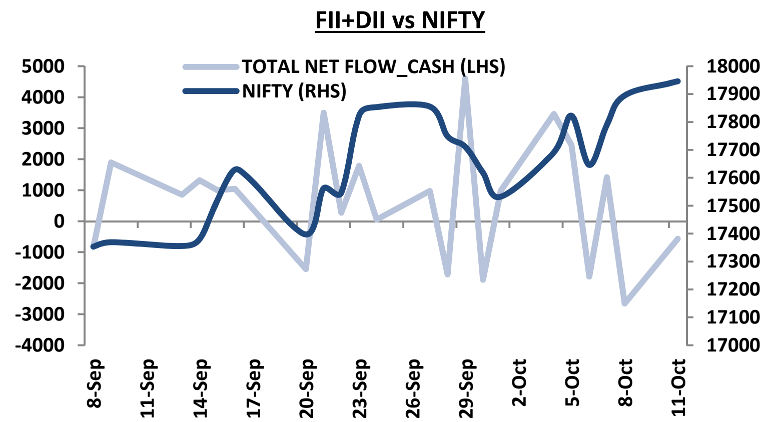
East India Securities Ltd

Morning Note

12th Oct 2021

Indices	Closing	1 Day %	5 Day %
S&P BSE SENSEX INDEX	60135.78	0.13	1.41
Nifty 50	17945.95	0.28	1.44
NASDAQ COMPOSITE INDEX	14579.54	-0.51	0.09
DOW JONES INDUS. AVG	34746.25	-0.03	1.22
CAC 40 INDEX	6570.54	0.16	1.43
DAX INDEX	15199.14	-0.05	1.08
Nifty 50 SGX Spot Opt	17945.95	0.28	1.44
HANG SENG INDEX	25325.09	1.96	5.36
NIKKEI 225	28498.20	1.60	0.19
KOSPI INDEX	2956.30	-0.11	-3.67



Commodity	USD	Unit	INR	Unit
Aluminium	3,044.50	USD/MT	242.00	INR/kg
Copper	9,604.75	USD/MT	739.30	INR/kg
Brent Crude	83.58	USD/barrel	#N/A N/A	INR/bbl.
Gold	1,757.65	USD/troy	46,897.00	INR/10 g
Nickel	19,139.25	USD/MT	1,530.80	INR/kg
Silver	22.52	USD/troy	61,254.00	INR/kg
Zinc	3,227.75	USD/MT	271.50	#N/A

Indian market overview

Equity benchmarks ended with decent gain on Monday, rising for the third straight session. Gains were capped due to mixed global cues. Barring the IT index, all the sectoral indices on the NSE ended in the green. Banks, autos and realty shares were in demand. Maruti Suzuki India (up 3.66%), ITC (up 2.74%), HDFC Bank (up 2.01%), ICICI Bank (up 1.46%) and HDFC (up 1.10%) supported the indices. The yield on India's 10-year benchmark federal paper (06.10 GS 2031) was currently at 6.3407% as compared with its previous closing of 6.318%. In the commodities market, the partially convertible rupee fell to 75.36 from its previous closing of 74.99. The US Dollar index which tracks the greenback's value against a basket of currencies, was up 0.18% to 94.24. The yield on the benchmark 10-year U.S. Treasury note stood at 1.61% lifted by the prospects of tighter monetary policy. The market breadth was positive. Most European shares were in the red while Asian stocks ended mixed on Monday as investors monitored inflation expectations and rising U.S Treasury yields.

Global energy crunch fuels inflation worries

US stocks fell overnight as investors fretted over rising prices and signs of slowing growth, with Goldman cutting its US GDP forecast for the third month in a row on consumer spending worries. Asian markets are off to a weak start as investors grew increasingly concerned about a growing energy crisis, spiking inflation, signs of a slowdown in the global economy and an end to central bank financial support. Although the focus recently has shifted from Ever-grande to the energy crisis, debt woes of Ever-grande continue to act as a dampener on sentiment as the group looks set to miss its third round of bond payments. Markets also await the beginning of US corporate earnings season, which gets under way this week with banking giants reporting their numbers.

Domestic equity market is likely to open in a negative territory, tracking weak cues. Weakening of the rupee and inflationary pressure is adding to the woes of traders. Stock-specific action could be seen as the quarterly earnings season starts to gain momentum.

In the News

- Page Industries aims to become one-billion-dollar company in next five year
- Welspun Corp joins global H2Pipe Joint Industry Project on hydrogen pipeline
- Affle gets two patents from US PTO
- HDFC sells stakein Ansal Housing
- S Chand And Company enters into loan agreement with TCFSL
- Trident reports 13,700 metric tons of paper production in September
- Sunteck Realty's Pre-sales stand at Rs 272 crore in Q2FY22

Best/Worst Performing Indices in the Domestic Markets		
Best Performing Indices	**Index**	**% Chg.**
1 Day	S&P BSE AUTO	2.51
1 Week	S&P BSE AUTO	6.67
1 Month	S&P BSE REALTY	26.73
Worst Performing Indices	**Index**	**% Chg.**
1 Day	S&P BSE Information Tech	-2.87
1 Week	S&P BSE Healthcare	-1.29
1 Month	S&P BSE Healthcare	-0.79

ADR's	Price ($)	Chg (%)	Pre/Dis (%)
INFOSYS LTD-SP ADR	21.82	-0.50	-2.67
WIPRO LTD-ADR	8.83	0.11	2.03
DOCTOR REDDY'S LAB-ADR	64.44	0.19	-0.69
HDFC BANK LTD-ADR	72.60	-0.14	11.73
ICICI BANK LTD-SPON ADR	18.77	0.81	-0.76
TATA MOTORS LTD-SPON ADR	28.06	6.49	1.82

Bonds Yields (%)	3 Months	10 Years	30 Years
US	0.58	1.61	2.17
India	#N/A N/A	6.35	NA

Currencies	Closing
INR/USD	75.36
INR/EUR	87.08
INR/GBP	102.63

FROM THE RESEARCH DESK

Maruti Suzuki | September Production

- ✓ Maruti Suzuki reported 51% YoY reduction in total production in September 2021 (81,278 units Vs 1,66,086 units in September 2020). Total production in August was 1,13,937 units.
- ✓ Bulk of the production hit was in the compact car segment, comprising WagonR, Celerio, Ignis, Swift, Baleno and Dzire, where the production was hit by 68% YoY (29272 units Vs 90924 units).
- ✓ Production of mini cars comprising Alto and S-Presso models was lower by 44% YoY (17,163 units Vs 30,492 units).
- ✓ Production of utility vehicles - Gypsy, Ertiga, S-Cross, Vitara Brezza and XL6 -- dropped by 18% YoY (21,873 units Vs 26,648 units).
- ✓ There was a 28% YoY drop in the production of Eeco van (8,025 units Vs 11,183 units) and 21% YoY reduction in production of light commercial vehicle Super Carry (3,496 units Vs 4,418 units).
- ✓ Overall the production was affected due to electronic components shortage.

Tata Motors | Q2FY22 Production

- ✓ Tata Motors reported 24% YoY increase of 2,51,689 units in group global wholesales, including that of Jaguar Land Rover.
- ✓ Global wholesales of all Commercial Vehicles and Tata Daewoo range were up 57% YoY at 89,055 units.
- ✓ Global wholesales of all Passenger Vehicles increased 11% YoY at 1,62,634 units.
- ✓ Retail sales, however, were lower by 18.4% YoY at 92,710 units (Vs 113,569 units) with the exception of the new Land Rover Defender, which were up 70.4%YoY at 16,725 units, making it the bestselling model in the quarter.
- ✓ Retail sales were lower in most regions, including North America (-15.6% YoY), China (-6.3% YoY), Europe (-17.0% YoY), and UK (-47.6% YoY).
- ✓ Despite the impact of the semiconductor shortage on production and sales, Tata Motors continued to see strong demand for its products with global retail orders at record levels.

HFCL Q2 FY22 (Consolidated, QoQ)

- ✓ Revenue at Rs.1,122.05 crore (up 6.4% YoY/ down 7.0% QoQ)

FII Flows in Asian Mkts ($ Mn)	Day	WTD	MTD	YTD
India	87.8	(70.9)	143.9	8,673.8
Indonesia	63.5	63.5	196.8	2,072.5
Japan	NA	(3,010.4)	(3,010.4)	19,308.5
Pakistan	(4.0)	(3.7)	(7.5)	(199.5)
Philippines	(16.2)	(16.2)	12.3	(1,729.5)
South Korea	(223.1)	(223.1)	(1,287.2)	(26,750.5)
Taiwan	(667.1)	(667.1)	(3,545.7)	(19,958.8)
Thailand	(5.7)	(5.7)	129.0	(2,348.1)
Vietnam	18.5	18.5	(50.1)	(1,840.2)

- ✓ Net profit at Rs.85.9 crore (up 61.2% YoY/ down 5.2% QoQ)
- ✓ As per management, capacity utilisation remained at optimum level across all the manufacturing facilities especially fibre optic cables and optical fibre plants. Timely execution of the projects added to the growth during the quarter.
- ✓ The company had an order book of around Rs.6,000 crore during Q2 which has to be delivered within the next 9-12 months notwithstanding the shortage in semiconductor supplies.
- ✓ The company's shift towards margin and cash flow accretive components of telecom products and capital efficient projects is expected to continue to strengthen profitability.

EAST INDIA SECURITIES LTD

Research	research@eisec.com	022-61925345

Disclaimer & Disclosure

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