in Q3FY21 with highest ever quarterly sales and PAT. Net sales for the quarter came in at ₹ 2,769 crore, up 25.4% YoY. EBITDA in Q3FY21 stood at ₹ 500 crore with corresponding EBITDA margins at 18.1%, up 250 bps QoQ. PAT in Q3FY21 came in at ₹ 224 crore vs. ₹ 11 crore in Q3FY21 (impacted by low margins in base quarter) and ₹ 105 crore in Q2FY21.</p>	<p>Company's operating performance is a positive surprise. Sequential improvement in gross margins (~140 bps) seems to be driven by some low cost inventory and is in diversion with the quarterly results reported by one of its key competitor (decline in gross margins by ~110 bps). Encouragingly, interest costs continued in downward trajectory signalling further reduction in debt on company's B/S. We remain positive on the company amidst its market leadership in the CV tyre space, which is at the cusp of cyclical revival (OEM)</p>	
<p>Vardhman Textile</p>	<p>Vardhman Textiles revenues for Q3FY21 declined YoY by 4% to ₹ 1750 crore. Gross margin improvement of 340 bps YoY to 48.3% and lower power cost (decline by 120 bps YoY to 9.9%) enabled ebitda margin expansion of 421 bps YoY to 15.8%. EBITDA was higher by 31% YoY at ₹ 276 crore. Consequently PBT grew by 31% YoY to ₹ 219 crore. However, PAT declined by 13% to ₹ 175 crore owing to deferred tax adjustment in the base quarter.</p>	<p>Vardhman is inching closer to its normal EBITDA margin range (~18%). The yarn market is witnessing supply constraint due to smaller capacities being shut down which is beneficial for larger players like Vardhman Textiles. Vardhman is among the few textile companies that have been able to maintain a debt equity ratio below one in spite of continuous capacity additions. The yarn business (including internal transfer) volumes grew by 3% YoY, while the fabric business volumes showed signs of pick up in demand and recovered to 87% of pre-covid levels. Due to its strong balance sheet (FY20 debt/equity of 0.3x) the company is better placed than peers to wade through the current turbulent market</p>	

Biocon	<p>Q3FY21 revenues grew 5.9% YoY to ₹ 1851 crore. Generics sales de-grew 4.4% YoY to ₹ 561 crore due to statin APIs portfolio seeing a muted demand owing to stockpiling by customers in Q1FY21. Biosimilars grew 9.5% YoY to ₹ 769 crore. Research Services segment grew 12.6% YoY at ₹ 584 crore. EBITDA margins contracted 383 bps YoY to 21.6% mainly due to higher employee, R&amp;D and other expenditure. EBITDA declined 10.1% YoY to ₹ 400 crore as against I-direct estimate of ₹ 481 crore. Net profit declined 16.9% YoY to ₹ 169 crore (I-direct estimate: ₹ 200 crore).</p>	<p>Q3FY21 results were below I-direct estimates on all fronts. Topline was below estimates due to lower than expected Generics sales whereas profitability was lower due to higher than expected employee cost and depreciation. Timely launches and ramp up of biosimilars in the developed as well as emerging markets and Syngene's performances remain key levers for the company. We will come out with an update post discussion with management.</p>	
Saregama India	<p>Saregama India's Q3FY21 topline increased 3.4% YoY to ₹ 133.9 crore with growth being led by TV &amp; films segment (also lower base effect due to dip in Carvaan sales in Q3FY20). Carvaan sales dipped ~30% YoY to 138K units during the quarter. EBITDA grew 193% YoY to ₹ 40 crore with EBITDA margin at 29.9%. Subsequently, reported PAT stood at ₹ 31.6 crore, up 211% YoY</p>	<p>Music revenue was flattish YoY as increase in licensing revenue was offset by de-growth in Carvaan revenues. Carvaan sales, while improved QoQ, are still well below pre-Covid level. TV &amp; films segment revenue jumped 52% YoY. Cost reduction across all fronts (except for TV &amp; films production), mainly in promotion costs for Carvaan and other expenses led to strong growth in operating profit. Saregama has bought music rights of four new Hindi movies. We seek management commentary on outlook ahead as monetization of IPs via digital and other platforms holds potential for revenue growth going ahead</p>	
Kajaria Ceramics	<p>Kajaria Ceramics performance was strong across topline &amp; bottomline. The sales volumes were up 10.5% YoY at 22.6 MSM, as utilisation got back to full levels coupled with strong outsourced sales driven by robust rebound in demand. The topline was up 13.1% YoY at ₹ 838.4 crore with stable realisations (up 0.3% YoY). Tiles Revenues were up 10.9% YoY at ₹ 758.2 crore. Faucet and Sanitaryware revenues were up 36% YoY at ₹ 67.4 crore. Plywood revenues were up 57.6% YoY at ₹ 12.8 crore, on a low base. EBITDA at ₹ 181.8 crore with margins at 21.7% were up 667 bps YoY driven by lower other expenses and operating leverage. The beat at operating level percolated to PAT wherein it reported a ₹ 118.9 crore, up 93% YoY</p>	<p>The company raised its volume growth guidance for FY22E to 20-25% vs. 15%, earlier and expect 15% volumes growth for next couple of years thereafter. The operating margin is likely to remain at an elevated level at ~20%+ ahead to be aided largely by aided by benign gas prices, operating leverage and structural costs rationalisation. Kajaria, with a net cash balance sheet and superior brand, is a quasi-play on improved scenario.</p>	

Ashoka Buildcon	Ashoka Buildcon had submitted Bids to NTPC Renewable Energy in respect of the Project viz. EPC package of 150 MW Solar PV project in Rajasthan for which the Company has received Notification of Award. The accepted Bid Value is ₹502.33 Crore exclusive of GST.	Ashoka Buildcon's order book was at ₹ 9,300 crore at the end of Sept'20. It had secured two EPC projects in Bihar having aggregate value of ₹ 1,390 crore during H1 FY21 and the recently secured order amounting to ₹ 502.33 crore was only the third order in the current fiscal. For H2 FY21, the management had guided for incremental order inflows of ~₹ 6,000 crore given improved traction in awarding of roads, railways, water and buildings projects. However, we believe, the company may not achieve the targeted order inflows in FY21 owing to elevated level of competitive intensity in the road projects and limited opportunity in its established regions.	
Music Broadcast	Music Broadcast revenues fell 41.6% YoY to ₹ 40.7 crore in Q3FY21. While company managed cost reduction, lower topline led to EBITDA at ₹ 4.2 crore, down 80.7% YoY with EBITDA margin at 10.2%. The company reported marginal PAT of ₹ 7.3 lakh, down ~99% YoY.	While surge of 9% YoY in ad volume is a positive, ad yield is still under pressure as per our understanding. MBL's operating performance improved sequentially as company managed to break-even and ad volume grew 60% QoQ. The company has strong liquidity position with cash and cash equivalents of ₹ 235 crore. Latest IPAB order will lead to marginal increase in license fees to 2.4% compared to 2.3% earlier. We seek management commentary on full ad recovery outlook	
Intellect Design Arena Ltd	Intellect Design Arena Ltd has been chosen as the preferred partner by Germany's leading e-commerce player, OTTO GmbH & Co. KG, for the digital transformation of their Payments and Financing platform. The solution involves complete digitisation clients credit business.	The company has categorised this deal as destiny deal. The average size of a destiny deal is US\$6 million (₹ 44.6 crore). We are not aware of the size or other contours of this deal but believe can contribute ~3% to revenues ( based on average size of destiny deal).	
Road Sector	At least half a dozen firms, including Canadian institutional investor CDPQ and Singapore-based Cube Highways, have submitted bids to take on the long-term lease around 160-km highway stretch offered by NHAI against upfront payment through the toll-operate-transfer TOT route. Among the domestic firms which have submitted technical as well as financial bids are IRB Infrastructure, Adani, Prakash Asphaltting & Toll Highways (PATH) and the Nagpur-based D P Jain.	The success of asset monetization program is essential for the continued awarding and construction pace in the road sector. Additionally, the proceeds from the asset monetization are used to repay NHAI's debt, which has mounted to ₹ 2.72 lakh crore, as on November 2020. With the healthy interest from the bidders towards NHAI's fifth ToT bundle, we expect, 5th bundle of ToT to get better bidding price and will get through.	

Road Sector	NHAI has set the target to match the highway project awards in 9M FY21 with the January-March quarter. The authority awarded 2,423 km national highways during Apr-December'20. Additionally, total highway project awards in FY21 could be in the range of 4,800-5,200 km, higher than the 4,500-km original target the authority had set for itself.	The awarding activities by NHAI have been strong at YTD FY21 level and is likely to surpass its initial target of 4500 km for FY21. Additionally, the robust awarding activity provides better opportunity to contractors to build strong order book position. Positive for PNC, KNR, Ashoka Buildon and NCC from our infrastructure coverage list	
Info Edge	According to Economic Times, Zomato is closing a fresh US\$500 million investment which could value the company at US\$5.5 billion. Further Zomato is aiming for an IPO by June this year which could be at a valuation of US\$6-8 billion.	We have valued Zomato at US\$5 billion. If the company gets a valuation of US\$6-8 billion, this could add another ~₹ 200 per share to Info Edge's valuation ( Based on upper end of valuation and our assumption of dilution of stake post funding). However, recent run up in price factors in most of the positives.	
Biocon	Dr. Christiane Hamacher, has stepped down as MD and ceased to be a member of the Board of Directors of Biocon Biologics, effective 20th January, 2021 due to professional differences with the Chairperson on strategic priorities and vision for the Company. Subsequently, Dr Arun Chandavarkar, member of the board of Biocon Biologics has become MD effective Jan 21, 2021, for a period of up to two years, and Ms Kiran Mazumdar Shaw will be the Executive Chairperson of Biocon Biologics.	We think this is a negative development as the company has on record stated that she has left due to professional differences with the chairperson on priorities and vision.	

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

- Crompton Greaves Consumer Electricals' (CGCEL) revenue may see growth of 15% YoY to ₹ 1231 crore led by 16% and 12% YoY growth in the ECD and lighting business to ₹ 912 crore and ₹ 318 crore, respectively. Strong festive demand in addition to market share gains from unorganised segment likely to drive revenue for CGCEL. Better operating leverage and stability in prices of lighting products would have help increase in EBITDA margin by ~154 bps YoY to 14%. Finally, CGCEL's PBT is likely to increase 24% YoY to ₹ 172 crore while PAT may see a decline of 20% YoY to ₹ 129 crore mainly due to tax reversal benefit in the base period
- Oberoi Realty to report Q3 earnings today. We expect sales volumes to rebound sharply led by stamp duty cut and latent demand uptick. We bake in sales volumes growth of ~25% YoY at ~97600 sq ft. On the financial front, it is likely to witness a sharp decline in revenue on account of rental wavier for lockdown period, non-operational hospitality portfolio and relatively weaker execution given suboptimal labour and heavy monsoon. On the financial front, we expect topline to de-grow 5% YoY to ₹ 500.4 crore on account of impact on mall and hospitality portfolio. Overall, we expect ORL's net income to grow 16.3% YoY at ₹ 172.4 crore. Key Monitorable: Commentary on sales volumes, progress on new launches such as Thane & Exquisite-III in Goregaon
- For SBI Life it is expected that continued revival in business and focus on non-par products to keep NBP in positive trajectory of ~3% YoY to ₹ 5087 crore. Accretion of single premium is seen keeping APE premium flat at ₹ 3189 crore. Healthy persistency is seen keeping overall premium growth at 12.8% YoY to ₹ 13194 crore. Opex continued to remain a focus area, though claims are seen to remain higher, resulting in surplus at ₹ 506 crore. Earnings is expected at ₹ 390 crore, flat YoY and 30% QoQ. Strategy on product mix is key to be watched

- India's crude oil production in December declined 3.6% YoY to 2.56 MMT due to decline in output from a PSU upstream company and privately operated fields. Natural gas production was down 7.11% YoY to 2.4 BCM. Crude oil processed was up 0.93% YoY to 21 MMT during the same period
- Oriental Hotels revenue for Q3FY21 improved sharply on QoQ basis by 173% to ₹42.9 crore led by re-opening of its all properties from Sep-20 onwards. Company also managed to report positive EBITDA of ₹1.17 crore vs operating loss of ₹ 14.6 crore in Q2FY21. This helped the company to narrow down the net loss to ₹ 7.6 crore vs loss of 17.7 crore reported in Q2FY21. On YoY basis, net revenues were however, down by 49%.
- Zensar reported Q3FY21 numbers. The company's dollar revenues (excluding third party maintenance business) decreased 2.4% QoQ to US\$122.8 million mainly led by 10.2% QoQ and 6.5% QoQ decline in Hi Tech & Insurance verticals. The company's EBITDA margins increased by 120 bps to 20.6% mainly led by SG&A optimisation partially offset by lower utilisation & volumes. The company's PAT increased 12.3% QoQ to ₹ 98.7 crore due to higher other income. The company's order book increased by 14.3% QoQ to US\$200 million and deal pipeline has increase by 13.3% QoQ to US\$1.7 billion. The company has now become debt free in the quarter. We would be coming out with revised target price post today's conference call.
- Mphasis reported Q3FY21 numbers. The company's dollar revenues increased ~2% QoQ to US\$333.9 million. The company's rupee revenues increased 1.5% QoQ to ₹ 2460.1 crore mainly led by 5.1% QoQ increase in direct revenues partially offset by 17.9% QoQ decline DXC revenues. The company's EBIT margin increased by 30 bps QoQ to 16.4%. The company's net profit increased 8.8% QoQ to ₹ 325.5 crore mainly led by higher other income. The company won US\$247 million deals in Q3FY21 taking the FYTD TCV wins of US\$ 867 million (up 64.0% YoY). We would be coming out with revised target price post today's conference call.
- Bandhan Bank reported sharp surge in NPA denting improved operating performance. Proforma based GNPA saw a meaningful spike, GNPA ratio (proforma) increased to 7.12% from ~1.5% levels QoQ. Collection efficiency declined from 94% in Sept 2020 to 92% January 2021. NII grew 35% YoY to ₹2072 crore, this was on account of 30 bps rise in the NIMs sequentially. PAT declined by 13% YoY to 632 crore as a result of steep ~2.6x YoY rise in provisions. Loan growth for the quarter was at 22.6% YoY to ₹80260 crore, Deposit accretion during the quarter was strong at 29.6% YoY to ₹71183 crore, this was helped by 62% YoY rise in CASA deposits.
- For MCX the turnover of commodity futures contracts increased 4% YoY to ₹ 21.4 lakh crore in Q3FY21. Upfront margin requirement kicking in from December 2020 has impacted turnover in December 2020, leading to 17.3% QoQ decline in turnover. Topline growth was 13% YoY to ₹ 100.9 crore, primarily on account of healthy realisation. EBITDA for the quarter came in at ₹ 48.7 crore, up 24% YoY, though sequential declined 25.8%. Subsequently, EBITDA margin increased ~430 bps YoY to 48.2% Healthy EBITDA coupled with negative taxation led earnings growth at 29.8% YoY to ₹ 71.8 crore. PAT margin stood at 71.2% in Q3FY21 vs 62% in Q3FY20
- South Indian Bank posted a Flat growth in its NII, down 1% YoY to ₹596 crores mainly on account of sharp sequential decline in NIMs from 2.94% to 2.64% QoQ. Margins were partially impacted by interest reversals on additional NPAs. Headline GNPA was steady at 4.9% versus 4.87% QoQ. The bank expects restructuring to the tune of 1.4% in March quarter. The bank during the quarter has made provisions of ~116 crore towards a fraud account, ₹71 crore towards proforma NPA, and total provisions for quarter increased 91% YoY to ₹499 crore, thus resulting into a Net loss of ₹92 crore for Q3FY21. Proforma GNPA would have been ~7% (calculated)
- IIFL securities posted a modest total income growth of 2% to ₹214.98 crore from ₹210.22 crore YoY in Q3FY21. Net profit increased by 9% at ₹50.59 crore versus ₹46.4 crore YoY. During the quarter, the average daily market turnover increased by 45% YoY and 37% QoQ to ₹32970 crore. Retail broking revenue was ₹73 Cr for the quarter ended December 31, 2020, up 40% YoY
- Hero MotoCorp has notified that it has surpassed the monumental 10 crore cumulative production milestone for its 2-W's. It remains committed to "be the future of mobility" with greater geographical presence and more than 10 new launches every year including a range of premium motorcycles for the next 5 years.
- Vodafone Idea ('Vi') has extended its suite of digital offerings by forging a strategic partnership with AI-powered healthcare platform MFine to offer instant chat and video-based consultation to its customers.
- As per Times of India, the new regime in the US has paused for 60 day regulations bought in by Trump administration in the final end of the Trump presidency, including those pertaining to H1B. The proposed rules will be reviewed by Biden administration. All the recent proposed rules would have made hiring H1B workers challenging, however, pausing the same will bring respite to IT companies
- As per media reports (ET Telecom), Vodafone Group Plc is considering selling a small portion of its 28.12% stake in Indus Towers to inject capital into its ailing Indian telecom joint venture, Vodafone Idea (Vi).
- Sebi has imposed a penalty of ₹1 crore on HDFC Bank for invoking securities pledged by stock broker BRH Wealth Creators in violation of the regulator's interim directions. In addition, the bank has been directed to transfer ₹158.68 crore along with 7% interest per annum into an escrow account till the issue of settlement of clients' securities is reconciled.
- HDFC Ltd has signed an agreement to sell its 24.48% stake in Good Host, a company engaged in the business of managing student housing facilities, for ₹ 232.81 crore.
- Union Minister Nitin Gadkari on Wednesday said NHAI's financial status is in a good shape, and the country's toll revenue, which is ₹34,000 crore per year, will touch ₹1.34 lakh crore a year by 2025.

- 22 of the 25 high courts in the country have operationalized designated fast-track courts to adjudicate disputes related to infrastructure project contracts. Additionally, the law ministry has been in regular touch with each of the HCs to ensure that separate commercial benches of the HCs and district courts under them are set up to expedite resolution of commercial disputes. This will boost India's chances of further improvement in the World Bank ease of doing business rankings.
- As per TAM AdEX report, ad volume/day on Radio saw 5 times increase in unlock phases compared to lockdown period
- As reported in Mint, ~80% of screens opened in South India while ~40% of screens in North India have reopened
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Nifty Daily Chart

Technical Outlook

NSE NIFTY [N59901]14730.95,14753.55,14517.25,14631.00, 3240574720 -0.09%  
 Price Avg(E,20)



Equity benchmarks witnessed profit booking as Sensex approached the psychological mark 50000. The Nifty entirely pared intraday gains and concluded weekly derivative expiry session on a subdued note at 14590, down 54 points or 0.4%. In the coming session, we expect Nifty to hold Thursday's panic low (14517) and trade with a positive bias amid stock specific action as we proceed the Q3FY21 result season. Hence, use dip towards 14530-14555 for creating long for target of 14641

Going ahead, we expect index to endure its northbound journey amid rising volatility ahead of key major event of Union Budget and eventually head towards our earmarked target of 14900 by the end of January. Thus, buy on declines would be the prudent strategy as possibility of minor profit booking at higher levels cannot be ruled out which would offer incremental buying opportunity to ride next leg of up move. Meanwhile, immediate support remains at 14200.

Pivot Points						
Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Neutral	49624.8	49288	48951	50073	50521
Nifty 50	Neutral	14590.4	14486	14384	14723	14856
ACC Ltd	Neutral	1665.8	1639	1612	1710	1754
Axis Bank Ltd	Positive	675.9	665	655	690	705
HDFC BANK LTD	Negative	1474.8	1464	1453	1490	1505
SBI	Neutral	294.9	289	283	303	311
HERO MOTOCORP LT	Neutral	3247.3	3196	3145	3322	3397
MOTHERSON SUMI	Negative	154.4	152	149	159	163
Tata Motors	Positive	290.6	281	271	300	309
M&M FIN SERVICES	Neutral	181.2	178	174	187	192
BAJAJ AUTO LTD	Positive	3703.3	3637	3570	3789	3874
TCS	Negative	3273.9	3255	3235	3302	3329
INDIAN OIL CORP	Negative	96.7	96	95	100	101
CIPLA LTD	Neutral	812.8	801	790	831	850
PIDILITE INDS	Positive	1775.6	1751	1726	1810	1845
Reliance Industries	Positive	2099.4	2076	2053	2121	2143
BHARTI AIRTEL	Neutral	581.4	570	557	600	617
DR REDDY'S LABS	Negative	5052.2	5012	4971	5116	5179

CNX Nifty Technical Picture		
Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	14550-14510	14200
Resistance	14640-14690	14900
20 day EMA	0	14252.0
200 day EMA	0	12128.0

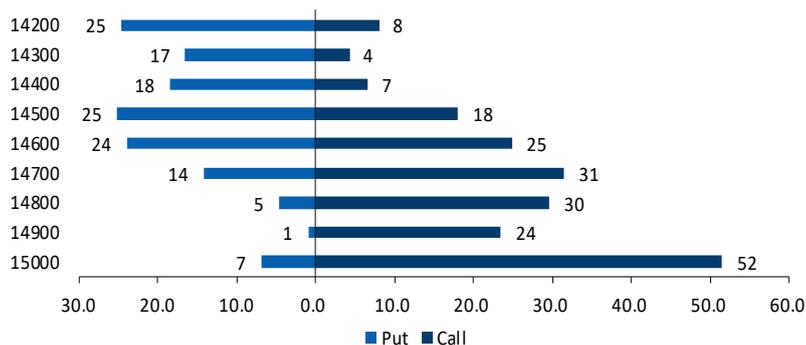
Advances/Declines			
	Advances	Declines	Unchanged
BSE	1036	1983	169
NSE	599	1364	64

- Daily Technical Calls**
- Daily Technical Calls**
- Buy HDFC in the range of 2655.00-2661.00
  - Buy Tata Consumer in the range of 595.00-597.00
- All recommendations of January Future

[See Momentum Pick for more details](#)

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

Intraday Derivative Strategy



**i) Bajaj Auto**  
 Buy BAAUTO JAN Fut at ₹3745.00-3750.00  
 CMP: 3745  
 Target 1: 3783 Target 2: 3837  
 Stop Loss: 3711

**ii) Tata Steel**  
 Sell TATASTE JAN Fut at ₹670.00-672.00  
 CMP: 670  
 Target 1: 655.7 Target 2: 657.8  
 Stop Loss: 676.3

[See Derivatives view for more details](#)

Results/Events Calendar

04	January Monday	05	January Tuesday	06	January Wednesday	07	January Thursday	08	January Friday	09	January Saturday
EU Manufacturing PMI US Manufacturing PMI US Construction Spending IN Trade Balance IN Exports, IN Imports	JP Services PMI ISM Manufacturing PMI	IN Nikkei Markt Manuf. PMI US Crude Oil Inventories EU Services PMI EU PPI (YoY) US Services PMI	GM Breweries EU Consumer Confidence CH FX Reserves, EU CPI YoY US Trade Balance EU Retail Sales	Shalby, TCS, IN FX Reserves IN Federal Fiscal Deficit EU Unemployment Rate US Unemployment Rate US Consumer Credit	Endurance Tech Avenue Supermarts						
11	January Monday	12	January Tuesday	13	January Wednesday	14	January Thursday	15	January Friday	16	January Saturday
JP Current Account	Tata Elxsi, IN CPI YoY Filatex IN Industrial Production IN Manufacturing Output(MoM) IN Cumulative Industrial Prod.	Wipro, Infosys, CESC GTPL Hathway, 5 Paisa CH Imports, CH Exports US CPI YoY, JP PPI CH Trade Balance	IN WPI Inflation US Initial Jobless Claims IN WPI Manufacturing Inflation IN WPI Food, IN WPI Fuel IN M3 Money Supply	HCL Tech, Shoppers Stop PVR, US Retail Sales CH FDI, US Industrial Prod. US PPI (MoM) EU Trade Balance	HDFC Bank CH GDP QoQ						
18	January Monday	19	January Tuesday	20	January Wednesday	21	January Thursday	22	January Friday	23	January Saturday
Mindtree, Rallis India Mart, Majesco	Larsen & Toubro Infotech Alembic Pharma CEAT, Tata Metaliks Vardhman Special Steel Tata Communication	Bajaj Finance, Bajaj Finserv Philips Carbon, Havells Ind HDFC AMC, Synegene, Newgen Sagar Cement, Hind Zinc VST Ind., Sterlite Tech.	Mphasis, Cyient, Biocon Bajaj Auto, Saregama India Zensar, Asian Paints, Bandhan Kajaria Ceramics, JK Tyre, MCX Music Broadcast, CPCL, IEX	JSW Steel, Crompton Greaves HDFC Life, Oberoi Realty Swaraj Engines Kewal Kiran, Symphony Ltd. SBI Life	Supreme India Mahindra Lifespace Supreme Ind. Polycab India UltraTech Cement						
25	January Monday	26	January Tuesday	27	January Wednesday	28	January Thursday	29	January Friday	30	January Saturday
Navin fluorine Larsen & Toubro India Cements	UK Unemployment Rate CH Industrial Profit	Axis Bank, Quess Digvijay Cement, HUL USL, Marico, Jyothy Lab United Spirits JP Retail Sales	M&M Fin., Action Const., Lupin Bharat Elect., Maruti Suzuki, Indus KEC Int., Engineers India, Granules Laurus Labs, United Breweries Sudarshan Chem., Pidilite Ind.	Mahindra Log., Shankara Build. Dr.Reddy's, Atul Ltd., Taj GVK Sun Pharma, Persistent, Teamlease Cipla, Dabur, Exide Ind., Grindwell Tata Motors, PNC Infratech	Dwarikesh Sugar Hester Bio Shree Cement Relaxo Tech Mahindra						
01	February Monday	02	February Tuesday	03	February Wednesday	04	February Thursday	05	February Friday	06	February Saturday
Kansai Nerolac Castrol EU Manufacturing PMI US Unemployment Rate US Manufacturing PMI	Alkyl Amines, Intellect Nocil, Siyaram Silk Mangalam Cement Siyaram Silk JP Services PMI	Ramco Cement, SIS India Transport Corporation Thermax EU Services PMI US Services PMI	Concor, TCI Express Wabco India, Matrimony Hero Motocorp, Sonata Trent, IPCA Lab EU Retail Sales	Sumitomo Chemical SKF US Unemployment Rate US Trade Balance	JK Cement BHEL DLINK India						

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
20-Jan	CPI YoY	UK	Dec	0.6%	0.5%
20-Jan	PPI Input	UK	Dec	0.8%	0.7%
20-Jan	CPI YoY	EU	Dec	-0.3%	-0.3%
20-Jan	Exports	JP	Dec	2.0%	2.4%
20-Jan	Imports	JP	Dec	-11.6%	-14.0%
20-Jan	Trade Balance	JP	Dec	751.0B	942.8B
21-Jan	Deposit Facility Rate	EU	Jan	0.5%	-0.5%
21-Jan	Initial Jobless Claims	US	Jan	900K	910K
21-Jan	Consumer Confidence	EU	Jan	15.5	-15.0
21-Jan	Building Permits	US	Dec	1.709M	1.604M
Date	Event	Country	Period	Expected	Previous
22-Jan	Manufacturing PMI	EU	Jan	54.6	55.2
22-Jan	Services PMI	EU	Jan	45.0	46.4
22-Jan	Manufacturing PMI	US	Jan	56.5	57.1
22-Jan	Services PMI	US	Jan	53.5	54.8
22-Jan	FX, Reserves USD	IN	Jan	-	586.08B

Result Preview

Company   Crore	Revenue Chg(%)			EBITDA Chg(%)			PAT Chg(%)		
	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ	Q3FY21E	YoY	QoQ
JSW Steel	20,857.0	15.5	8.3	5,269.0	115.0	19.4	2,441.0	1,205.3	53.0
Oberoi Realty	500.4	-5.1	58.3	249.2	8.4	33.6	172.4	16.3	24.3
SBI Life	13,194.0	18.2	8.1	506.2	-16.7	-16.6	390.0	0.1	4.0

Recent Releases

Date	Report
January 21, 2021	<a href="#">Result Update-Sagar Cement</a>
January 21, 2021	<a href="#">Result Update-Hindustan Zinc</a>
January 21, 2021	<a href="#">Result Update- Havells India.</a>
January 21, 2021	<a href="#">Result Update-Federal Bank</a>
January 21, 2021	<a href="#">Result Update-HDFC AMC.</a>



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