

THE DAILY

Date: 29 Jan 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	46874	-536	-1.13
NIFTY	13818	-150	-1.07
MIDCAP	18208	-84	-0.46
SMALL CAP	18034	-81	-0.45

SECTORAL INDICES

	Close	Points	% Change
OIL & GAS	14014	106	0.77
BANKEKX	34433	98	0.29
CD	30373	81	0.27
CG	19821	-64	-0.32
METAL	11233	-41	-0.36
POWER	2034	-10	-0.49
Finance	6791	-49	-0.71
Healthcare	20983	-187	-0.88
AUTO	22800	-217	-0.94
TECK	11688	-193	-1.62
IT	25451	-501	-1.93
REALTY	2410	-51	-2.07

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
AXISBANK	6.16	BANKBARODA	-9.61
HAVELLS	5.99	ABFRL	-5.95
ASTRAL	3.39	M&MFIN	-4.42
FEDERALBNK	2.72	VBL	-4.34
JUBLFOOD	2.68	GODREJPROP	-4.19

ADVANCE/DECLINES

	BSE	%
ADVANCES	1551	51
DECLINES	1324	44
UNCHANGED	165	5

INSTITUTIONAL ACTIVITY

Rs Cr	28/01/21	27/01/21	Jan Total
FII	-3713	-1688	14909 (prov.)
DII	1737	-3	-14411 (prov.)

Indian markets could open higher, following largely positive Asian markets today and higher US markets on Thursday.....

U.S. stocks finished higher Thursday, partially recovering from the worst one day sell off since October on Wednesday, as investors focused on earnings reports from big technology companies and positive economic data. Investors also monitored volatile trading in shares of small-cap companies such as Gamestop, which later saw a halt to trading from brokerages, drawing the attention of lawmakers in Washington.

All eleven S&P 500 index sectors rose Thursday, after all fell Wednesday, marking the first time that has occurred since Nov. 13 last year, as investors took heart from corporate earnings reports and data showing a slow economic recovery from the coronavirus pandemic.

In the US, a reading of those seeking initial jobless claims in the week ended Jan. 23, fell by 67,000 to a seasonally adjusted 847,000, marking the lowest level in three weeks. U.S. gross domestic product grew at a 4% annualized rate in the fourth quarter, in line with economists' forecasts, though for all of 2020 the economy contracted 3.5%, its worst performance since World War Two.

Silver prices rose about 7% as the dollar weakened, making the metal cheaper for buyers outside the United States.

Japan's industrial output extended declines in December as factories struggled with a hit to demand from expanded COVID-19 lockdown measures globally, suggesting the economic recovery was slowing. Official data released on Friday showed factory output declined 1.6% in December, larger than the previous month's 0.5% fall.

Stocks in Asia-Pacific were higher in Friday trade as shares in the US saw an overnight bounce from heavy losses suffered on Wednesday.

Indian benchmark equity indices ended lower in the fifth consecutive session on January 28. Nifty opened gap down following overnight sharp weakness in the US markets and made a bottom at about 1305 Hrs. A feeble recovery followed. At close, the Nifty was down 150 points or 1.07% at 13,817.50.

The Nifty fell for the fifth consecutive session on Jan 28; however it did not close at the intra day lows. Pre budget buildup on a small scale may begin from Friday. 13713-13927 could be the band of support / resistance for the near term.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	30603	300.19	0.99
S & P 500	3787	36.61	0.98
NASDAQ	13337	66.56	0.50
FTSE	6526	-41.22	-0.63
CAC	5511	50.90	0.93
DAX	13666	45.47	0.33
NIKKEI	28154	-43.92	-0.16
SHNAGAI	3515	9.61	0.27
HANG SENG	28665	114.23	0.40
BOVESPA	118883	3000.95	2.59

EXCHANGE RATES

	Value	% Change
USD/INR	73.0	0.20
EURO/USD	1.211	-0.11
USD/GBP	1.372	-0.01
USD/JPY	104.5	0.24

COMMODITIES

	Value	%
Gold (\$ / Oz)	1844.6	0.18
Silver (\$ / Oz)	26.3	1.60
Crude Oil Futures	52.4	0.10
Brent Oil (\$ / Barrel)	55.3	0.69

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	5.933	-0.021

ADR

	Value \$	%
Dr Reddys Labs	66.1	0.46
HDFC Bank	72.0	4.59
ICICI Bank	14.9	4.33
Tata Motors	18.6	4.15
Wipro	6.51	-1.51
Vedanta Ltd	9.13	5.06
INFOSYS	17.64	0.97

Airtel adds more subscribers than Jio for 4th straight month in Nov, Vodafone Idea loses more:

Bharti Airtel added more mobile phone users than market leader Reliance Jio Infocomm for the fourth straight month in November 2020, signalling that it's still gaining bulk of the customers leaving Vodafone Idea (Vi), which continued to cede ground to its stronger rivals. Airtel gained 4.37 million wireless subscribers against Jio's 1.93 million, while struggling Vi lost 2.89 million users in November. Trai's mobile user data showed Airtel's November user base swelled to 334.65 million while Jio's rose to 408.29 million. Loss-making Vi's user base, though, fell further to 289.94 million.

Sundaram AMC to take over Principal Mutual Fund in India

Sundaram Asset Management Company has announced the purchase of the asset management businesses of Principal Asset Management Pvt. Ltd. Sundaram will acquire the schemes managed by Principal Asset Management and acquire 100% of the share capital of Principal AMC, Principal Trustee Company Pvt. Limited and Principal Retirement Advisors Pvt. Ltd.

The fund houses have said that they will ensure that there will be no disruption of service to their partners and investors in the interim and a seamless transfer once approval is obtained. The transaction is subject to the receipt of necessary regulatory approvals and SEBI prescribed processes, and Principal will continue to operate the businesses until the deal is closed.

Four bidders in final race to acquire Reliance Home Finance

Two US-based funds Avenue Capital/ARCIL and Aries SSG/ACRE have placed their bids to acquire RHFL as a Company. Banking sources added that Capri Global and Kotak Special Situation Fund have bid for retail assets. Lenders are supporting for a full solution by selling the entire company. It is believed that Capri Global is the highest bidder for the retail assets of RHFL.

Infosys to accelerate US hiring even after Trump's departure

Infosys Ltd. will accelerate hiring in the U.S. and Europe, after Trump-era immigration curbs forced the Asian tech-services giant and its rivals to overhaul their traditional reliance on serving global clients with Indian talent. Company has recruited 2,000 college graduates outside of India in the past 12 months and will only hire more over the next year.

Airtel demos live 5G service over commercial network in Hyderabad

Bharti Airtel has successfully demonstrated live 5G service over a commercial network in Hyderabad city, underlining the 5G readiness of its network across domains. The full impact of the 5G experience, though, would be available to Airtel customers when adequate spectrum is available, and government approvals are received.

The demonstration in Hyderabad has highlighted the company's technology capabilities. The demonstration of live 5G service in Hyderabad was conducted over an existing liberalised spectrum in the 1800 MHz band.



Lupin Q3 FY21 result highlights

Lupin reported better than expected operational numbers for the quarter. Revenue for the quarter grew 6.6% yoy at Rs 4017cr. Gross margin improved 150bps yoy at 64.9%. Operating margin surged 800bps yoy at 19.4% on strong gross margin and lower manufacturing & other expenses. Company reported net profit of Rs 438.3cr as compared to net loss of Rs 869cr. Finance costs declined 65% yoy at Rs 31cr. In Q3 FY20, company had tax expenses of Rs 767cr and one off exceptional loss of Rs 289cr.

US revenue grew 5% yoy at Rs 1442cr. Domestic formulation business registered 5.4% rise at Rs 1367cr. API revenue grew 8.4% at Rs 344cr. EM revenue grew 12% at Rs 327cr. Company launched 3 products in the US market during the quarter and now has 169 products in the US generics market. Cumulative ANDA filings with US FDA stand at 437 as of Dec 31, 2020, with the company has approval for 285 products.

Interglobe Aviation Q3FY21 result update

Revenue of the company posted degrowth by 51% y-o-y to Rs.4910 cr. The company has posted a net loss of Rs.620 cr from a net profit of Rs.496 cr in the same quarter previous year; on the basis of higher fixed costs and a fall in realization. RASK (Rs.) degrew by 16.4% y-o-y to Rs.3.27 cr. whereas CASK (Rs.) has posted degrowth of 0.4% to Rs.3.68 in Q3FY21 compared to Rs.3.69 in Q3FY20. The load factor has declined by 15.6 pts to 72% in Q3FY21.

Coforge Q3FY21 result key takeaways

Coforge reported better than expected numbers in Q3FY21, with strong order intake. Consolidated revenue grew by 3.2% QoQ and 11% YoY to Rs 1,190.6 crore vs. expectation of Rs 1,187 crore in INR term, driven by healthy growth momentum across segments and geographies. On a sequential basis, 3.3% in constant currency terms, and 3.8% in dollar terms.

EBIT grew by 1.6% QoQ and 3.6% YoY to Rs 155.4 crore vs. expectation of Rs 153.8 crore. EBIT margin was down by 20bps QoQ and 90bps YoY to 14.0% in Q3FY21. Net Profit grew by 2.1% QoQ and 0.41% YoY to Rs 123.5 crore vs. expectation of Rs 121.1 crore.

Company's revenue from Americas increased by 6.1% QoQ, EMEA increased by 3.8% QoQ and ROW declined by 6.7% QoQ, revenue from America contributed 49%, EMEA contributed 36% and RoW contributed 15% in Q3FY21. The BFS segment grew 12.7% QoQ, Travel segment grew 9.7% QoQ, Insurance segment declined 5.3% QoQ, and the others segment grew 3.5%. BFS segment contributed 18%, Travel 20%, Insurance 32% and others contributed 30% in Q3FY21. Digital revenue contributed 37%, and the product and IP based revenue stands at 7% in Q3FY21.

11 new customers added: 4 in US, 5 in EMEA and 2 in ROW, Coforge order intake stood at US\$192 Mn, Geographical breakdown of order intake – US (116 Mn), EMEA (45 Mn), ROW (32 Mn). US\$501 Mn of firm business executable over next 12 months. Order executable increased by 18% YoY.

Company has 11,424 employees as of December 31, 2020 vs. 11162, as of 30th Sept 2020. Attrition down to 10.4% on LTM basis.

Indus Towers Q3 FY21 result update

Revenue grew 5% yoy at Rs 6736cr. EBITDA grew 10% yoy to Rs 3608cr. Net profit for the quarter grew 2% yoy while increased 20% yoy at Rs 1360cr. Board has declared Rs 17.82 per share as interim dividend for FY21.

Maruti Suzuki Q3FY21 result update

Revenues for the quarter stood at Rs 22,237cr, an increase of 13.2% compared to the same period previous year. The Company sold a total of 495,897 vehicles during the Quarter, higher by 13.4%. Operating Profit stood at Rs 1,485cr a growth of 19.3% on account of higher sales volume and cost reduction efforts partially offset by increase in commodity prices and adverse foreign exchange movement. EBITDA margin for the quarter stood at 9.5% against 10.1% YoY. Net Profit for the quarter stood at Rs 1,941cr, higher by 24.1% over the same period previous year owing to higher non-operating income.

TVS Motor Q3FY21 result update

Standalone revenues for the quarter stood at Rs 5404cr, an increase of 31% YoY driven by 23% growth in units sold to 9.52 lakh. Domestic markets witnessed 21% growth in 2W sales while in the international market it grew by 31%, ahead of industry growth of 13% and 20% respectively. Company reported highest ever EBITDA of Rs. 511cr, +43.8/18.6% YoY/QoQ. EBITDA margin for the quarter stood at 9.7% against 8.8/9.6% YoY/QoQ. Net profit increased by 119/35% YoY/QoQ to Rs 266cr riding on the back of higher sales. The company has declared an interim dividend of Rs 2.1 per share.

Pidilite Industries Q3FY21 result update

Pidilite Industries reported 29 per cent increase in consolidated net profit to Rs 446.43 crore for the third quarter ended December 2020.

Its revenue from operations rose 19.33 per cent to Rs 2,299.02 crore during the quarter under review, as against Rs 1,926.59 crore in the year-ago period.

"Profitability was higher due to the benefits of input costs and lower discretionary spends. However, with significant inflation in input costs, margins will be under pressure in the coming quarters," Pidilite Industries Managing Director Bharat Puri said.

Its revenue from the 'Consumer & Bazaar' segment stood at Rs 1,848.89 crore, while business-to-business registered Rs 475.08 crore.

eClerx Services Q3FY21 results key takeaways

eClerx revenue was above expectation, while profitability was better than expected numbers in Q3FY21. eClerx Consolidated revenue grew by 9.3% QoQ and 5.0% YoY to Rs 394.3 crore vs. expectation of Rs 382 crore in INR term. Revenue of Personiv for 8 days at \$543K was consolidated in Q3FY21 numbers. It was less than usual runrate due to low volume during holidays. Acquisition of Personiv completed on 23rd December, 2020. Constant currency (CC) growth by 1.9% (organic 0.8%); QoQ CC growth of 9.5% (organic 8.4%).

EBIT grew by 11.4% QoQ and 7.7% YoY to Rs 91.9 crore. EBIT margin was up by 50bps QoQ and 60bps YoY to 23.3% in Q3FY21, due to strong organic revenue growth and operating leverage. Net Profit grew by 16.4% QoQ and 1.7% YoY to Rs 71.0 crore vs. expectation of Rs 70.5 crore. Personiv impact on profit was negligible.

Total Cash and Equivalents of Rs 588.6 crore for Q3FY21 vs Rs 668.2 crore for Q3FY20. It is equivalent to Rs 173.1 per share in Q3FY21 vs. Rs 185.1 in Q3FY20.

Colgate-Palmolive India Q3FY21 result update

Colgate-Palmolive (India) reported 24.74 per cent increase in net profit at Rs 248.36 crore in the third quarter ended in December. Total income during the period stood at Rs 1,241.81 crore, up 7.70 per cent, as compared to Rs 1,152.97 crore in the year-ago quarter.

Ram Raghavan, Managing Director at Colgate- Director at Colgate-Palmolive (India) Ltd, said: "We are very pleased with not only the continued momentum on the business but also the quality of the results... Our strategic and disciplined approach to building brands, driving innovation, and relentless focus on winning on the ground continues to deliver as per our expectations."

Raghavan said the company continues to invest in its brands with higher advertising spends to support innovations.

AU Small Finance Bank Q3FY21 result update

AU Small Finance Bank reported a rise of over two-and-a-half times in its net profit to Rs 479 crore for the third quarter ended December 2020. The total net income during the October-December 2020 period also jumped 94 per cent to Rs 1,297 crore from Rs 668 crore a year ago. Net interest income grew 25 per cent to Rs 633 crore.

Disbursements grew 34 per cent year-on-year during the December 2020 quarter, driven by growth in demand across most key segments, it said. Asset under management (AUM) was at Rs 33,222 crore, with growth of 11 per cent y-o-y and 9 per cent quarter-on-quarter. Retail AUM remains dominant at nearly 91 per cent.

The bank's gross non-performing assets (NPAs) stood at 1 per cent and net NPA at 0.2 per cent by the end of the December 2020 quarter. The provision coverage ratio (PCR) stood at 76 per cent.



Laurus Labs Q3 FY21 result highlights

Laurus Labs reported quarterly numbers better than estimates. Revenue grew 76% yoy at Rs 1288cr. Generics API revenue grew at strong pace 103% yoy to Rs 731cr. Anti-Viral API segment recorded robust growth of 165% on yoy basis. In the API business, the company has mainly presence in anti-viral, anti-diabetic, cardiac and oncology therapies.

Finished Dosage Formulations (FDF) business registered 47% yoy growth at Rs 430cr. US formulation sales were driven by increased volumes. In Europe, the company has entered into a long term partnership with a leading generic player in EU for contract manufacturing. Custom Synthesis revenue grew 63% yoy at Rs 127cr. Total number of Active Projects in the CDMO division stood at 49 as on Q3 FY21.

EBITDA surged 189% yoy at Rs 433cr on cost control measures, lower employee costs and better gross margin. PAT for the quarter jumped 274% yoy at Rs 273cr. EPS for the quarter stood at Rs 5.1 and Rs 12.8 for 9M FY21.

Company has filed 26 ANDAs with US FDA and has approval for 9 ANDAs and 8 tentative approvals. R&D expenditure for 9M FY21 stood at Rs 134cr or 3.9% of revenue. It was Rs 160cr or 5.7% of revenue in FY20.

Gross debt as on Dec-2020 stood at Rs 1095cr as against Rs 1057cr in Mar-2020.

Laurus Labs has completed the acquisition of majority stake (72.55%) in Richcore Lifesciences Pvt Ltd (Richcore) for Rs 246.7cr funded through internal accruals. Richcore will be renamed as Laurus Bio Pvt. Ltd. Laurus Bio has 2 manufacturing facilities. The first one has fermentation capacity of 10,750 ltrs while the second one has 180,000 ltrs (will be available by March 2021).

Granules India Q3 FY21 result update

Revenue for the quarter grew 20% YoY led by four new launches and increase in market share of existing products across API, PFI and FD. EBITDA margin expanded 190bps YoY on better gross margin. PAT surged 129% YoY in Q3FY21 on higher other income and lower tax expenses. Other Income surged to Rs 16.4cr as compared to Rs 3.5cr, a year ago. EPS for the quarter stood at Rs 5.9 and Rs 16.8 per share for 9M FY21.

API business grew 20% yoy at Rs 252cr. Pharma Formulation Intermediates revenue grew 48% yoy at Rs 171cr and Finished Dosage business registered 11% rise at Rs 422cr. R&D expenses stood at 2.6% of revenues (Rs 64cr) for 9M FY21. Granules India derived 70% of revenues from US and Europe and about 17% from India.

Free cash flow during the quarter stood at Rs 21.4cr and Rs 110cr in 9M FY21. Net debt levels remained almost same at Rs 612cr and net debt/EBITDA ratio at 0.7x. Return ratios improved substantially on better profitability and higher capacity utilization.

Company received 2 ANDA approvals during the quarter and total approvals stood at 35 from US FDA (34 Final approvals and 1 tentative approval).

During the quarter, Granules acquired land in Genome valley for the construction of a PFI & FD manufacturing facility for ~10bn units of solid orals, other finished dosage forms and additional capacity for PFIs. The facility will be operational in early FY24. The expected CAPEX is ~Rs 400cr, to be incurred over the next 3 years.

TeamLease Services Q3 FY21 result update

Total revenue grew 13% QoQ and declined 6% YoY at Rs 1275cr largely driven by general staffing business. EBITDA margin contracted 10bps at 1.9%. PAT for the quarter declined 9% yoy at Rs 23.1cr. Other Income grew 35% at Rs 9.9cr.

General Staffing business recorded 14% qoq growth however declined 5% yoy at Rs 1160cr. Specialised Staffing revenues grew 3% qoq while declined 3% on yoy basis at Rs 101cr. EBITDA margin for Specialised Staffing improved 150bps yoy at 10.6% while general staffing margin slipped 10bps at 2%.

Total headcount stood at 2.12 lakhs as compared to 1.96 lakhs in Q2 FY21 and 2.2 lakhs in Q4 FY20. Though average realization per associate in general staffing has remained flat, FTE productivity has improved to 334 in Q3 FY21 as against 300 in Q2 FY21. Free cash available with the company stood at Rs. 140cr as of Dec 31, 2020.

KEC International Q3 FY21 result highlights

Revenue for the quarter grew 7% yoy at Rs 3289cr. EBITDA margin contracted 130bps at 9.1%. PAT remained flat yoy at Rs 145cr on lower finance costs. Company got orders worth Rs 6827cr in 9M FY21. It has total order book + L1 pipeline of Rs 24000cr as on Dec-2020.

Sudarshan Chemical Industries Q3 FY21 result update

Revenue for the quarter grew ~20% yoy at Rs 506.4cr. EBITDA margin improved 80bps yoy at 15.7%. Company reported 38.5% growth in net profit at Rs 39.2cr.

BEL Q3 FY21 result update

Bharat Electronics (BEL) reported 1.8% yoy growth in revenue at Rs 2320cr. EBITDA margin improved 400bps yoy at 19.7%. PAT for the quarter increased 27% yoy at Rs 270cr. Other Income dipped 30% yoy at Rs 23.5cr. Order book position of the company as on January, 2021 stood at Rs 54,791cr. Board declared Rs 1.4 per share as interim dividend for FY21.

ACE Q3 FY21 result update

Action Construction Equipment (ACE) posted 38.4% yoy rise in revenues at Rs 400.4cr on strong sales growth in Cranes and Agri-Equipment segment. EBITDA margin expanded 350bps yoy at 11.3%. PAT for the quarter surged 143% yoy at Rs 30.9cr.

RBL Bank Q3FY21 result update

RBL Bank reported almost doubling of its consolidated net profit to Rs 147 crore for the December 2020 quarter, but also posted a rise in asset quality stress from the retail segment. The bank had shown a consolidated net profit of Rs 66.49 crore in the year-ago period, as provisions for corporate bets impacted the bottomline.

The bank's core net interest income de-grew 2 percent to Rs 908 crore on the back of a 5 percent dip in the overall advances and a nearly 0.40 percent contraction in net interest margin at 4.19 percent. Its Managing Director and Chief Executive Officer Vishwavir Ahuja attributed the de-growth in advances to a strategy of keeping off from wholesale advances but added that the bank is now confident of lending more to the segment.

He added that the interest income dip is due to the write-back of income on standstill accounts, which have not been recognised as non-performing assets (NPA). The proforma gross NPAs, sour assets which are unpaid for over 90 days were not recognised as NPAs because of the Supreme Court order on standstill, stood at 4.57 percent as of December as against a reported number of 1.84 percent.

Ahuja said that over Rs 1,470 crore of loans were unpaid for over 90 days and of this, a bulk Rs 1,300 crore were from the retail segment. The reverses are coming from the small businesses and segments within retail such as credit card and micro loans, the bank management said. It added that from a proforma perspective, retail NPAs are at up to 6 percent, while the same for wholesale is 2 percent.

From a restructuring perspective also, retail accounts for Rs 475 crore of the Rs 550-crore loans which have been recast, Ahuja said adding that the final number for recast will be 1.5 percent of the book by March. However, despite the reverses, the bank is looking at continuing to focus on the retail segment, Ahuja said adding that the current woes are all COVID-19-related and temporary in nature.

Shriram Transport Finance Company Q3FY21 result update

Shriram Transport Finance Company reported 17 per cent decline in net profit at Rs 727.7 crore for December quarter 2020-21 as it made additional provisions related to the COVID-19 pandemic.

Net interest income rose to Rs 2,148.2 crore from Rs 2,113.7 crore in the same period of the previous year.

The company made an additional expected credit loss provision of Rs 224.82 crore in the quarter, taking its overall pandemic provisions to Rs 1,597.62 crore in April-December period of the fiscal and the total additional pandemic provision at Rs 2,507.26 crore.

Gross NPA and net NPA as of December 2020 stood at 5.33 per cent and 3.22 per cent, respectively, as against 8.71 per cent and 6.09 per cent by the same period a year ago.

However, such accounts have been classified as stage 3 and provisioned accordingly. Had the company classified these borrower accounts as NPA after August 2020, the gross NPA and net NPA ratio would have been 7.11 per cent and 4.31 per cent, respectively, it said.

Total assets under management stood at Rs 1,14,932 crore compared to Rs 1,08,931 crore by December 2019.

Motilal Oswal Financial Services Q3FY21 result update

The company reported highest ever quarterly revenue and net profit. Revenue grew 45% YoY at Rs. 1009 Cr. EBITDA came at Rs. 536.5 Cr up 66%/9% YoY/QoQ. The Company reported 102 % rise in net profit at Rs 334 crore for December quarter 2020-21.

For the capital market segment the Market share improved by 20bps YoY to 2.8% and it reported highest ever broking revenues in a quarter. AMC AUM stood at Rs 439 bn, +14% QoQ in Q3FY21. For housing finance NIM expanded by 120bps YoY in Q3FY21. The fund based investment segment reported highest ever gain on investments in a quarter of Rs 2bn. Cumulative XIRR of ~16.3% on total quoted investments.

IRCTC Q3FY21 result update

IRCTC reported 62% decline in net profit at Rs 78 crore for the quarter ending 31 December, 2020 as coronavirus kept most of the national transporter's operations shut. Revenue from operations fell 69% to Rs 224 crore from Rs 716 crore in December 2019. However, on a sequential basis the revenue rose 151% from Rs 88.5 crore in September 2019. Revenue from catering fell 82% to Rs 49 crore from Rs 269 crore a year ago while revenue from internet ticketing witnessed 37% dip at Rs 143 crore.

Indian Oil Corporation Ltd (IOCL) Q3FY21 result preview

IOCL is likely to report 17% per cent YoY de growth in revenues to Rs 102,880 crore in Q3FY21. Net profit could go up by 61.8 per cent YoY to Rs 3800 crore in Q3FY21. Refining throughput (MMT) could be seen at 18 MMT vs. 17.5 MMT in Q3FY20. Company could report Core GRM at US\$ 2/bbl. We expect refinery throughput at ~18-19.5 mmt as refinery operations normalize in the quarter. Company is also likely to see some benefits from multiyear high petchem margins during the quarter

Tech Mahindra Q3FY21 result preview

Tech Mahindra could report 1.4 per cent QoQ growth and it could go down by 1.5 per cent YoY growth in revenues to Rs 9506 crore in INR term. In US\$ term, revenue could grow by 2.2 per cent QoQ and it could go down -4.4 per cent YoY to US\$ 1293 mn in Q3FY21. Net profit may go up by 10.3 per cent QoQ and 2.4 per cent YoY to Rs 1174 crore in Q3FY21. EBIT margin could inch up by 20bps (QoQ) and 220 bps YoY to 14.4 per cent. The management commentary on deals and deal pipeline, top client stability, traction in digital business and telecom segment would be key monitorables.

Tata Motors Q3FY21 result preview

We expect standalone revenues to grow by 47/31% QoQ/YoY to Rs 14240cr driven by volumes growth of 43/22% QoQ/YoY. EBITDA margin of 5.1% (+220/370bps QoQ/YoY). We expect a net loss of Rs 620cr vs loss of Rs 1200/1040cr QoQ/YoY.

We expect JLR to report an EBITDA margin at 11% (vs 11.1/10.8% QoQ/YoY). Consolidated margins at 11.3% (vs 12.5/11.4% QoQ/YoY). Loss at Rs 470cr vs a loss of Rs 700cr QoQ and profit of Rs 1500cr YoY.

Key monitorables: India - market share gains in the PV segment, recovery trends in the CV segment. JLR – impact of Brexit on manufacturing. Demand recovery trends at JLR.

Sun Pharma Q3 FY21 result preview

Revenue may increase 7% yoy at Rs 8605cr led by strong growth in the US business and 4% growth in domestic formulations. EBITDA margin is expected to improve 300bps yoy at 23.4%. Company is expected to report 58% yoy growth in net profit at Rs 1313cr. Key things to watch out for would be commentary on price erosion in the US generics and prescription trends in Specialty portfolio.

Cipla Q3 FY21 result preview

Cipla may report 18% yoy growth at Rs 5148cr. EBITDA margin is expected to increase 500bps yoy at 22.3% on low base. PAT for the quarter is estimated to grow 82% yoy at Rs 637cr. Domestic formulation business is expected to grow 10% on yoy basis. Key things to watch out for would be update on Albuterol market share, other inhaler products under development in US and ANDA filings.

Dr. Reddy's Laboratories Q3 FY21 result preview

Total revenues may increase 17% yoy at Rs 5129cr. Domestic formulation revenue may rise 19% YoY on better traction in chronic portfolio and addition of Wockhardt portfolio. US revenue may grow 20% YoY at US\$ 265mn. EBITDA margin is expected to improve 100bps yoy at 24.2%. Adjusted PAT may increase 28% yoy at Rs 761cr.

Important news/developments to influence markets

- Foreign investors remained net sellers of Japanese equities last week as market players stayed away from placing big bets on caution ahead of the corporate earnings season. Data from Japanese exchanges showed foreigners were net sellers of stocks worth 336.95 billion yen (\$3.23 billion) for the week ended Jan. 22, the biggest since end-October.
- Japan retail sales was down 0.3% in December coming in at 14.434 trillion yen.
- German inflation surged by a record in January after the government phased out a temporary sales-tax cut and introduced a new emissions-pricing scheme. Consumer prices rose 1.4% from the previous month -0.7%, pushing the annual inflation rate to 1.6%. The jump was fuelled by a combination of one-off factors rather than a revival in demand, as many of the country's shops, schools and leisure companies remain closed under the coronavirus lockdown.
- Consistent with market expectations, the policymaking Federal Reserve in USA kept its benchmark short-term borrowing rate anchored near zero maintaining an asset purchasing program that is seeing the Fed buy at least \$120 billion a month.
- The U.S. economy contracted at its deepest pace since World War Two in 2020 as the COVID-19 pandemic depressed consumer spending and business investment. The nation's GDP increased at a seasonally adjusted annual rate of 4% in the October-December period.
- The number of Americans applying for unemployment benefits fell but remained at a historically high 847,000 last week.

Daily Technical View on Nifty

Are Bulls ready to comeback from lows..?

Observation: The sharp trended decline continued in the market for the fifth consecutive sessions on Thursday and Nifty closed the day lower by 149 points. After opening on a downside gap of 132 points, Nifty made failed attempt of upside bounce in the early mid part of the session. The intraday weakness continued for the better part and upside recovery was observed in the afternoon to later part of the session amidst a range movement. The opening downside gap remains unfilled.

A small positive candle was formed with gap down opening with upper and lower shadow. Technically, this pattern indicate a formation of doji or high wave type candle pattern. Normally, a formation of such pattern after a reasonable decline or at the swing low could be a part of bullish reversal pattern after the confirmation. Hence, there is a possibility of an upside bounce from the lows.

The negative formation of three black crows pattern is still intact on the daily chart, which signal a sharp reversal of previous uptrend of the market. The Nifty on the weekly chart reached a crucial immediate support of 13750 (10 week EMA) and placed slightly higher. Previously, this moving average has offered support for the market during Oct-Nov 20 and in Dec 20. Hence, Nifty sustaining above this support could open chances of pre budget upside bounce in the market.

Conclusion: The short term trend of Nifty continues to be negative. But, having placed at the crucial support of 13750 (10 week EMA) and a formation of doji/high wave type pattern (on the daily chart) could hint at the possibility of upside bounce from the lower levels, post confirmation.

A decisive move below 13750 is likely to negate this positive development and could lead towards further low of 13500. On the rise, the upper area of 13950-14000 could act as stiff resistance.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
13817	Bearish	14050	Bearish	14240
	Target 13750		Target 13500	





SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	28-JAN-21	SELL	NIFTY FEB FUT	13849.50-13915	13840.0	13945.0	13720	1	2-FEB-21

OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	9-NOV-20	BUY	AU SMALL FINANCE *	817.3	869.0	760.0	880.0	980.0	13	8-MAY-21
2	15-DEC-20	BUY	JB CHEMICALS	1072.9	1001.0	960.0	1205.0	1300.0	30	15-MAR-21
3	16-DEC-20	BUY	ZEE ENTERTAINMENT	230.4	220.2	200.0	264.0	296.0	34	14-JUN-21
4	5-JAN-21	BUY	GREAVES COTTON	95.0	86.2	85.0	105.0	120.0	39	4-JUL-21
5	7-JAN-21	BUY	NESCO*	563.0	586.5	516.0	610.0	675.0	15	7-APR-21
6	11-JAN-21	BUY	KAVERI SEEDS	545.8	545.0	503.0	591.0	650.0	19	11-APR-21
7	12-JAN-21	BUY	CONTAINER CORP	441.4	436.6	400.0	484.0	560.0	28	11-JUL-21
8	21-JAN-21	BUY	WHIRLPOOL *	2542.0	2584.0	2360.0	2745.0	2990.0	16	21-APR-21
9	28-JAN-21	BUY	BIOCON	384.3	379.5	352.0	415.0	450.0	19	28-APR-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	13-JAN-21	BUY	ITC FEB FUT*	211.7	207.2	204.0	220.0	228.0	10	TILL 25TH FEB 21
2	27-JAN-21	SELL	DR REDDY'S LAB FEB FUT	4953.3	4873.0	5160.0	4740.0	4530.0	7	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	890.5	820.0	1040.0	1150.0	29	14-MAY-21
2	23-NOV-20	BUY	BATA INDIA*	1464.0	1524.3	1330.0	1630.0	1850.0	21	23-MAY-21
3	5-JAN-21	BUY	ATUL LTD	6454.0	6300.0	6000.0	6920.0	7254.0	15	5-APR-21
4	5-JAN-21	BUY	FINOLEX CABLE*	358.8	367.5	320.0	402.0	450.0	22	5-APR-21
5	8-JAN-21	BUY	PNC INFRA	188.5	192.7	168.0	212.0	250.0	30	8-APR-21

*= 1st Target Achieved

QUARTERLY RESULTS ANNOUNCED

COMPANY	Q3FY21		YoY (%)		QoQ (%)		Remarks
	Sales (Rs Cr)	NP (Rs Cr)	Sales	NP	Sales	NP	
InterGlobe Aviation	4910	-620	-51	PL	79	LL	Below Expectation
AU Small Fin. Bank	633	479	25.0	152.0	13.0	49.0	Above Expectation
RBL Bank	908	147	-2.0	110.0	-3.0	2.0	Above Expectation
MOSL	1,008	333	45.0	102.0	7.0	13.0	Above Expectation
Shriram Transport Finance	2148	728	1.6	-17.0	6.0	6.3	Above Expectation
Colgate-Palmolive (India)	1,232	248	7.4%	24.7%	-4.2%	-9.4%	Above Expectation
United Breweries Limited	3,066	127	-5.8%	18.9%	36.9%	3423%	As Expected
Coforge	1190.6	123.5	11.0	0.4	3.2	2.1	Above Expectation
eClerx	394.334	71.04	5.0	1.7	9.3	16.4	Above Expectation
Maruti Suzuki	23457.8	1941.4	13.3	24.1	25.1	41.5	Below estimates
TVS Motor	5403.7	265.6	31.0	119.4	17.1	35.3	Above estimates

PL: Profit to Loss, LP: Loss to Profit, LL: Loss to Loss

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