May 31, 2021

Market Outlook

Indian markets are likely to open flat and remain at record highs on the back of positive global cues as optimism on economic rebound and progress in pandemic fight is expected to evince buying interest across major sectors.

Markets Yesterday

- Domestic markets ended higher tracking gains mainly in BFSI stocks and select index heavyweights amid positive global cues
- US markets ended higher amid release of macroeconomic data

Key Developments

- Aurobindo Pharma's Q4FY21E revenues are expected to grow 6.1% YoY to ₹ 6537 crore. US sales are expected to remain flat (up 1% YoY) with injectables continuing to be marginally impacted tracking Covid impact on US hospitals. The erstwhile Natrol sale will also skew US sales slightly negative. Europe is expected to post 7% YoY growth with currency tailwinds being moderated by a high base effect. ARV is expected to remain strong amid EFV to DTG transition. API sales are expected to grow 5% YoY. EBITDA margins are likely to decline 66 bps to ~20.7% mainly due to slightly higher other expenditure. Net profit is expected to decline 2.1% YoY to ~₹ 820 crore
- Nesco's Q4 performance was weak with near closure of exhibition business. Reported revenues were down 36% YoY at ₹ 75.1 crore. EBITDA at ₹ 47.6 crore, was down 33.3%. PAT at ₹ 39.7 crore was down 25% YoY. For FY21, revenues, PAT declined 33%, 26% to ₹ 291, ₹ 172 crore, respectively. With the second wave, we expect recovery to be pushed back to H2FY22

Nifty Heat Map

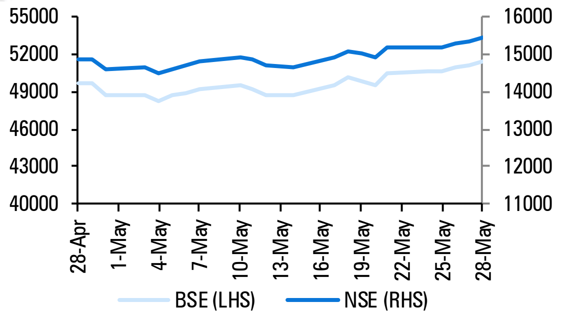
Reliance Ind. 2,095 6.0%	Grasim Ind 1,465 3.4%	Adani Ports 776 3.3%	M&M 846 2.1%	Coal India 147 1.6%
HDFC Bank 1,503 1.4%	Kotak Bank 1,801 1.3%	Eicher 2,638 1.3%	HDFC Ltd 2,541 1.3%	Indusind Bank 1,019 1.2%
JSW Steel 690 1.2%	Divis Lab 4,120 1.0%	Tata Consum 655 1.0%	ITC 213 0.8%	BPCL 472 0.8%
HDFC Life 669 0.7%	Bharti Airtel 524 0.7%	TechM 1,026 0.6%	Tata Steel 1,104 0.6%	Hindalco 388 0.5%
ONGC 112 0.4%	Britannia 3,423 0.3%	Infosys 1,405 0.2%	Tata Motors 319 0.0%	HCL Tech 943 0.0%
Maruti 6,970 0.0%	Hero Moto 2,992 0.0%	HUL 2,322 -0.2%	Asian Paints 2,941 -0.3%	L&T 1,478 -0.3%
IOC 110 -0.4%	Wipro 539 -0.4%	SBI Life 977 -0.5%	SBI 422 -0.7%	Cipla 934 -0.8%
UPL 812 -1.0%	Titan 1,577 -1.1%	Bajaj Auto 4,200 -1.1%	Ultratech 6,599 -1.1%	TCS 3,144 -1.1%
NTPC 109 -1.2%	Power Grid 225 -1.2%	Bajaj Finance 5,611 -1.3%	Nestle 17,509 -1.3%	Axis Bank 740 -1.4%
Dr Reddy 5,195 -1.4%	ICICI Bank 643 -1.4%	Shree Cement 27,655 -1.5%	Bajaj Finserv 11,713 -1.5%	Sun Pharma 670 -4.3%

Today's Highlights

Results: Aurobindo Pharma, Narayana Hrudayalaya

Events: India GDP Q4 (YoY), India federal fiscal deficit, India infrastructure output

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	51,423	51,115	0.6	5.4	7.7	24.8
Nifty	15,436	15,338	0.6	5.5	10.4	23.7

Institutional Activity

	CY19	CY20	YTD CY21	Yesterday	Last 5 Days
FII (₹ cr)	40,893	64,379	31,150	914	1,636
DII (₹ cr)	44,478	-28,544	-10,148	1,275	-948

World Indices – Monthly performance

Shanghai 3,601 4.2%	NSE 15,436 3.8%	France 6,484 3.4%	BSE 51,423 3.4%	Germany 15,520 2.5%
Dow Jones 34,529 1.9%	U.K. 7,023 0.8%	Nikkei 29,149 0.3%	Kospi 3,189 0.2%	Nasdaq 13,749 -1.5%

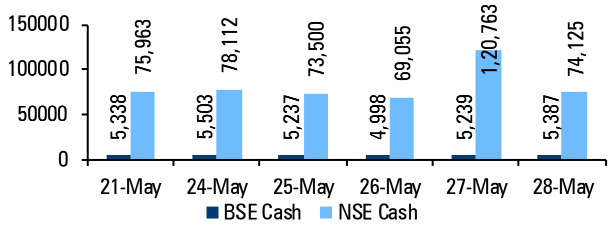
Markets Today (Updated till yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	48,600	48,581	0.0	4.0	-3.1
Silver (₹/kg)	71,530	71,719	-0.3	5.9	5.0
Crude ($/barrel)	69.6	69.5	0.2	3.5	34.4
Copper ($/tonne)	10,205	9,961	2.4	3.8	31.7
Currency					
USD/INR	72.4	72.3	0.2	2.3	0.9
EUR/USD	1.2	1.2	0.0	1.4	-0.2
USD/YEN	109.9	109.8	0.0	0.3	-5.3
ADRs					
HDFC Bank	76.5	75.6	1.2	8.9	5.9
ICICI Bank	18.0	18.2	-0.9	10.5	21.2
Tata Motors	21.7	22.2	-2.0	12.3	72.5
Infosys	19.3	19.4	-0.2	7.0	14.1
Dr Reddys Labs	71.4	72.2	-1.2	3.4	0.1
Wipro	7.9	7.9	0.1	10.8	40.4

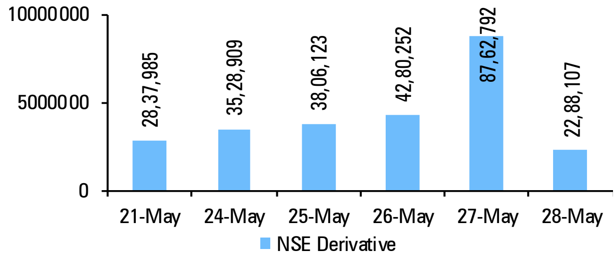
Key Data Points

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	3.50%	3.00%
RBI Repo Rate	N/A	4.00%	4.00%
RBI Reverse Repo Rate	N/A	3.35%	3.35%
CPI YY	Apr	4.29%	5.52%
Current Account Balance	Q3	-1.7bln $	15.1bln $
Exports - USD	Apr	30.6 bln$	34.5 bln$
FX Reserves, USD Final	Apr	588 bln$	577 bln$
GDP Quarterly yy	Q3	0.40%	-7.50%
GDP Annual	FY20	4.20%	6.10%
Imports - USD	Apr	45.7 bln $	48.4 bln $
Industrial Output yy	Mar	22.40%	-3.60%
Manufacturing Output	Mar	25.80%	-3.70%
Trade Deficit Govt - USD	Apr	-15.1bln $	-13.9bln $
WPI Food yy	Apr	7.58%	5.28%
WPI Fuel yy	Apr	20.94%	10.25%
WPI Inflation yy	Apr	10.49%	7.39%
WPI Manuf Inflation yy	Apr	9.01%	7.34%

Exchange Cash Turnover (₹ crore)



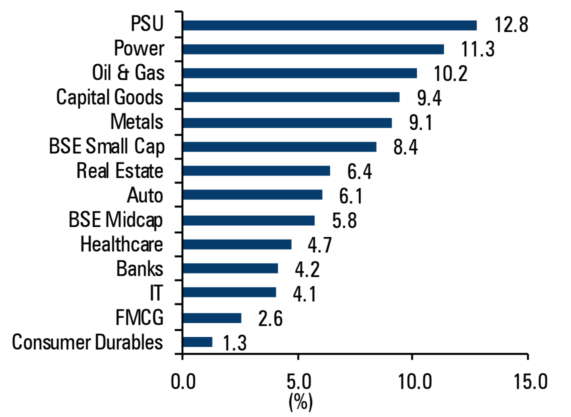
NSE Derivative Turnover (₹ crore)



Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
Jagran Prakashan	Buyback			Ongoing	
Quick Heal Technologies	Buyback			Ongoing	
HDFC	Dividend	31-May-21	01-Jun-21		23.00
Infosys	Dividend	31-May-21	01-Jun-21		15.00
Kanpur Plastipack	Dividend	02-Jun-21	03-Jun-21		1.00
Cyient	Dividend	03-Jun-21			17.00
SBI	Dividend	03-Jun-21			4.00
City Union Bank	Dividend	04-Jun-21	07-Jun-21		0.30

Sectoral Performance – Monthly Returns (%)



Key News for Today

Company/Industry	News	View	Impact
Divi's Lab	Q4 revenues grew 28.7% YoY to ₹ 1788 crore (I-direct estimate: ₹ 1743 crore). Generic segment grew 24.8% YoY to ₹ 917 crore. Custom synthesis grew 25.5% YoY to ₹ 715 crore. Carotenoids grew 83.5% YoY to ₹ 156 crore. EBITDA margins expanded 807 bps YoY to 40.1% (I-direct estimates: 39.0%) due to better gross margin performance (up 458 bps YoY to 67.5%) and lower other expenditure. EBITDA grew 61.2% YoY to ₹ 716 crore (I-direct estimate: ₹ 680 crore). PAT grew 29.3% YoY to ₹ 502 crore (I-direct estimate: ₹ 472 crore) in line with a strong operational performance	Q4 topline was in line with I-direct estimates whereas profitability was higher-than-expected amid better gross margin performance. More than strong quarterly performance important narrative for Divi's is unprecedented capex to further augment capacities besides preparing for growing opportunities arising from China plus one factor. The impact of Divi's aggressive capex of ~₹ 3700 crore [₹ 1800 (completed) + ₹ 400 (custom synthesis blocks) + ₹ 1500 crore (greenfield Kakinada plant)] is already visible and expected to reflect in FY22-23. Divi's stays a quintessential play on Indian API/CRAMs segment with its product offering, execution prowess	

Glenmark Pharma	Q4 revenues grew 3.3% YoY to ₹ 2860 crore. Domestic sales grew 7.7% YoY to ₹ 824 crore. US sales grew 5.2% to ₹ 801 crore led by new launches. Europe business grew 2.6% YoY to ₹ 422 crore amid enhanced lockdown measures. RoW markets de-grew 0.7% YoY to ₹ 334 crore whereas API segment grew 26.7% YoY to ₹ 331 crore. LatAm market de-grew 26.6% YoY to ₹ 130 crore due to a challenging environment amid the pandemic. EBITDA margins improved 148 bps YoY to 18.3% mainly due to better gross margins partly offset by higher other expenditure. EBITDA grew 12.4% YoY to ₹ 523 crore. Adjusted PAT grew ~25% YoY to ₹ 234 crore	Despite facing Covid-related challenges in various geographies in Q4, the company posted a stable topline while EBITDA was higher mainly due to better gross margins. Going ahead, the management expects margins to improve due to cost rationalisation measures and decline in R&D expenses as percentage of sales. Glenmark plans to reduce debt through the upcoming API business listing, internal accruals, pipeline monetisation (ICHNOS) and divestment of non-core business. We believe debt reduction, improvement in free cash flow and margins are key events to watch	
Neogen Chemicals	Neogen Chemicals reported topline growth of 13% YoY to ₹ 92.7 crore against our expectations of ₹ 87.1 crore. The growth was driven by higher growth in the inorganic chemical segment (+31% YoY) largely on account of better volume growth. The revenue from organic chemical was up by 7% YoY to ₹ 72 crore. The growth from organic chemical segment remained subdued owing to capacity constraint. OPM for the quarter expanded 80 bps YoY to 20% leading to EBITDA growth of 17% YoY to ₹ 18.5 crore against our estimates of ₹ 17.2 crore. Gross margins expanded 386 bps YoY, 196 bps QoQ to 43.5% largely on account of higher realisation and better product mix. Lower taxes (30% vs. 35% in Q4FY20) boosted bottomline growth, which was up 28% YoY to ₹ 9.3 crore against our estimate of ₹ 8.4 crore	Gross margins expansion on YoY & QoQ was key positive for the quarter. We believe such expansion would continue once Dahej plant comes on stream owing to higher share of CRAMS. Further, there was higher other expenses during the quarter. We expect some exceptional expenses, which has curbed margins expansion, to some extent	
Sumitomo Chemical	Sumitomo Chemical reported topline growth of 20% YoY to ₹ 534.3 crore against our expectations of ₹ 500.8 crore. The revenue from agrochemical segment was up 19.6% YoY to ₹ 478.1 crore while the same from other segment remained at ₹ 56.2 crore (+19.7% YoY). We believe since the Rabi season was comparatively better this year and thus better volume growth along with rise in the realisation owing to higher RMAT supported the growth for the quarter. OPM for the quarter expanded 408 bps YoY to 13.4% leading to EBITDA growth of 72% YoY to ₹ 71.3 crore against our estimate of ₹ 67.5 crore. EBITDA from agrochemical business remained at ₹ 65.7 crore (up 88% YoY) while the same from other segments was ₹ 5.2 crore (up 121% YoY). Lower taxes (12% vs. 28% in Q4FY20) boosted bottomline growth, which was up 136% YoY to ₹ 54.1 crore against our estimates of ₹ 44.3 crore	We expect higher realisation growth owing to rise in input cost to have driven topline performance for the quarter. Going ahead, with increase in the export contribution owing to supply of technical to parent and Nufarm would support overall growth. Further, higher crop prices can support better realisation growth in the coming Kharif season, thereby supports overall performance	

Ipca Labs	Q4 revenues remained subdued growing just 3.8% YoY to ₹ 1115 crore. Strong YoY growth of 19.7% in export formulations to ₹ 338 crore was partly offset by API sales decline of 5.5% YoY to ₹ 260 crore. Domestic formulations also moderated overall growth, remaining flat at ₹ 434 crore vs. ₹ 431 crore in Q4FY20. EBITDA margins improved 484 bps YoY to 20.5% due to better gross margins and lower other expenditure. Subsequently, EBITDA grew 35.8% YoY to ₹ 229 crore. PAT grew 87.5% YoY to ₹ 161 crore (I-direct estimate: ₹ 204 crore). Delta vis-à-vis EBITDA was due to higher other income, lower depreciation and tax rate	Q4 results were below I-direct estimates on all fronts with the company witnessing double digit sequential sales decline across segments (excluding export branded generics segment). Quarterly performance gyrations notwithstanding, the company remains a decent player with judicious mix of strong domestic franchise and a spread out exports model with healthy balance sheet. Going ahead, with firm growth tempo in domestic formulations, good prospects both for API exports, formulation exports, we expect further improvement in financial parameters. We will get more insights post the conference call	
Advanced Enzymes	Q4 revenues grew 20.8% YoY to ₹ 133 crore. However, EBITDA margins contracted 295 bps YoY to 41.2% amid significantly higher raw material costs (up 68.7% YoY) partly offset by lower other expenditure. EBITDA grew 12.7% YoY to ₹ 55 crore. PAT remained flattish, up 1.1% YoY at ₹ 31.7 crore. Delta vis-à-vis EBITDA was due to a higher tax rate	AET reported a strong topline in Q4, in line with I-direct estimates. However, profitability was lower than expected amid lower gross margins. Overall, the company is poised to capture the growing opportunities in the enzymes and probiotics space backed by proven capabilities. Going ahead, the management intends to augment its R&D capability for better facilitation and strengthening of in-house R&D capability, which bodes well in the long run in its quest to improve scalability and a possible foray into more complex enzymes	
V-mart	On a benign base, V-mart reported revenue growth of 6% YoY to ₹ 352 crore in Q4FY21. On a normalised base, recovery rate was at ~88% of pre-Covid levels. Improvement in inventory freshness and full priced sales resulted in gross margins improving by 130 bps YoY to 29.8%. Subsequently, EBITDA margins improved 120 bps YoY to 9.5%, with absolute EBITDA increasing 21% YoY to ₹ 33.6 crore. PBT losses narrowed down to ₹ 2.3 crore vs. ₹ 10.5 crore in Q4FY20	Q4FY21 witnessed renewed customer demand on the back of improved customer footfalls and strong pent up demand coming in for new summer season fashion. The company added seven new stores during the quarter (20 in FY21) taking the total store count to 279. Despite complete washout in Q1FY21 (84% revenue decline) V-Mart has displayed healthy recovery in H2FY21 (FY21 revenue de-growth of 34% YoY) owing to its strong business model and dominant presence in non-tier I cities (78% of total stores). V-mart continues to remain debt free and with the recently concluded QIP, company's liquidity position remains intact with cash & investments worth ₹ 340 crore. While the pandemic may cause near term challenges, we like V-Mart as a structural long term story to play the unorganised to modern retail shift	

Aditya Birla Fashion & Retail (ABFRL)	ABFRL reported marginal revenue de-growth of 1.9% YoY to ₹ 1783.6 crore (on a low base of Q4FY20: revenue decline 5%). On an adjusted basis, revenue recovery in Q4FY21 was at ~83%. Better product mix and tighter markdown management resulted in gross margins improving by ~200 bps YoY to 53.3%. Sustained rationalisation of fixed overheads (employee and rental expenses down 20% and 18% YoY, respectively) resulted in company reporting EBITDA (post Ind-AS 116) of ₹ 257 crore (up 65% YoY). At the PBT level, the company narrowed down its losses from ₹ 178 crore in Q4FY20 to ₹ 89.4 crore (I-direct estimate: loss of ₹ 75 crore)	The company through better working capital management released ~ ₹ 785 crore in FY21. Coupled with equity infusion (₹ 2250), ABFRL has significantly reduced its net debt from ₹ 2500 crore in FY20 to ₹ 654 crore in FY21. During the year, ABFRL continued its strategy of significantly reducing cash burns through cost rationalisation measures (₹ 1200 crore cost savings in FY21). We believe ABFRL with lighter balance sheet and strong bouquet of brands is well placed to accelerate the pace of store addition and revenue growth, going forward	
Ador Welding	For Q4FY21, Ador Welding (AWL) reported consolidated revenues at ₹ 161.7 crore, up 15.6% on YoY, 19.6% QoQ led by better performance in consumables and equipment business. EBITDA came in at ₹ 15.6 crore, up 46% YoY, 116% QoQ. EBITDA margin improved 200 bps to 9.6% YoY. For Q4FY21, AWL reported exceptional item of ₹ 24 crore, as provision for doubtful debt and bad debt written off, significantly impacting reported PAT. While adjusted PAT came in at ~₹ 10.0 crore, up 44.9% YoY, partly aided by higher other income and turnaround in projects business	Ador Welding reported a reasonable set of Q4FY21 numbers. Revenue grew 15.6% aided by rebound in consumable & equipment business while project engineering business reported positive EBIT. It registered EBITDA growth of 40% YoY. However, AWL has reported ₹ 24 crore exceptional items towards provision for doubtful receivables and doubtful debts across business segments, requiring more clarity	
Gulf Oil Lubricants India	Gulf Oil Lubricants' revenue increased 43.9% YoY to ₹ 517.4 crore in Q4FY21. Gross margin was ₹ 222.7 crore against ₹ 178.9 crore in Q4FY20. EBITDA jumped 41% YoY to ₹ 78.1 crore leading to reported PAT of ₹ 59.8 crore, up 66.3% YoY	While we await sales volume data, the company reported record quarterly volume. B2B and B2C segments and all key product categories registered growth including CVO and agri segments. Also, OEM related and industrial businesses witnessed strong sales volume. However, gross margins reduced due to increase in raw material costs during the quarter. Sustained growth in volume and margins will be important, going ahead	
Dedicated Freight Corridor, CTOs	As per media sources, on May 29, three trains ran at an average speed of more than 99 kmph, the fastest being on the 331-km New Khurja-New Bhaupur section of the Eastern Dedicated Freight Corridor. Since December 2020, 137 trains have attained an average speed of more than 90 kmph on this section	In WDFC, the average speed is 89.5 kmph. Rapid train movement will reduce cost and result in more affordable prices, for customers transiting from road to rail, leading to enhancement of market share of rail over road. This bodes well for CTOs such as Concor and Gateway Distriparks in our coverage universe	

India ports	As per media sources, closure of Gujarat Pipavav port (to resume from first week of June) due to disruption in its power and communication network due to Cyclone Tauktae, has aggravated pressure on India supply chain (already under pressure due to Covid wave), leading to escalated costs and delay in shipments	Exporters, already reeling under pressure of hiked container ocean freight charges – jumped 3-7x in the year (lower availability of containers and diversion of shipping capacity towards other global routes), can now either delay their shipments of route their cargo towards Mundra and JNPT. Overall ports and downstream supply chain volumes are expected to remain impacted in the near term	

Key developments (Continued…)

- Mahindra & Mahindra (M&M) reported soft Q4FY21 results. Standalone net sales were at ₹ 13,512 crore (up 47.8% YoY, down 4.9% QoQ). Automotive ASPs were up 7% QoQ to ₹ 7.41 lakh/unit while tractor ASPs grew 2% QoQ to ₹ 5.3 lakh/unit. Standalone EBITDA margins at 13.2% were down 280 bps QoQ amid 110 bps sequential decline in gross margins. Automotive EBIT margins fell ~330 bps QoQ to 3.1% while tractor margins were down ~140 bps QoQ to 22%. Standalone PAT came in at ₹ 48.4 crore impacted by a large impairment hit of ₹ 887 crore in relation to long term investments and lower other income. M&M declared a dividend of ₹ 8.75/share for FY21
- NCC reported a decent set of numbers in Q4FY21 with revenue growth of 20% YoY to ₹ 2617.7 crore on a standalone basis. However, operating margin declined 179 bps YoY to 11.1% owing to higher sub-contracting expenses. Consequently, operating profit improved merely 3.3% YoY to ₹ 289.7 crore. At the net level, a decent operating performance coupled with benign depreciation and interest cost has translated into 11.4% YoY growth to ₹ 115.5 crore in PAT
- Bank of Baroda posted good operating performance but due to DTA impact under new tax regime, the bank reported a loss. NII was up 4.5% YoY to ₹ 7107 crore but declined 5% QoQ due to interest reversals. Global NIM declined by ~5 bps QoQ to 2.72%. Other income grew 71% YoY led by higher recoveries. Provisions stood at ₹ 3586 crore including reversals in Covid buffer of ₹ 1663 crore. PBT came at ₹2680 crore however due DTA impact of ~₹3314 crore due to shift in new tax regime led to a loss of ₹1047 crore. Asset quality improved as GNPA declined to 8.87% vs 9.63% proforma GNPA QoQ. Restructured advances stood at 1.3%. Loan growth was tepid at 2% YoY while deposit growth stood at 5% YoY
- City union bank posted modest numbers for Q4FY21 with muted top-line and business growth. NII was down 12.4% to ₹428 crore QoQ due to interest reversals of ₹70 crore and as a result NIM declined by 44 bps QoQ to 3.72%. Other income declined by 37% YoY owing to lower treasury income. Opex increased by 11% QoQ due to higher business activity. Provisions stood at ₹173 crore and bank utilized ₹309 worth Covid provisions. PAT stood at ₹111 crore, down 34% QoQ. Asset quality was stable as GNPA stood at 5.11% while NNPA on proforma basis declined 40 bps QoQ to 2.97%, total restructured book is at 5%. Loan growth was decent at 7% YoY while deposits were up 9% YoY driven by 27% YoY uptick in CASA
- TV Today reported a muted set of numbers for Q4FY21 numbers Operating revenue came in at ₹ 214.3 crore, up 2.9%YoY with TV broadcasting revenue at ₹ 176.5 crore (4.4% YoY growth). Radio segment disappointed again with a straight ninth quarterly de-growth with revenues down 33.5% YoY to ₹ 2.4 crore on further erosion in advertising pricing. Digital revenue recovered, reporting healthy growth of 19.3% YoY and came in at ₹ 35.4 crore. EBITDA was at ₹ 49.7 crore, up 6% YoY. EBITDA margin came in at 23.2%, up 74 bps YoY. The company reported PAT of ₹ 36.2 crore, growth of 30.2% YoY despite muted operating performance due to lower tax rate transition
- Affle India's (Affle) revenues increased 76.9% YoY (down 5.9% QoQ as it is seasonally weak quarter) to ₹ 141.6 crore. We believe organic growth would be 32% and inorganic revenues would be ₹ 36 crore. EBITDA margins were down 180 bps YoY (down 120 bps QoQ) to 24.3%. PAT was up from ₹ 15.3 crore to ₹ 58.5 crore mainly due to one off other income (₹ 34 crore). Adjusting for one off expense Affle PAT was up 73.6% YoY (down 13.6% QoQ) to ₹ 26.5 crore
- Jagran Prakashan reported weak numbers. Print ad revenues were down 10.7% YoY, Radio revenue reported decline of 7.4% YoY; while Circulation reported a decline of 12.1% YoY. The only solace was digital ad revenues which grew by 19.8% YoY ₹13 crore. EBITDA was up 65.6% YoY while margins came in at 22.3%, up ~1000 bps YoY due to depressed base and cost control impact especially on newsprint cost which declined by 27% YoY. Sequentially EBITDA declined 30.5% due to 43% rise in marketing expenses. The benefit at EBITDA has flown down to PAT, which came in at ₹37.6 crore, up 235% on depressed base

- D'Link Q4FY21 revenues were strong optically on YoY basis due to depressed base (impacted by Covid). Revenue came in at ₹212.6 crore, up 29.7% YoY and 4% QoQ while EBITDA came in at ₹13.5 crore, up 130% YoY and 5.9% sequentially. PAT came in at 9.9 crore, up by 11% YoY. For FY21, revenue was down 1.8% YoY to ₹726 crore while EBITDA was down 1.2% YoY to ₹42 crore. EBITDA margins were up 10bps to 5.8%
- For Q4FY21, Sunflag Iron & Steel Ltd. reported consolidated topline of ₹ 555 crore, up 33% YoY and down 14% QoQ. For the quarter, Sunflag Iron & Steel Ltd. reported consolidated EBITDA of ₹105 crore, up 106% YoY & 32% QoQ. Consolidated EBITDA margin came in at 18.9% as compared to 12.3% in Q3FY21 and 12.2% in Q4FY20. The ensuing consolidated PAT came in at ₹80 crore, up 82% YoY & 70% QoQ
- Action reported strong numbers for Q4FY21 led by strong performance from all segments. Revenue for the quarter came in at ₹ 457.4 crore, up 49.7% YoY & 14% QoQ. EBIDTA increased 82.4% YoY to ₹ 50 crore with an expansion of ~ 196 bps YoY & contraction of 36 bps QoQ in EBIDTA margins which came in at 10.9%. Subsequently, ACE reported a net profit of ₹ 38.8 crore, up 182% YoY. For FY21, ACE posted a revenue increase of 6% led by robust performance in H2. The company cash flow to the tune of ₹ 86.05 crore during the period
- The government has expanded scope of ECLGS scheme in its latest announcement in order to support business impacted by second wave of pandemic. Validity of ECLGS has been extended to September 30, 2021, or till guarantees for an amount of ₹ 3 lakh crore are issued. Additional ECLGS assistance of up to 10% of the outstanding credit as of February 2020, has been offered to borrowers. Current limit of ₹ 500 crore loan outstanding for eligibility has been removed, subject to maximum additional ECLGS assistance to each borrower being limited to 40% or ₹200 crore, whichever is lower. Loans to Civil Aviation Sector and oxygen generation plants are added in the scheme
- RBI has imposed a penalty of ₹10 crore on HDFC Bank for violating regulatory compliance in auto loan segment. As reported in business standard, The RBI, upon examining the documents in the matter of marketing and sale of third-party non-financial products to the banks' customers, it found that the bank was in contravention of the provisions of certain banking regulation act. The RBI acted on the matter after it received a whistleblower complaint regarding the irregularities in the auto loan portfolio of the bank
- As per Business Standard, PSU banks have come out with a template approach for restructuring retail and small business loans of up to ₹25 crore under the RBI's Covid restructuring package 2.0. Business loans have been divided into three categories. For loans under ₹ 10 lakh, PSU banks will follow a standard restructuring plan while loans between ₹ 10 lakh and ₹ 10 crore will follow a graded approach. For loans above ₹ 10 crore, the lenders will put in place a common outreach programme and follow a graded restructuring approach
- In March 2018, Wipro and Ensono, a leading hybrid IT services provider, had signed a long-term partnership agreement to jointly address the hybrid IT requirements of Wipro's new and existing enterprise customers. As part of this agreement, Wipro had made a strategic investment of US$55 million for a 10.2% stake in Ensono's. As part of recently announced acquisition of Ensono by KKR, Wipro has sold its entire stake in Ensono Holdings, LLC for a consideration of US$ 76.24 million (~₹ 550 crore)
- Media report (ET) states that Department of Telecom (DoT) has asked Telcos to test 5G in rural areas as well. Bharti Airtel, Reliance Jio and Vodafone Idea have been given trial spectrum for six month to test 5G technology in the country. Telecom operators have been allocated spectrum in 700 MHz band, 3.6 GHz band and 2.5 GHz band across various locations
- Cadila Healthcare has received USFDA approval for the generic version of Prolixin (Fluphenazine Hydrochloride) Tablets in US. The neuroleptic drug, indicated for the treatment of schizophrenia symptoms, will be manufactured at the company's Ahmedabad SEZ formulations facility
- As reported in Mint, Ministry of commerce and industry will clarify that 100% FDI will be applicable in the case of divestment of BPCL. This will be done to remove confusion regarding permissible FDI limit in petroleum refining sector
- As per media sources, Indian lenders, led by the State Bank of India, have initiated talks with SBI Caps to sell Mallya-owned shares in United Breweries (UBL). Mallya's 16.2% stake in the UB group is valued at ₹5500 crore and will be sold via block deals
- According to The Economic Times, Department of Telecommunications (DoT) is considering regulating communication apps such as WhatsApp, Facebook Messenger and Skype, primarily from the national security point of view. It has sought comments from the home ministry on the matter before it starts working on a licensing regime
- Ashoka Buildcon Limited has received Letter of Acceptance from FAHI DHIRIULHUN CORPORATION, a State-owned company of the Government of the Republic of the Maldives, for the Project namely ''Design and Construction of 2000 Social Housing Units in Hulhumale', Republic of Maldives' on EPC basis. The total value is estimated to be ~ USD 140.33 Million (~₹ 1018 crore)
- According to ICRA, toll collection on national highways is likely to fall by 25-30% in May over last month as a fall out of the lockdown and restrictions imposed by several states to contain the spread of coronavirus. In April too, toll collection fell 10% over March. However, with fall in number of Covid cases from third week of May, states are expected to relax lockdown restrictions in a gradual manner which is likely to ramp-up toll collections from June onward

Nifty Weekly Chart

Technical Outlook

Equity benchmarks extended gains over second consecutive week as index scaled to fresh life time high of 15455. Nifty settled the week at 15436, up 1.7%. In the coming session, the index is likely to open on a subdued note tracking muted Asian cues. We expect Nifty futures to trade with a positive bias while maintaining higher high-low formation. Hence, use intraday dip towards 15385-15412 to create long for target of 15498.

We expect, Nifty to resolve higher and head towards our revised target of 15700 in June, as it is 123.6% external retracement of February-April correction (15432-14151). Key point to highlight is that, index has entirely retraced past 10 weeks corrective move (15432-14151) in just five weeks. Faster pace of retracement signifies structural improvement that augurs well for next leg of up move. Meanwhile, the current up move (1050 points) off May low of 14416 is larger in magnitude compared to last two up moves of ~900 points seen in last three months, indicating robust price structure.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	51422.9	51279	51133	51549	51675
Nifty 50	Positive	15435.7	15396	15358	15471	15508
ACC Ltd	Positive	1660.9	1647	1635	1680	1701
Axis Bank Ltd	Neutral	2940.7	2926	2912	2959	2978
GODREJ PROPERTIE	Neutral	1359.9	1345	1332	1374	1390
SBI	Positive	422.1	416	411	430	439
GRANULES INDIA	Negative	315.7	313	310	320	324
CUMMINS INDIA	Positive	791.1	777	762	806	820
Tata Motors	Neutral	318.8	316	312	324	328
JSW STEEL LTD	Positive	689.8	681	672	704	718
BHARAT HEAVY ELE	Positive	71.9	71	70	74	76
TCS	Negative	3143.6	3120	3097	3182	3221
HERO MOTOCORP LT	Positive	2991.6	2955	2917	3031	3071
CONTAINER CORP	Positive	667.7	661	654	676	684
MAHINDRA & MAHIN	Neutral	845.9	819	794	862	879
Reliance Industries	Positive	2094.8	2021	1948	2136	2178
AUROBINDO PHARMA	Neutral	1022.2	1014	1006	1032	1042
COAL INDIA LTD	Positive	146.9	145	143	149	151

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	15380-15320	14900
Resistance	15460-15500	15700
20 day EMA	0	14972.0
200 day EMA	0	13632.0

Advances/Declines

	Advances	Declines	Unchanged
BSE	1377	1756	145
NSE	769	1206	65

Daily Technical Calls

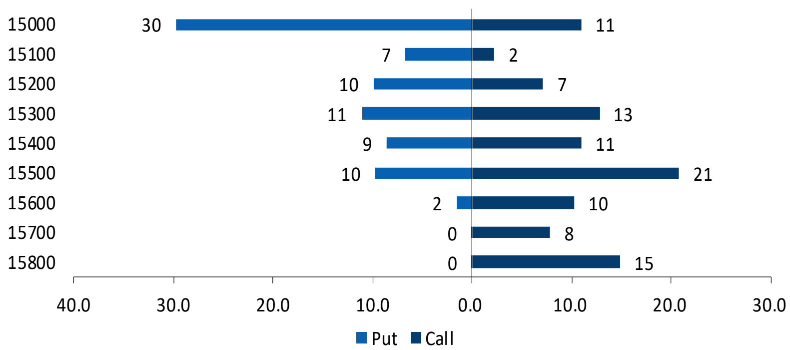
Daily Technical Calls

1. Buy Infosys in the range of 1392.00-1398.00
2. Buy LIC Housing Finance in the range of 456.00-458.00

All recommendations of June Future

See Momentum Pick for more details

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



Intraday Derivative Strategy

i) Grasim

Buy GRASIM June Fut at | 1476.00-1478.00
CMP: 1472.30
Target 1: 1495.9 Target 2: 1524.4
Stop Loss: 1458.1

ii) Mahangar Gas

Sell MAHGAS June Fut at | 1180.00-1182.00
CMP: 1182.95
Target 1: 1166 Target 2: 1143.5
Stop Loss: 1196

See Derivatives view for more details

Results/Events Calendar

17 May Monday	18 May Tuesday	19 May Wednesday	20 May Thursday	21 May Friday	22 May Saturday
GRSE,MRPL	Tata Motors,Torrent Pharma	Indian Oil Corporation Ltd.	Havells India,KNR Const.	Shree Cements,SBI	Amara Raja Batteries
3i Infotech,Federal Bank	PI Ind.,Brigade Ent.,Abbott	TCI Express,JK Tyre	Relaxo Footwear,Zee Ent.	Birlasoft,Hindalco,JSW Steel	Rallis,MCX
Butterfyl Gandhimati	Jyothy Labs,Chalet Hotels	Endurance Technologies	Music Broadcast,Taro US	Elgi Equipments,Shoppers Stop	Amber Enterprise
Wabco India	Jindal Stainless Hisar,Aarti Ind	Ineos Styrolution	Havells India,EPL	South Indian Bank	Mangalam Cement
Bharti Airtel	Minda Corp.,Astral Poly	EU CPI YoY, JP Imports	JK Lakshmi cement	Crompton Greaves Cons.	

24 May Monday	25 May Tuesday	26 May Wednesday	27 May Thursday	28 May Friday	29 May Saturday
Dalmia Bharat Sugar	CAMS,Indoco,New Gen	Pfizer,BPCL	Sun Pharma,HEG,Navneet	M&M, Action Const.,NCC	Affle,Bank of Baroda
Mahanagar Gas	Transport Corporation Of India	Berger Paints,Pricol Limited	Page Industries,Phoenix Mills	TV Today,Jagran Prakashan	Neogen Chemical
Taj GVK Hotels	TTK Prestige,Bajaj Electricals	Kewal Kiran Clothing	Eicher Motors,Goodyear India	Sudarshan Chemicals,ABFRL	Divi's Labs
Ramco Cements	AIA Engineering,Thermax	Gabriel India,Vguard,Moltek Pack	Dixon Tec.,Solar Ind.,Hawkins	Sumitomo Chemicals,V-Mart	D-Link,Shaily Engineering
	VIP Ind., Vardhman Textiles	CH Industrial Profits YoY	Cadila Healthcare	Ador Welding,IPCA Labs,Nesco	Advance Enzymes

31 May Monday	01 June Tuesday	02 June Wednesday	03 June Thursday	04 June Friday	05 June Saturday
Narayana Hrudayalaya	Radico,ITC	PVR,Ratnamani Metals & Tubes	Nucleus, Quess Corp	Moil Ltd., Bharat Forge	CH Exports
Aurobindo	Gujarat Gas,Balrampur Chini	NRB Bearings	EU Services PMI	Jubilant Pharmova	CH Imports
IN Federal Fiscal Deficit	EU CPI YoY, EU Manuf. PMI	Motherson Sumi	US Services PMI	EU Retail Sales	CH Trade Balance
IN GDP Quarterly (YoY) (Q4)	IN Exports, IN Imports	EU PPI YoY	US Initial Jobless Claims		
IN Infrastructure Output	IN Trade Balance	JP Services PMI	US Crude Oil Inventories		

07 June Monday	08 June Tuesday	09 June Wednesday	10 June Thursday	11 June Friday	12 June Saturday
CH FX Reserves	Engineers India,Hester Bio	Teamlease	EU Deposit Facility Rate	IN Industrial Production	JK Cement
US Consumer Credit	EU GDP QoQ	JP PPI (YoY)	US Federal Budget Balance	IN Manufacturing Output(MoM)	
JP GDP QoQ	US Trade Balance		US CPI YoY		
	CH PPI YoY				
	CH CPI YoY				

14 June Monday	15 June Tuesday	16 June Wednesday	17 June Thursday	18 June Friday	19 June Saturday
IN WPI Inflation	EU Trade Balance	CESC	EU CPI YoY	Timken	
IN Manuf. Inflation YoY	US PPI MoM,US Ind. Prod.	UK CPI YoY		UK Retail Sales	
EU Industrial Production (YoY	US Retail Sales	US Federal Int. Rate Decision			
IN CPI YoY	IN Exports, IN Imports				
JP Industrial Prod MoM	IN Trade Balance				

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected

Date	Event	Country	Period	Expected	Previous
31-May	Federal Fiscal Deficit	IN	Apr	-	14055.47B
31-May	GDP Quarterly (YoY) (Q4)	IN	Apr	1.0%	0.4%
31-May	Infrastructiure Output	IN	Apr	-	6.8%
31-May	Caixin Manuf. PMI	CH	May	51.7	51.9
01-Jun	Manufacturing PMI	EU	May	62.8	62.8
01-Jun	CPI YoY	EU	May	1.9%	1.6%
01-Jun	Exports	IN	May	-	30.21B
01-Jun	Imports	IN	May	-	45.45B
01-Jun	Trade Balance	IN	Apr	-15.20B	-15.24B
02-Jun	PPI YoY	EU	Apr	7.3%	4.3%
02-Jun	Services PMI	JP	May	-	49.5
03-Jun	Services PMI	EU	May	-	5.7%
03-Jun	Initail Jobless Claims	US	May	395K	406K
03-Jun	Crude Oil Inventories	US	May	-	1.622M
04-Jun	Cash Reserve Ratio	IN	May	4.0%	4.0%
04-Jun	Interest Rate Decision	IN	May	4.0%	4.0%
04-Jun	FX Reserves	IN	May	-	592.89B
04-Jun	Bank Loan Growth	IN	May	-	6.0%
04-Jun	Deposit Growth	IN	May	-	9.9%
04-Jun	Reverse Repo Rate	IN	May	3.4%	3.4%

Result Previews

Company | Crore	Revenue Q4FY21E	Chg(%) YoY	Chg(%) QoQ	EBITDA Q4FY21E	Chg(%) YoY	Chg(%) QoQ	PAT Q4FY21E	Chg(%) YoY	Chg(%) QoQ
Aurobindo	6,537.2	6.1	2.7	1,354.1	2.9	-1.1	819.8	-2.1	-2.0

Recent Releases

Date	Report
May 30,2021	Result Update- Mahindra & Mahindra
May 30,2021	Result Update- NCC Ltd.
May 30,2021	Result Update- Divi's Laboratories
May 30,2021	Result Update- TV Today Network.
May 30,2021	Result Update- The Phoenix Mills

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