

THE DAILY

Date: 11 May 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	49502	296	0.60
NIFTY	14942	119	0.80
MIDCAP	20808	199	0.97
SMALL CAP	22426	208	0.94

SECTORAL INDICES

	Close	Points	% Change
METAL	20348	693	3.53
CG	21139	527	2.56
Healthcare	24594	545	2.27
POWER	2617	54	2.13
AUTO	22401	348	1.58
OIL & GAS	15628	226	1.47
REALTY	2468	23	0.94
Finance	7420	63	0.86
BANKEX	37824	307	0.82
CD	31610	4	0.01
TECK	12024	-1	0.00
IT	26743	-44	-0.17

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
BHEL	13.57	KANSAINER	-4.17
TORNTPOWER	8.45	CHOLAFIN	-2.66
NMDC	8.38	IDFCFIRSTB	-2.38
COALINDIA	7.57	LTI	-2.30
NATIONALUM	7.31	DABUR	-2.25

ADVANCE/DECLINES

	BSE	%
ADVANCES	2068	62
DECLINES	1038	31
UNCHANGED	224	7

INSTITUTIONAL ACTIVITY

Rs Cr	10/05/21	07/05/21	May Total
FII	584	-1143	-7973 (prov.)
DII	-476	1468	3077 (prov.)

Indian markets could open lower, in line with negative Asian markets today and negative NASDAQ index on Monday.....

The Dow Jones Industrial Average snapped a 5-session win streak Monday, falling late in the session after pushing above the 35,000 milestone, with the broader market came under pressure as high-profile Big Tech shares tumbled as investors weighed how much of the economic recovery already has been priced into stocks. Strong economic growth, driven by reopenings and trillions of fiscal stimulus dollars, is prompting market participants to once again favor value, a larger dynamic since late 2020 that had paused for a short period.

Worries about accelerating inflation dragged on shares and hobbled the dollar, which struggled at a 10-week low. The break-even rate on five-year and 10-year U.S. Treasury Inflation-Protected Securities (TIPS) touched their highest levels since 2011 and 2013, respectively. Inflation concerns will be in the minds of investors when the Labor Department releases its latest CPI report on Wednesday.

A shutdown to halt a ransomware attack on the Colonial Pipeline entered its fourth day, hobbling a network which transports nearly half of the East Coast's fuel supplies.

Rating agency Crisil on May 10 said that India's GDP growth rate could drop to single digits or around 8.2 percent in 2021-22 (April-March) if the second wave of the COVID-19 pandemic reaches a peak number of cases by June-end. The rating agency had projected India's GDP to grow 11 percent in 2021-22 (April-March) at the beginning of the current financial year. It added that in case the COVID-19 pandemic reaches a peak number of cases by May-end, the GDP growth will fall to around 9.8 percent. A World Health Organization official said Monday it is reclassifying the highly contagious triple-mutant Covid variant spreading in India as a "variant of concern," indicating that it's become a global health threat.

China's factory gate prices rose 6.8% from a year earlier in April, official data showed on Tuesday, reaching the highest level since October 2017 and beating analysts' forecast. The increase in the producer price index compared with a 6.5% rise tipped by a Reuters poll of analysts and a 4.4% rise in March. The consumer price index (CPI) rose by 0.9% from a year earlier.

Asia-Pacific stocks fell Tuesday, following a sell-off in tech stocks that weighed down major U.S. indexes overnight.

Indian benchmark equity indices closed higher for the fourth straight session on May 10. Nifty opened gap up and remained largely in a 50 point band through the day. At close, the Nifty was up 119.20 points or 0.80% at 14,942.40.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	34743	-34.94	-0.10
S & P 500	4188	-44.17	-1.04
NASDAQ	13402	-350.38	-2.55
FTSE	7124	-6.03	-0.08
CAC	6386	0.48	0.01
DAX	15400	0.76	0.02
NIKKEI	28637	-881.84	-2.99
SHNAGAI	3411	-17.15	-0.50
HANG SENG	27957	-638.00	-2.23
BOVESPA	121909	-129.08	-0.11

EXCHANGE RATES

	Value	% Change
USD/INR	73.5	0.20
EURO/USD	1.214	0.12
USD/GBP	1.413	0.05
USD/JPY	108.9	0.09

COMMODITIES

	Value	%
Gold (\$ / Oz)	1837.1	-0.03
Silver (\$ / Oz)	27.4	-0.26
Crude Oil Futures	64.5	-0.69
Brent Oil (\$ / Barrel)	67.8	-0.73

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.014	-0.001

ADR

	Value \$	%
Dr Reddys Labs	72.2	1.66
HDFC Bank	69.5	-2.65
ICICI Bank	16.7	-0.06
Tata Motors	21.1	2.28
Wipro	7.60	0.53
Vedanta Ltd	15.98	1.59
INFOSYS	18.36	-0.11

Nifty has made another upgap in succession on May 10 but ended with a doji for the second consecutive session, indicating partial profit taking towards the close especially as it approached 15,000. Investors are mindful of the market fallout as state after state locks itself down in India to contain the spread of the coronavirus as infections and deaths surge and hence keep taking profits rotationally. 15044-14744 is the band for the Nifty in the near term.

PNB board approves raising equity capital from share sale, fixes floor price for QIP at Rs 35.5:

Punjab National Bank (PNB) said that its board has approved raising equity capital from qualified institutional investors to enhance its capital base. For the Qualified Institutional Placement (QIP) purposes, the bank has fixed the floor price at Rs 35.51 per equity share. The 'Relevant Date' for the purpose of the QIP is May 10, 2021. However, the bank did not disclose how much it intends to mobilise through the QIP. The bank has a headroom to raise about Rs 3,200 crore from share sale as per the board and shareholders nod of July 9 and August 4, 2020, respectively.

Tata Steel postpones Kalinganagar steel plant's capacity expansion plan:

Tata Steel has put off its Kalinganagar steel plant's capacity expansion plan, originally scheduled to expand from 3 million tons to 8 million tons production capacity by around November 2022. Now it has to wait until the 2023-24 fiscal year. According to the news released by Tata Steel, the combined crude steel production for the three months to March 2021 increased by 1.5% over the same period last year. Tata Steel Europe's liquid steel production in the first quarter was also higher on YoY in overseas markets.

China exchanges move to cool off iron ore, steel price rally:

China is the world's top steel producer and a most significant consumer of iron ore, the key steelmaking ingredient. A recent spike in prices for the material, partly fuelled by supply concerns, continued with a 10% limit-up surge on Monday to a record 1,326 yuan (\$207) a tonne, squeezing mills' profits. The Dalian Commodity Exchange said it would raise trading limits and margin requirements for iron ore contracts for delivery in June, September, October, and December, and January-April 2022 from the May 11 trading day without providing figures. The margin requirement is the minimum amount of capital that must be deposited to trade futures.

Jindal Steel prepays Rs 2,462 cr term loans, pares debt beyond commitment:

JSPL has recently announced divestment of its thermal power business to reduce its debt further and cut down on its carbon footprint by almost half. The company today announced that they had made a prepayment of Rs 2,462 crore to their term lenders. The significant debt reduction is part of long-term financial strategy to create a strong balance sheet. In the coming quarters, they intend to strengthen their balance sheet further and become net debt-free shortly.



Global iron ore production to recover by 5.1% in 2021, after COVID-19 hit output in 2020 as per the Global data:

Worldwide iron ore production fell by 3% to 2.2 bn tonnes in the year 2020. The iron ore production is expected to grow at a compound annual growth rate (CAGR) of 3.7% to 2,663.4 mn tonnes over 2021 to 2025. The key contributors to this growth will be Brazil (6.2%), South Africa (4.1%), Australia (3.2%), and India (2.9%).

Dabur India enters pain relief spray category:

Dabur India announced the launch of a pain relief spray under the existing Dabur Rheumatil pain relieving brand that is used for joint aches. The product has already been launched across e-commerce platforms and through regular retail channels. The Dabur Rheumatil Spray is priced at Rs 130 for 40g/ 57ml pack. Dabur will compete with the likes of Reckitt and Sun Pharma that sell popular pain relief sprays and ointments such as Moov and Volini, respectively. It has been putting newer products in the market, including Dabur Tulsi Drops, Dabur Amla Juice, Dabur Giloy-Neem-Tulsi Juice, Kaadha, etc. accelerating the launch of newer health and immunity products. Dabur is also set to invest Rs 550 Cr over next 4-5 years to build additional capacity and to ramp up existing capacity to augment its healthcare portfolio.

Auto retail skids in April amid rising Covid-19 cases, local lockdowns:

Automobile retail, which had been on the road to recovery from the impact of the Covid-19 pandemic, slowed down in April when a rapid surge in infections prompted many states to impose fresh lockdowns and consumer sentiment dipped. Vehicle registrations, which are a proxy for retail, in April were 28% less than in March with even the fast-growing tractor segment registering a decline.

Greaves Cotton -Non-Automotive engine business to continue growth:

The diversified business of Greaves Cotton expects their non-automotive engine business to witness continued growth on the back of demand from sectors such as infrastructure, defense, construction, farm, and machinery, among others. The company's non-automotive engine business grew 54% YoY to 13,673 units in the Q4 FY21. In the full-year, the company logged 14% growth at 43,629 units in the financial year 2020-21, as against 38,411 units in the fiscal year ended March 2020. Management of the Greaves Cotton said that 'They believe the non-automotive engine business will continue to grow as there will be much movement towards productivity and replacing manual labor whether for use in segments such as infra, construction, and machinery. These engines are being used for non-auto applications.'

Steel Strips Wheels wins orders worth Rs 54 cr from US, Europe:

Steel Strips Wheels Ltd (SSWL) said that it has bagged orders worth around Rs 54 crore from the US and Europe. The company has received export orders of over 5,25,000 wheels for the US and EU caravan trailer market, US mobile home and US truck trailer market.

Isuzu drives in BS-VI compliant product range in India:

Isuzu Motors India said it has launched BS-VI compliant versions of V-Cross and mu-X range in the country, priced between Rs 20.06 lakh and Rs 35.34 lakh (ex-showroom Delhi). The company said it has also introduced a new model Hi-Lander, tagged at Rs 17.04 lakh.

HSIL Q4 FY21 result update:

Revenue for the quarter grew 37.3% YoY at Rs 633cr. Packaging products and Building products division posted strong growth in the quarter. Sales growth during the quarter was driven by improved realizations and better product mix. Volumes were driven by increasing demand of glass containers from beer, and food and beverage industry. EBITDA margin improved 350bps YoY at 15.3%. PAT for the quarter surged to Rs 33cr as compared to Rs 3.4cr. Company generated operating cash flow of Rs 298cr as compared to Rs 107cr in FY20; this is excluding one-time income tax refund of Rs 51cr in FY21. Board has declared Rs 4 per share as final dividend for FY21. Company has incurred capex of Rs 170cr in FY21.

Granules India Q4 FY21 result preview:

Revenue may increase 39% YoY at Rs 832cr. EBITDA margin is expected to improve 400bps YoY at 24.3%. Company may report 38% YoY growth in net profit at Rs 128cr. In Q4 FY20, it had one off gain of Rs 59.8cr due to divestment of its holding in Granules Omnichem JV. Key things to watch out for would be update on upcoming launches for the US market and impact of recent raw material price increase.



Important news/developments to influence markets

- Investor morale in the euro zone rose in May to its highest level since March 2018 on all-time high expectations and an upbeat evaluation of the current situation. Sentix's index for the euro zone climbed to 21.0 from 13.1 in April.
- UK Halifax's House Price Index showed that the average house price across the country in April stood at 258,204 pounds (about 362,229 U.S. dollars), growing by 8.2 percent year-on-year and up 1.4 percent compared to March 2021.
- The U.S. Treasury launched access to \$350 billion in COVID-19 aid for state, local, tribal and territorial governments, releasing rules for allowable uses and a prohibition on tax cuts by recipient states. The total funding for states in President Joe Biden's American Rescue Plan Act is \$195.3 billion.

Daily Technical View on Nifty

Observation: Markets rallied further on Monday to close with healthy gains for the fourth consecutive session. The Nifty finally gained 119.2 points or 0.8% to close at 14,942.35. Broad market indices like the BSE Mid Cap and Small Cap indices gained more, thereby out performing the Sensex/Nifty. Market breadth was positive on the BSE/NSE.

Sectorally, the top gainers were the BSE Metal, Capital Goods, Healthcare and Power indices. The top loser was the BSE IT index.

Zooming into the 15 minute chart, we can see that the Nifty opened with an up gap in the morning and then traded in a range for the rest of the trading session. Buying in the last half an hour of trade helped the index to close near the highs of the day.

The index thus managed to hold above the previous session's low and has now made higher bottoms at 14765 and 14611. This is a positive signal for the very near term.

It will be important that the Nifty holds above the recent low of 14611 for the very near term uptrend to continue.

On the daily chart, while the Nifty has recently corrected from the high of 15044, the index continues to hold above a rising trend line that has held the important lows of the last few months. This implies that the index remains in an intermediate uptrend.

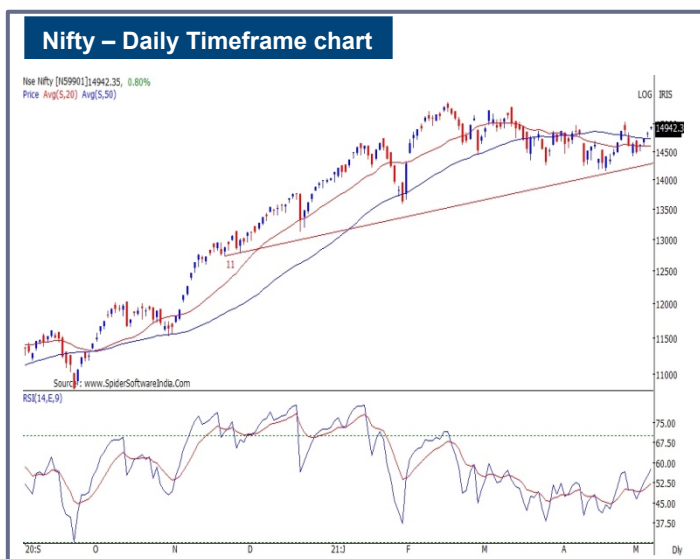
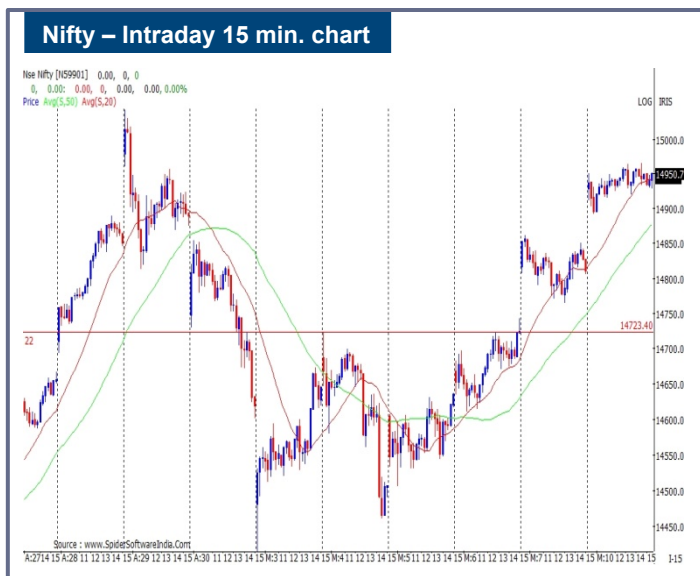
With the healthy rally seen in the last few sessions, traders will need to watch if the Nifty can now continue to hold above the crucial supports of 14765 and 14611 in the very near term. Upside acceleration is likely to pick up once the immediate resistance of 15044 is taken out.

These are crucial resistances as they are the previous swing highs of the Nifty.

Conclusion: The 1-2 day trend of the Nifty remains up with the index managing to hold above the previous session's low and making higher bottoms at 14765 and 14611 levels before closing near the highs of the day.

On the larger daily timeframe, an upward sloping trend line continues to support the index with the Nifty also bouncing back strongly over the last few trading sessions and holding above the recent lows of 14765-14611. We therefore stick with our view that the Nifty could move higher in the coming sessions.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14942	Bullish	14892	Bullish	14765
	Target 15044		Target 15336	



SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	10-MAY-21	BUY	NIFTY MAY FUT	14991.30-14950	14,984.7	14931	15080	1	13-MAY-21
2	10-MAY-21	BUY	ONGC MAY 115 CALL OPTION	3.65	3.7	2.6	5.25	44	17-MAY-21
3	10-MAY-21	BUY	NIFTY 15100 MAY CALL OPTION (27TH MAY EXPIRY)	187.2	187.1	148	238	27	13-MAY-21
4	7-MAY-21	BUY	M&M MAY FUT	755-766	784.1	745	800	2	14-MAY-21
5	5-MAY-21	BUY	PEL	1727.50-1660	1,707.0	1645	1860	9	19-MAY-21
6	7-MAY-21	BUY	SEQUENT SCIENTIFIC	289-297.35	287.0	285	320	11	21-MAY-21
7	10-MAY-21	BUY	INDUSIND BANK	943.55-915	945.4	905	990	5	19-MAY-21
8	10-MAY-21	BUY	IOLCP	664-644	661.0	634	696	5	24-MAY-21

OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	11-FEB-21	BUY	SUN TV	522.0	505.3	390.0	640.0	735.0	45	11-AUG-21
2	3-MAY-21	BUY	HATSUN AGRO	805.3	820.0	725.0	907.0	1050.0	28	3-AUG-21
3	4-MAY-21	BUY	CARE RATING	515.4	512.7	455.0	578.0	650.0	27	4-AUG-21
4	6-MAY-21	BUY	DREDGING CORP	385.8	380.9	350.0	434.0	475.0	25	6-AUG-21
5	6-MAY-21	BUY	MAHINDRA CIE	176.5	177.3	163.0	194.0	218.0	23	6-AUG-21
6	6-MAY-21	BUY	MINDA CORP	106.2	108.2	97.0	117.0	130.0	20	6-AUG-21
7	7-MAY-21	BUY	TIME TECHNO	80.6	83.9	72.0	89.0	100.0	19	7-AUG-21
8	10-MAY-21	BUY	AARTI DRUGS	781.4	813.6	700.0	862.0	960.0	18	10-AUG-21

*= 1st Target Achieved

OPEN DERI POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	1-APR-21	BUY	CUB MAY FUT*	161.5	168.4	149.0	170.0	190.0	13	TILL 27TH MAY 21
2	6-MAY-21	BUY	APOLLO HOSPITAL MAY FUT	3357.6	3344.1	3150.0	3594.0	3740.0	12	TILL 27TH MAY 21
3	10-MAY-21	BUY	ESCORT MAY FUT	1179.6	1185.7	1117.0	1261.0	-	6	TILL 27TH MAY 21
4	10-MAY-21	BUY	L&T MAY FUT	1372.8	1399.7	1341.0	1436.0	1468.0	5	TILL 27TH MAY 21
5	10-MAY-21	BUY	EXIDE INDS MAY FUT	186.5	186.4	174.0	201.0	-	8	TILL 27TH MAY 21

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	6-APR-21	BUY	SUN PHARMA*	616.7	698.2	570.0	663.0	757.0	8	6-OCT-21
2	16-APR-21	BUY	AXIS BANK *	669.0	715.3	626.0	712.0	790.0	10	16-JUL-21
3	28-APR-21	BUY	HERITAGE FOODS LTD	359.6	357.0	330.0	395.0	440.0	23	28-JUL-21
4	3-MAY-21	BUY	CCL PRODUCTS*	271.2	316.3	245.0	308.0	349.0	10	3-AUG-21
5	4-MAY-21	BUY	NATCO PHARMA	931.8	941.5	850.0	1020.0	1170.0	24	4-AUG-21
6	4-MAY-21	BUY	RAMCO INDUSTRIES	282.5	269.6	250.0	318.0	360.0	34	4-AUG-21
7	7-MAY-21	BUY	EPL LTD	230.5	238.0	211.0	254.0	-	7	7-AUG-21

*= 1st Target Achieved



Disclaimer:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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