

Market Outlook

Indian markets are likely to see a flat to positive opening tracking mixed global cues with retail inflation and IIP data released later in the day providing strong positive signals for the Indian economy. However, global news flows and sector specific development will be key monitorables.

Markets Yesterday

- Domestic markets were closed on Thursday for Eid. Markets ended lower on Wednesday tracking losses in metal, BFSI and IT stocks amid weak global cues
- US markets ended higher amid release of macroeconomic data and value buying despite concerns about inflation

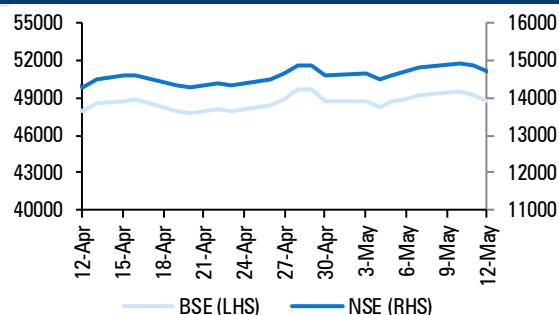
Key Developments

- We expect L&T to report adjusted standalone revenue growth of 7.0% to ₹ 29159 crore. EBITDA is expected to grow 16.7% to ₹ 3061.7 crore with margins likely to improve 90 bps to 10.5% due to low base and higher execution while adjusted PAT (ex-E&A) expected to grow by 16.6% to ₹ 2466.1 crore partly due to higher other income. We expect reasonable execution pick-up sequentially owing to better work force mobilisation and supply chain normalisation. In our view, working capital and cash flow situation will be key monitorables. During Q4FY21E, EPC order inflows announced by L&T were in the range of ~₹ 15500-32000 crore (as on date, ex-services segment) across heavy civil infra, water treatment, power T&D, transportation, buildings & factories segments indicating reasonable order inflows for the quarter amid a challenging environment

Today's Highlights

Results: Dr Reddy's, Cipla, L&T, Balkrishna Industries, SKF India, Escorts, Oberoi Realty, Jindal Stainless, Gokaldas Exports, Anup Engineering, Automotive Axles, Just Dial

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)
Sensex	48,691	49,162	-1.0	-0.2	2.0
Nifty	14,697	14,851	-1.0	0.4	5.1

Institutional Activity

	CY19	CY20	YTD CY21	Yesterday	Last 5 Days
FII (₹ cr)	40,893	64,379	33,472	-1,261	-783
DII (₹ cr)	44,478	-28,544	-11,758	-704	-558

World Indices – Monthly performance

NSE	France	Dow Jones	Shanghai	U.K.
14,697	6,288	34,021	3,430	6,963
1.3%	1.3%	1.0%	1.0%	0.3%
BSE	Germany	Kospi	Nasdaq	Nikkei
48,691	15,200	3,122	13,125	27,448
0.3%	-0.2%	-1.5%	-5.3%	-7.7%

Nifty Heat Map

Tata Motors	326	3.3%	Titan	1,455	1.4%	Maruti	6,818	1.2%	Power Grid	226	1.1%	UPL	692	1.1%
Cipla	899	0.9%	SBI	368	0.8%	Britannia	3,440	0.6%	NTPC	113	0.5%	L&T	1,385	0.1%
Dr Reddy	5,301	0.1%	Hero Moto	2,840	0.1%	Asian Paints	2,556	0.0%	Bajaj Auto	3,875	-0.1%	HCI Tech	906	-0.1%
Tata Consum	640	-0.2%	Infosys	1,327	-0.3%	HDFC Bank	1,400	-0.3%	Divis Lab	4,061	-0.3%	HDFC Life	669	-0.4%
ITC	203	-0.4%	Eicher	2,456	-0.6%	Sun Pharma	703	-0.7%	IOC	103	-0.9%	Nestle	16,718	-0.9%
Bajaj Finserv	11,088	-0.9%	Reliance Ind.	1,913	-1.0%	HDFC Ltd	2,439	-1.0%	TCS	3,088	-1.1%	Bharti Airtel	562	-1.2%
Bajaj Finance	5,358	-1.2%	Coal India	154	-1.4%	Adani Ports	752	-1.5%	TechM	962	-1.5%	Ultratech	6,389	-1.6%
Wipro	508	-2.1%	Kotak Bank	1,719	-2.1%	M&M	760	-2.1%	Axis Bank	691	-2.3%	Shree Cement	26,833	-2.5%
ICICI Bank	595	-2.5%	ONGC	115	-2.5%	Grasim Ind	1,412	-2.6%	SBI Life	973	-2.8%	BPCL	449	-2.8%
HUL	2,329	-3.1%	Hindalco	399	-3.4%	Indusind Bank	917	-3.4%	JSW Steel	708	-3.6%	Tata Steel	1,179	-4.4%

Markets Today (Not Updated- Technical Error)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	47,340	47,482	-0.3	1.3	-5.6
Silver (₹/kg)	70,344	71,121	-1.1	4.2	3.3
Crude (\$/barrel)	67.6	69.3	-2.5	0.5	30.5
Copper (\$/tonne)	10,420	10,096	3.2	6.0	34.5
Currency					
USD/INR	73.3	73.2	0.2	1.0	-0.4
EUR/USD	1.2	1.2	0.1	0.6	-1.0
USD/YEN	109.6	109.7	-0.1	0.0	-5.5
ADRs					
HDFC Bank	68.5	69.2	-1.1	-2.6	-5.4
ICICI Bank	15.9	16.6	-3.9	-2.2	7.7
Tata Motors	21.4	21.4	0.2	10.3	67.3
Infosys	17.8	18.2	-1.9	-1.3	5.5
Dr Reddys Labs	71.5	71.8	-0.4	3.5	0.3
Wipro	7.3	7.6	-3.4	2.0	30.2

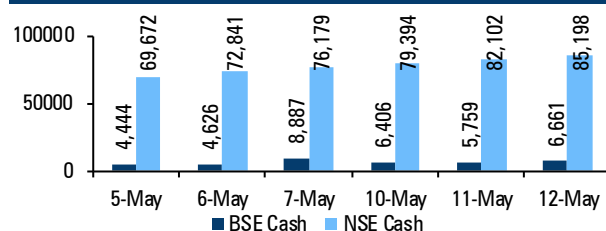
Key Data Points

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	Mar	34.5 bln\$	27.9 bln\$
FX Reserves, USD Final	Mar	577 bln\$	585 bln\$
GDP Quarterly yy	Q3	0.40%	-7.50%
GDP Annual	FY20	4.20%	6.10%
Imports - USD	Mar	48.4 bln \$	40.5 bln \$
Industrial Output yy	Mar	22.40%	-3.60%
Manufacturing Output	Mar	25.80%	-3.70%
Trade Deficit Govt - USD	Mar	-13.9bln \$	-12.6bln \$
WPI Food yy	Mar	5.28%	3.31%
WPI Fuel yy	Mar	10.25%	0.58%
WPI Inflation yy	Mar	7.39%	4.17%
WPI Manuf Inflation yy	Mar	7.34%	5.81%

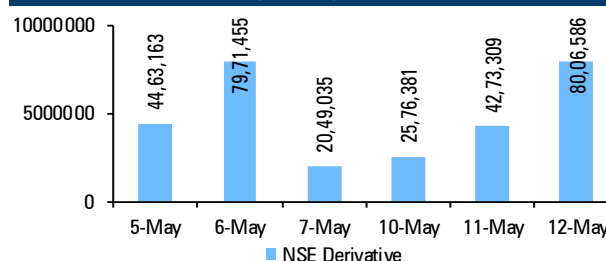
Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
Jagran Prakashan	Buyback			Ongoing	
Laurus Labs	Dividend	11-May-21	12-May-21		0.80
NCL Industries	Dividend	12-May-21	14-May-21		1.50

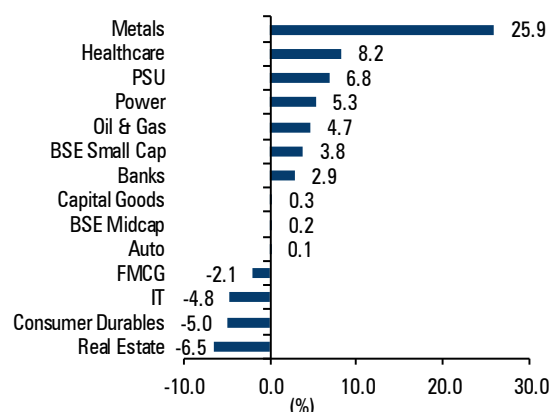
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)








Sectoral Performance – Monthly Returns (%) (Not Updated)







Key News for Today



Company/Industry	News	View	Impact
Asian Paints	Asian Paints' consolidated revenue increased ~44% YoY to ~₹ 6651.4 crore (vs. I-direct estimate of ₹ 5739 crore) led by ~48% YoY volume growth in the decorative segment. Gross margin declined ~266 bps YoY mainly due to higher raw material prices, resulting in limited upside in EBITDA margin (up 128 bps YoY to 19.8%). PAT came in at ₹ 870 crore up by 81% while the company announced a dividend of ₹ 17.85/share (payout of 56%)	With strong topline growth in Q4, Asian Paints managed to clock 7% YoY revenue growth in FY21 despite lower sales in Q1. The company reported bottomline growth of 15% YoY in FY21 led by 100 bps YoY increase in EBITDA margin (at 22%). We believe strong decorative volume growth of Asian Paints would be largely on the back of its robust dealer network (~70,000 +), strong supply chain and market share gains from unorganised/regional players	

Pidilite	Pidilite's Q4FY21 performance was a mixed bag, where topline and PAT increased by 45% and 96% YoY to ₹ 2236 crore and ₹ 266 crore, respectively, largely on a lower base. On the margin front, gross margin saw a significant drop 455 bps YoY mainly due to higher input price	Despite a poor show in Q1, Pidilite reported almost 100% revenue and PAT recovery during FY21 along with ~140 bps YoY expansion in EBITDA margin (to 23%). The company has announced dividend of ₹ 8.5/share for FY21 (~40% payout). However, a sharp rise in input prices along with lockdown situation across the country is likely to hit near term demand and profitability of the company	
JSPL	Jindal Steel & Power (JSPL) reported operationally healthy performance for Q4FY21. Consolidated topline for Q4FY21 came in at ₹11881 crore, up 75% YoY, 13% QoQ. Consolidated EBITDA came in at ₹ 5287 crore, up 206% YoY, 24% QoQ. Consolidated EBITDA margin for Q4FY21 was at 44.5%, up 1900 bps YoY, 410 bps QoQ. Ensuing consolidated reported PAT (continuing operations) for Q4FY21 was at ₹1901 crore compared to ₹ 82 crore in Q4FY20	Q4FY21 performance was aided by healthy performance from the steel segment. For Q4FY21, JSPL's standalone division reported steel sales volume of 1.91 million tonnes (MT), up 37% YoY. Aided by healthy steel prices, standalone operations reported EBITDA/tonne of ₹25569/tonne (vs. ₹20902/tonne in Q3FY21). Standalone EBITDA for Q4FY21 was at ₹4884 crore, up 213% YoY, 25% QoQ. Also, JSPL continued its debt reduction drive in Q4FY21. Consolidated net debt was reduced by ₹ 3475 crore in Q4FY21 to ₹ 22146 crore as on March 31, 2021. Additionally, post March 31, 2021 net debt was further reduced by ₹ 2814 crore. Subsequently, consolidated net debt as on May 11, 2021 was at ₹ 19332 crore. JSPL has recently announced divestment of its thermal power business to reduce its debt further. In the coming quarters it intends to further strengthen its balance sheet and become net debt free in the near future	
HG Infra	HG Infra reported strong set of numbers during Q4FY21 with standalone topline up 65% YoY to ₹ 1,027.8 crore (vs. I-direct estimate of ₹ 772.8 crore; 24.1% growth), clearly reflecting the sharp pickup in execution. The EBITDA margin was at 16.2% during Q4 FY21 (down 8 bps YoY) – ahead of estimated EBITDA margin of 15.5%. Margin beat is likely backed by better project mix and lower contribution by sub-contracting projects. At net level, robust operating performance translated into 90.5% YoY growth (to ₹ 97.7 crore) in PAT	We currently have a positive outlook on HG Infra mainly on account of a) its comfortable order book position, b) better revenue visibility, c) healthy operating margin of 15%+, d) comfortable balance sheet position, e) controlled working capital cycle (driven by apt mix of private/government projects coupled with efficient project management) and f) healthy return ratios. We await management commentary on future outlook, order inflows target, impact of state-wise lockdown on key projects and commodity price rise, asset monetisation and guidance on recoveries from state government and private clients	

Sagar Cement	Sagar Cement reported revenue growth of 37.6% YoY to ₹ 417.7 crore led by 22.2% YoY to 1.02MT and 12.6% YoY increase in the realisations to ₹ 4084/t. EBITDA margins improved 1025 bps YoY to 25% leading to PAT of ₹ 49.8 crore vs. ₹1.2 crore last year	With improved traction in the infra space along with healthy retail demand, the company managed to improve its capacity utilisation to over 70% in AP. This along with better pricing led to healthy performance during the quarter	
Hindalco	Hindalco's wholly owned subsidiary Novelis reported healthy performance for Q4FY21. For the quarter, Novelis's net sales increased 33% YoY to US\$3.6 billion. The increase in topline was primarily driven by a 21% increase in shipments, favourable product mix and higher average aluminum prices. Adjusted EBITDA came in at US\$505 million, up 32% YoY (higher than our estimate of US\$475 million). The increase in adjusted EBITDA is due to higher organic volume, favourable metal benefits and a US\$60 million positive EBITDA contribution from the acquired Aleris business. The ensuing net income from continuing operations was at US\$180 million, up 186% YoY. Excluding special items in both years, Q4FY21 net income from continuing operations was US\$172 million, up 12% YoY	Novelis' Q4FY21 operational performance was better than our estimate. For the quarter, total flat rolled product (FRP) shipments were at 983 kilotonnes (KT), up 21% YoY (higher than our estimate of 950 KT). Growth in FRP shipments was aided by addition of the acquired Aleris business and record automotive and beverage can shipments, as well as continued strong demand for building and construction and other specialty flat rolled aluminum products. Adjusted EBITDA/tonne for the quarter was at US\$514/tonne, up 9% YoY (higher than our estimate of US\$500/tonne)	
Vardhman Special Steel	Vardhman Special Steel (VSSL) reported healthy set of numbers for Q4FY21. Topline for the quarter was at ₹334 crore, up 63% YoY, 16% QoQ. EBITDA came in at ₹ 52 crore, up 231% YoY, 32% QoQ. Ensuing PAT came in at ₹ 26 crore, up 639% YoY, 22% QoQ	In order to cover for abnormal increase in prices of raw material, VSSL had requested OEMs for interim price increase with effect from January 1, 2021. The request was met and the company was able to get interim price increase from OEMs. As VSSL was able to get an interim price hike with effect from January 1, 2021, it aided Q4FY21 performance. During Q4FY21, VSSL reported EBITDA margin of 15.6%, up 190 bps QoQ. Sequential improvement in EBITDA margin was on the back of QoQ decline in employee cost and other expenses (both as a percentage of sales). During Q4FY21, other expense (as percentage of sales) was at 24.8% compared to 27.3% in Q3FY21. Similarly, for Q4FY21 employee expense (as a percentage of sales) was at 5.5% compared to 6.2% in Q3FY21. For Q4FY21, raw material expense (as percentage of sales) was at 54.1% as compared to 52.7% in Q3FY21	

Apollo Tyres	Apollo Tyres reported healthy operational performance in Q4FY21. Total operating income on consolidated basis was at ₹ 5,026 crore, up 39.2% YoY & down 2.5% QoQ. EBITDA for the quarter stood at ₹ 815 crore (down 17.7% QoQ) with attendant EBITDA margins at 16.2% (down 300 bps QoQ). Consequent consolidated PAT for Q4FY21 came in at ₹ 287 crore, down 35.3% QoQ. The company also declared a dividend of ₹ 3.5/share for FY21	Results were better than our estimates with gross margin decline limiting to ~240 bps QoQ. The management sounded confident of healthy demand prospects over the medium and the long term, withstanding the near term Covid resurgence hiccups. Tight costs control, calibrated price hikes and premiumisation are seen mitigating some part of input RM costs pressure. It remained committed to B/S de-leveraging, sweating of existing assets and eventually attain double digit sustainable capital efficiency (RoCE)	
Lupin	Q4 revenues declined 1.6% YoY to ₹ 3783 crore. US revenues de-grew 5.3% YoY to ₹ 1495 crore amid weak flu season, whereas domestic formulations grew 7.9% YoY to ₹ 1287 crore tracking growth in both chronic and acute segments. South Africa grew 18.6% YoY to ₹ 210 crore amidst strong volume growth. API segment de-grew 22.2% YoY to ₹ 256 crore due to a weak flu season. EBITDA margins improved 502 bps YoY to 18.7% due to better product mix and one-time savings in staff cost. EBITDA grew 34.4% YoY to ₹ 708 crore. Adjusted net profit grew 42% to ₹ 460 crore	Q4FY21 operational performance was in line with I-direct estimates whereas profitability was above expectations due to higher other income and a lower tax outgo. As per the management, FY22 US sales would be largely driven by gProAir ramp-up and new launches such as Brovana. Domestic branded formulations are expected to grow in double digits in FY22. The resolution of warning letter and clearance of official action indicated (OAI)s status on plants could be the near term lever along with progress on margins front	
Voltas	Voltas reported a healthy Q4FY21 performance with consolidated topline and bottomline beating our estimates. Voltas' consolidated topline grew by ~27% YoY to ~ ₹ 2652 crore (Vs I-direct estimate: 19% YoY to ~ ₹ 2480 crore) led by revenue growth in all three segments. Overall EBITDA margin of the company increased by 328 bps YoY to 12.5% better than our estimate of 9.3%. Better than expected EBITDA margin was attributable to higher profits in the UCP and EMPS segments. PAT increased by 50% YoY to ~ ₹ 239 crore and announced a dividend of ₹ 5/share	We believe despite peak season sales loss in Q1, company's UCP division sales recovery at 87% for FY21 along with ~200 bps increase in EBIT margin (to 14%) are commendable. Voltas continues to be the market leader with YTD (till February'21) market share of 26%. However, sporadic lockdown in many states have again put challenges on the recovery path and industries are likely to see loss of ~50% of their peak season sales	
Polycab	Polycab reported a mixed bag of performance in Q4FY21. The company has reported a strong growth in topline and PAT, while gross margin was impacted due to sharp rise in input prices. Polycab's consolidated revenue increased by ~42% YoY at ~ ₹ 3037 crore led by 89% and ~37% YoY growth in the revenues of FMEG and wires & cables business to ₹ 347 crore and ₹ 2544 crore respectively. The gross margins declined by 520 bps YoY, resulting a flattish margin at 13.9% on a YoY basis. , PAT came in at ₹ ~283 crore up by ~32% YoY	For FY21, while company reported ~100% sales recovery, the PAT increased by 16% led by better margins. We believe, the company has witnessed strong sales recovery in both B2B and B2C category led by improved construction activities in H2FY21. However, gross margin pressure continues owing to sharp rise in input prices. We await management commentary on future demand outlook and scope of price hikes to offset inflationary pressure amid lockdown	

Vedanta	Vedanta reported a steady operational performance for Q4FY21. For Q4FY21, consolidated total operating income was at ₹ 28206 crore, up 43% YoY, 24% QoQ. Consolidated EBITDA for the quarter was at ₹ 9037 crore, up 99% YoY, 17% QoQ. Consolidated EBITDA margin for Q4FY21 was at 32% compared to 23% in Q4FY20 and 34% in Q3FY21. PAT before exceptional items was at ₹ 7013 crore	Vedanta's Q4FY21 consolidated topline was higher by 24% QoQ and 43% YoY, primarily due to higher volume at Aluminium business, Zinc India, Iron ore business, higher power sales at Talwandi Sabo power (TSPL) and improved commodity prices. EBITDA for Q4FY21 was higher by 17% QoQ and 99% YoY, primarily due to higher volume at Zinc India, Aluminium and Iron ore business and higher commodity and oil prices in Q4FY21, partially offset by higher Cost of production (CoP) at aluminium and steel business majorly due to input commodity inflation	↔
Saregama India	Saregama India's revenues for Q4FY21 increased 13.6% YoY to ₹ 123.5 crore with growth being led by TV & films segment which was 27.8% YoY. Carvaan sales volumes were up ~49% YoY to 110,000 units in Q4FY21, on a depressed base. EBITDA grew 59.9% YoY (down 14% QoQ) to ₹ 34.4 crore with EBITDA margin at 27.8% (up 806 bps YoY and down 205 bps QoQ, respectively)	The monetisation push led by digital consumption via streaming and social media platforms coupled with consistent cost discipline has improved margin profile. Thus, we now raise our margins estimates to 27.5%/27% for FY22/23 vs. 24/23% earlier. Sharp run-up in stock price (up 87% in last 3 months) already factors in all the positives and valuation is demanding at 22x FY23 P/E wherein margin could taper, going ahead with new content cost charge	↔
Mahindra Lifespace	Mahindra Lifespace reported sales volume decline of ~31% at 0.52 mn sq feet (down 18% YoY at 1.07 msf). On financial front, consolidated topline was down 45% YoY at ₹ 56 crore. PAT loss was ₹ 27.2 crore	Lifespace sales volume traction has picked up but still seems lower than industry peers. The overall execution needs a step up too for meaningful recovery. While management has ramped up by buying 3 new land parcels in Kalyan/Pune/Bengaluru, ramp up and launch will be key monitorable	↔
KEC International	KEC International has received new orders worth ₹ 1514 crore across its various businesses including ₹ 326 crore for T&D projects in India and Americas etc., ₹ 1035 crore in Civil business for construction of elevated viaduct along with stations for a metro project & civil works in two cement plants and ₹ 153 crore in Cable business	KEC received orders worth ₹ 11876 crore in FY21, up 5% YoY and is L1 in orders worth ~₹ 7000 crore. Further order conversions and new order wins would drive reasonable order intake for the year despite challenging environment indicating good revenue visibility in coming years. Also, stable working capital management, strong recovery in revenues, decent order inflows and further execution ramp-up to aid overall performance in the long run despite short term challenges	👍

Indian battery sector	The government has approved the Production Linked Incentive (PLI) Scheme i.e. 'National Programme on Advanced Chemistry Cell (ACC) Battery Storage'. It aims at achieving a manufacturing capacity of 50 Giga Watt Hour (GWh) of ACC and 5 GWh of "Niche" ACC with an total incentive outlay of ₹ 18,100 crore. ACC's are advance batteries that find application in consumer electronics, Electric Vehicles, advanced electricity grids, solar rooftop, etc. and are presently imported in India	The policy is aimed at developing the manufacturing footprint of this innovative and sunrise sector in India. The eligibility rules to benefit under the said policy include: (i) commissioning of manufacturing facility within a period of two years, (ii) achieve a domestic value addition of at-least 25%, (iii) mandatory investment of ₹ 225 crore /GWh within 2 Years and (iv) increase in domestic value addition to 60% within 5 Years. Our coverage companies i.e. Amara Raja Batteries and Exide Industries are likely to accrue little benefits out of new policy	
Dwarikesh Sugar	Dwarikesh Sugar reported a strong set of numbers for the quarter with 29.9% sales growth. Consolidated revenue witnessed a growth of 29.9% to ₹ 600 crore led by 25.6% growth in sugar sales & 100.5% growth in distillery sales. Sugar prices remained subdued during the quarter due to high inventory levels & peak crushing season. However, higher take-off in ethanol volumes & increasing proportion of B-heavy ethanol led to the 162 bps increase in operating margins. Operating profit witnessed a growth of 47.3% to ₹ 82.4 crore. With higher operating profit, stable interest cost, PBT grew by 70.5% to ₹ 63.3 crore. Net profit grew by slower 8.8% to ₹48.2 crore due to tax write back in base quarter	The 5 million tonnes of sugar export completed by industry in less than six months & 2 million tonnes of sugar sacrifice for ethanol production has given greater visibility for inventory reduction in next one year. Further, global prices have risen to 18 cents / lb, which would ensure that industry would be able to export even without sugar subsidy next year. Moreover, the industry is creating huge distillery capacities to divert more & more sugarcane for ethanol. This would result in sustainable earnings & cash flows for sugar companies in future	

Key developments (Continued...)

- Dr Reddy's' Q4FY21 revenues are likely to grow 5% YoY to ₹ 4669 crore. US formulations are likely to de-grow ~7% YoY to ₹ 1674 crore due to high base effect, lower injectable sales and the recent Atorvastatin calcium tablet recall. Domestic segment is expected to grow 28% YoY to ₹ 874 crore due to integration of Wockhardt portfolio (8% normalised growth). PSAI is expected to grow 5% YoY to ₹ 755 crore. EBITDA margins are likely to improve 64 bps YoY to ~22% with better gross margin performance being partly offset by higher other expenditure. However, PAT is expected to decline 25.8% to ₹ 580 crore mainly due to negative tax rate in base year
- Cipla's Q4FY21 Revenues are expected to grow 12.9% YoY to ₹ 4941 crore on the back of strong growth across domestic and international formulations. Domestic sales are expected at ₹ 1938 crore, up 12% YoY will be supported by Covid related product sales. Export formulations are expected to grow ~18.5% YoY with continued gProAir ramp-up in US and Covid related opportunities in RoW markets. API exports are expected to drop 20% YoY due to high base effect. EBITDA margins are expected to improve 657 bps to 21% YoY mainly due to better overall operational performance on the back of various cost-saving initiatives. Net profit is expected to more than double to ₹ 513 crore from ₹ 246 crore in Q4FY20 in-line with a strong operational performance
- For Q4FY21, we expect Jindal Stainless to report sales volume of 250000 tonnes (up 13% YoY, flattish QoQ). Consolidated topline is expected to come in at ₹3606 crore (up 17% YoY, 1% QoQ). Consolidated EBITDA is likely to come in at ₹478 crore (up 1% QoQ, 115% YoY). Consolidated EBITDA margin is likely to come in at 13.3% (13.2% in Q3FY21, 7.2% in Q4FY20). EBITDA/tonne (standalone) is likely to come in at ₹18000/tonne (₹17729/tonne in Q3FY21, ₹10015/tonne in Q4FY20). Ensuing consolidated PAT is likely to come in at ₹181 crore (up 6% QoQ)
- For Q4FY21, Balkrishna Industries is expected to report healthy sequential uptick in tyre volumes and decline in margin profile due to rise in commodity costs. Total tyre sales volume is expected at ~65,000 MT (up 12% YoY & 9% QoQ). Consequent net sales is expected at ₹ 1,641 crore (up 21% YoY & 9% QoQ). EBITDA margins are seen at 29.4%, down 230 bps QoQ. Ensuing PAT is expected at ₹ 298 crore (up 16% YoY, down 8% QoQ)

- Escorts is expected to report a steady performance in Q4FY21. Total tractor sales came in at 32,588 units (up 62% YoY, 3% QoQ). Construction equipment segment sales volume was at 1604 units (up 63% YoY, 28% QoQ). Consequent total operating income is expected at ₹ 2,178 crore (up 58% YoY, 8% QoQ). EBITDA margins are seen at 15.5%, down 250 bps QoQ. Ensuing PAT is expected at ₹ 255 crore (up 82% YoY, -11% QoQ)
- Oberoi Realty to report Q4 earnings today. We expect sales volumes to continue their sharp growth trajectory led by stamp duty cut and demand uptick. We bake in sales volumes growth of ~2.6x YoY at ~4.6 lakh sq feet on a benign base. On the financial front, it is likely to witness a sharp growth in revenue on account of depressed base and strong revenue recognition in residential segment. We expect topline to grow 53% YoY to ₹ 941.7 crore. Overall, we expect ORL net income to grow 23.9% YoY at ₹ 311 crore. Key Monitorable: Commentary on sales volumes, progress on new launches such as Thane & Exquisite-III in Goregaon
- CPI Inflation fell to 4.29% in April compared to 5.45% in March. The favourable base effect of last year attributed mostly to the decline. COVID related supply disruption last year led to higher prices last year. Food Inflation fell from 4.87% in March 2021 to 2.02% in April 2021. Within Food, like last month, predominantly Oil & fats, Meat & Fish, and Fruits contributed to the rise. MoM rise of pulses and to a lesser extent sugar is a cause of concern. In ex-food, favourable base effect impact of Transport was negated by negative base effect impact of Health and Fuel and Light (LPG). All other items fare lower due to positive base effect. Overall favourable base remain till November and therefore headline CPI not likely not rise significantly
- IIP (Index of Industrial Production) grew sharply by 22.4% in March 2021 on a lower base as nationwide lockdown in March 2020 had affected sectors' output. Manufacturing sector grew 25.8% YoY. Mining and power output grew 6.1% and 22.5% YoY respectively. Under use-based segments, Capital goods increased 41.9% YoY. Consumer durables grew 54.9% YoY while consumer non-durables grew 27.5%. IIP had declined 3.6% in February 2021 whereas it showed a contraction of 8.6% YoY during FY21
- JK Tyre reported muted operating performance at its subsidiary i.e. Cavendish Industries. Net sales for the quarter came in at ₹ 791 crore, flat QoQ while EBITDA for the quarter stood at ₹ 113 crore with operating margins at 14.3%, down 560 bps QoQ. Consequent PBT stood at ₹ 57 crore
- IEX registered strong performance for the exit quarter with revenue up 35% to ₹ 93.8 crore. The company posted volume to the tune of 22451 MUs during the quarter led by strong growth in DAM & RTM segments. Operating leverage aided EBITDA margins which expanded 90 bps on a QoQ basis and came in at 82.6%. Ensuing PAT came in at ₹ 60.9 crore, up 33.4% YoY and 4.7% QoQ
- Birla Corp reported mixed set of numbers for Q4FY21. While revenue increased sharply by 26.2% YoY to ₹2132.6 crore led by healthy sales volumes (Up 24.5% YoY, 17.4% QoQ to 4.17MT), EBITDA margin for the quarter declined by 200bps YoY to 18.4% led by higher raw material costs. EBITDA/t came in at ₹ 940/t that were down by 9% YoY (up 1.2% QoQ). On the positive side, company's capacity utilisation remained highest at over 108% for the quarter.
- Airtel Africa reported revenues of US\$ 1038 mn in constant currency, flattish QoQ, largely on expected lines. The EBITDA margins expanded by 50 bps QoQ to 47.4%, better than expectations of flattish margins. The company has announced 12% stake sale in Airtel Money for US\$ 300 mn, valuing it at US\$ 2.65 billion, while the whole of African entity market cap is just ~US\$ 3.1 bn, implying value unlocking potential ahead
- Mphasis reported Q4FY21 numbers. The company's dollar revenues increased 2.0% QoQ in constant currency terms to US\$342.2 million mainly led by 3.5% QoQ growth in direct revenues partially offset by 7.7% QoQ decline in DXC revenues. EBIT margin declined 30 bps QoQ to 16.1% due to higher selling expenses. The company's PAT declined 2.6% QoQ to ₹316.9 crore. The company reported subdued revenue growth on the back of decline in DXC & 4.3% decline in Banking & Capital market segment (50% of revenues). We would be revising our target price post the conference call today
- Happiest Minds reported healthy set of numbers. The company's dollar revenues increased 15.4% QoQ (of which organic revenues is 8.9% QoQ) to US\$30.2 million. The company's EBITDA margin declined 129 bps QoQ to 25.3% mainly led by wage hike and acquisition related cost. The company's PAT declined 14.5% QoQ to ₹ 36.1 crore. The company on go forward basis aspires to have 20% YoY organic growth in revenues and 22-24% in EBITDA margins
- Piramal Enterprise posted subdued set of numbers with consolidated revenues from operations showing flattish growth of 1.8% YoY to ₹3401 crore while the company posted a loss of ₹510 crore versus net profit of ₹799 crore in the previous quarter. Asset quality deteriorated as GNPA ratio increased to 4.5% versus 3.7% QoQ while Net NPA was up to 2.4% from 1.8% QoQ. No loans were restructured during the quarter as against ₹1741 crore QoQ. The company has total provisions to the tune of 6.3% of the loan book. Loan book was down 3.7% QoQ and 12.4% YoY to ₹44668 crore. The company has received an approval from the Competition Commission of India (CCI) to take over DHFL

- According to Nielsen, FMCG industry in India built a strong momentum growing at 9.4% in the January-March quarter before the second wave of Covid-19 infections hit the country. Rural and semi-urban markets continued their robust performance growing at 14.6% during the quarter, while metros that were lagging, registered a positive growth of 2.2% after two quarters. Consumption growth for both foods and non foods in the remained uniform. While foods basket received a boost from pricing uptick, mainly in staples categories such as edible oils and packaged tea, sales of non staples including biscuits, coffee, cheese and ketchup grew due to increased in-home consumption. On the other hand, non-food categories witnessed a dip in average pricing due to increased contribution of larger packs
- According to National Automated Clearing House data, in April 2021, 34.05% of auto-debit transactions have failed as compared to 32.76% in March. In absolute terms, in April of the 8.5 crore auto-debit transactions initiated, 5.6 crore were successful, while 2.9 crore failed. Rise in bounce rates is likely due to lockdowns imposed due to pandemic, which in-turn limits economic activity
- Mahindra & Mahindra along with its key suppliers would be investing ₹ 200 crore for setting up a dedicated plant for farm machineries at Pithampur in Madhya Pradesh. It would manufacture rice transplanters, potato planters and harvesters at the unit
- The Telecom Regulatory Authority of India (Trai) floated a discussion paper seeking views of stakeholders on whether to intervene in determining the validity period of telecom tariff offers or keep it under the forbearance regime. The regulator has received numerous complaints including ones where consumers said they were being made to do 13 recharges in a year for monthly plans, which is unfair as per them
- Despite the pandemic still ravaging the nation and its economy, NHAI has set an ambitious target to build new highways with a combined length of 4,600 km in FY22. NHAI constructed a record 4,192 km of highways in FY21, up from 3,979 km developed in FY20 and 3,380 km in FY19. Though the target for FY22 appears to be a tall order, NHAI believes that it could meet it with reliance on EPC projects and HAM projects. The authority has a robust stream of funds including budgetary outlays, borrowings, and the funds being realised through TOT route
- Royal Enfield would be undertaking production shutdown at its Chennai plants between May 13-16 in light of the Covid spread. In the ancillary domain, Bosch has halted production at its Nashik facility till May 23
- Torrent Pharma has entered into a royalty-free, non-exclusive voluntary licensing agreement with Eli Lilly for Baricitinib in India. The drug, approved by CDSCO for restricted emergency use, is used in combination with remdesivir for the treatment of hospitalized Covid-19 patients requiring supplemental oxygen, invasive mechanical ventilation, or extracorporeal membrane oxygenation (ECMO)
- Labour workforce for different infrastructure projects in the Gurugram city has reduced by up to 20% due to the lockdown, said NHAI officials. Due to this, three major projects of Dwarka Expressway, Delhi-Mumbai highway and Gurugram-Sohna flyover have been affected. Currently, delay in completion dates of the projects cannot be estimated as Covid-19 cases are still increasing, but work is being managed with the available workforce
- The US based Airbnb (online platform for lodging) beats Wall Street expectations for Q1 gross bookings and revenue on Thursday, as speedy COVID-19 vaccinations and easing restrictions encouraged more vacation rentals. Gross bookings jumped 52% to \$10.29 bn in Q1. It expects Q2 revenue to be similar to 2019 levels
- According to Times of India, there will be no change in wage levels for nearly 2 years. The US Department of Labour has delayed the decision to raise prevailing wage for H1B and green card holders until November 2022.
- Infosys has collaborated with RXR Realty to build and deploy a health and wellness solution running on Microsoft Azure
- BlueDart has formed BlueDart Med-Express consortium with the mission of delivering vaccines and emergency medical supplies to the remotest part of the country with Drones. The Ministry of Civil Aviation has granted the project with necessary exemptions to fly drone flights on an experimental basis in Telangana
- CRISIL Ratings has revised its rating outlook on the long term bank facilities of Sobha Limited to 'Stable' from 'Negative' and has reaffirmed the rating at 'CRISIL A+'. The short term rating has been reaffirmed at 'CRISIL A1'. The outlook revision reflects the belief that Sobha will maintain its credit risk profile over the medium term backed by steady saleability and collections, and gradual reduction in debt, supporting improvement in debt protection metrics
- Maharashtra government has extended measures restricting movement to curb spread of Covid-19 till June 1. This will continue to impact sales volume of Mahanagar Gas

Nifty Daily Chart

NIFTY[N59901] 14696.50, -1.04%
Price Avg (E, 100)



Technical Outlook

Equity benchmarks extended losses over second consecutive session amid weak global cues. The Nifty concluded Wednesday's session at 14697, down 154 points or 1%. The Nifty has not corrected for more than 2 consecutive sessions since mid-March 2021. In the current scenario as Nifty has already corrected over past 2 sessions, we expect supportive efforts to emerge near Wednesday's low (Spot-14650). Hence, in the coming session, we expect index to consolidate with a positive bias amid stock specific action. Hence use intraday dip towards 14645-14670 to create long for target of 14759.

The lack of faster retracement on either side signifies extended consolidation (14900-14400) that would help index to form a higher base. Contrary to our expectation, breakout above the upper band of consolidation (15000) has been delayed. Hence, any decline from hereon should be capitalised as incremental buying opportunity in quality large cap and midcap stocks. In the process, we expect broader markets to relatively outperform amid progression of Q4FY21 earnings.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Negative	48690.8	48437	48183	49057	49425
Nifty 50	Negative	14696.5	14622	14549	14796	14897
ACC Ltd	Positive	1740.6	1719	1697	1764	1787
Axis Bank Ltd	Positive	2556.2	2527	2499	2586	2617
GODREJ PROPERTIE	Positive	1240.4	1227	1215	1260	1281
SBI	Positive	367.7	363	356	374	380
GRANULES INDIA	Negative	336.7	328	319	353	367
CUMMINS INDIA	Positive	833.0	819	804	859	884
Tata Motors	Positive	326.0	317	308	336	345
JSW STEEL LTD	Negative	707.9	692	675	734	759
BHARAT HEAVY ELE	Positive	71.4	67	64	76	80
TCS	Negative	3087.6	3066	3044	3115	3142
HERO MOTOCORP LT	Positive	2840.2	2818	2795	2861	2881
CONTAINER CORP	Neutral	597.7	586	575	616	635
MAHINDRA & MAHIN	Negative	759.7	752	745	769	779
Reliance Industries	Negative	1913.2	1903	1892	1929	1944
AUROBINDO PHARMA	Negative	1017.3	1001	986	1035	1054
COAL INDIA LTD	Positive	153.5	150	147	158	163

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range Bound	Up
Support	14650-14590	14400
Resistance	14750-14800	15000
20 day EMA	0	14648.0
200 day EMA	0	13437.0

Advances/Declines

	Advances	Declines	Unchanged
BSE	1542	1537	154
NSE	887	1088	61

Daily Technical Calls

Daily Technical Calls

1. Buy Titan in the range of 1455.00-1458.00
2. Sell M&M Financial in the range of 154.00-155.00

All recommendations of May Future

[See Momentum Pick for more details](#)

Intraday Derivative Strategy

i) Lupin

Buy LUPIN May Fut at | 1218.00-1220.00

CMP: 1214.95

Target 1: 1229.6 Target 2: 1245.5

Stop Loss: 1208.4

ii) Godrej Properties

Sell GODPRO May Fut at | 1239.00-1241.00

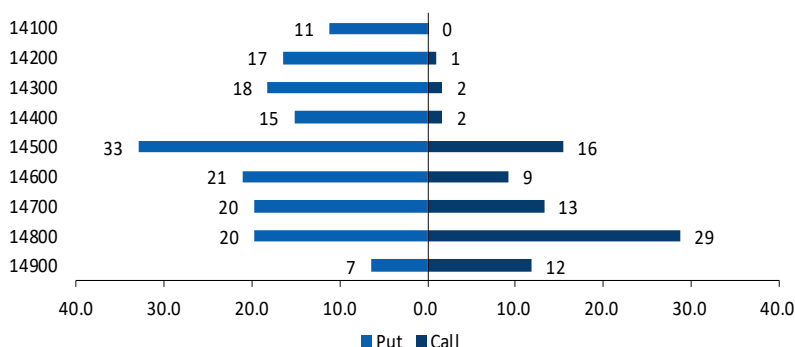
CMP: 1246.35

Target 1: 1226.2 Target 2: 1205.4

Stop Loss: 1253.8

[See Derivatives view for more details](#)

Nifty Call - Put Strike (Number of shares in lakh) - May, 2021



Results/Events Calendar

Source/Events Calendar											
26	April Monday	27	April Tuesday	28	April Wednesday	29	April Thursday	30	April Friday	01	May Saturday
Tech Mahindra HDFC Life Insurance Castrol,Schaeffler SBI Cards		Nippon India AMC,VST Ind. HDFC AMC,Axis Bank,Sanofi Bajaj Fin.,United Breweries Syngene, Maruti Suzuki India Hindustan Zinc		Bajaj Finserv,Biocon CPCL KPIT Tech,KPR Mill Mastek,Tata Communications US Fed Int. Rate		Zensar,Bajaj Auto,Titan Persistent Systems Ltd. Exide Ind, Mahindra Logistics Ambuja Cement,Inox Leisure Sterlite Tech., Laurus		Trent,Sonata,Ajanta Pharma Accelya,Indian Hotels Yes Bank, IndusInd Bank Reliance Industries IN Federal Fiscal Deficit			
03	May Monday	04	May Tuesday	05	May Wednesday	06	May Thursday	07	May Friday	08	May Saturday
Varun Beverages,Kotak Bank SBI Life Insurance Tata Chemicals,Supreme Ind EU Manufacturing PMI US Manufacturing PMI		Alembic Pharma LTI, Adani Gas Adani Ports, IIFL Securities Greaves Cotton US Trade Balance		JM Financial,Quess Corp Blue Dart, Oracle,Shalby Angel Broking,Tata Steel EU PPI MoM EU Services PMI		Hero MotoCorp,Hikal Tata Consumer Products P&G Health,Caplin Point Coforge,EU Retail Sales CH Trade Balance		Kansai Nerolac HDFC Bank Dabur,Navine Fluorine Grindwell Norton UltraTech Cement		IDFC First Bank Avenue Supermarts Bandhan Bank DCB	
10	May Monday	11	May Tuesday	12	May Wednesday	13	May Thursday	14	May Friday	15	May Saturday
Intellect Zydess Wellness CH CPI YoY CH PPI YoY		Firstsource Matrimony,Siemens Ltd. Huhtamaki KEC International,Granules Kalpataru Power		Voltas,Pidilite,Asian Paints,JSPL Saregama India,Apollo Tyres Sagar Cement,Happiest Minds Mahindra Lifespace,HG Infra Dwarikesh Sugar,Birla Corp.,Lupin		Mphasis,IEX US PPI MoM Vedanta,Polycab Vardhman Special Steel		Dr.Reddy's,SKF India,Escorts Balkrishna Ind.,Automotive Axles Cipla,Gokaldas Exp,Just Dial Anup Eng.,Oberoi Realty L&T, Jindal Stainless		Geojit Financial	
17	May Monday	18	May Tuesday	19	May Wednesday	20	May Thursday	21	May Friday	22	May Saturday
GRSE,MRPL 3i Infotech,Federal Bank Butterfyl Gandhimati Wabco India Bharti Airtel		Tata Motors,Torrent Pharma PI Industries,Abbott India Jyothy Labs, Aarti Ind. Jindal Stainless Hisar Minda Corp., Brigade Ent.		JM Financial,IOC TCI Express,JK Tyre Endurance Technologies EU CPI YoY, JP Imports JP Exports		Havells India,KNR Const. Relaxo Footwear,Zee Ent. Music Broadcast,Bosch Ltd. JP Manufacturing PMI EU Current Account		Shree Cements,Shoppers Stop Birlasoft,Hindalco,Concor Elgi Equip., South Indian Bank EU Manufacturing PMI EU Services PMI		Amara Raja Batteries Rallis	
24	May Monday	25	May Tuesday	26	May Wednesday	27	May Thursday	28	May Friday	29	May Saturday
Mahanagar Gas		CAMS,Indoco Transport Corporation Of India Indoco, US New Home Sales US CB Consumer Confidence		CH Industrial Profits YoY		Sun Pharma Page Industries Gujarat Pipavav US GDP QoQ JP Unemployment Rate		Shree Digvijay Cement TV Today,ABFRL Sudarshan Chemicals Sumitomo Chemicals EU Consumer Confidence			

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
10-May	CPI YoY	CH	Apr	0.9%	0.4%
10-May	PPI YoY	CH	Apr	6.8%	4.4%
11-May	Foreign Reserves	JP	Apr	1378.5B	1368.5B
12-May	Industrial Production	EU	Mar	0.1%	0.7%
12-May	CPI YoY	IN	Apr	4.3%	4.2%
12-May	Industrial Production	IN	Mar	22.4%	17.5%
12-May	Manufacturing Output	IN	Mar	25.8%	-
12-May	CPI YoY	US	Apr	0.8%	0.2%
12-May	Crude Oil Inventories	US	Apr	-0.421M	-
12-May	Federal Budget Balance	US	Mar	-226.0B	-220.0B
13-Apr	Initial Jobless Claims	US	Mar	473K	490K
Date	Event	Country	Period	Expected	Previous
14-Apr	WPI Inflation	IN	Apr	9.0%	7.4%
14-Apr	Exports	IN	Apr	-	30.21B
14-Apr	Imports	IN	Apr	-	45.45B
14-Apr	Trade Balance	IN	Apr	-15.20B	15.24B

Result Previews

Company	Revenue	Chg(%)	EBITDA	Chg(%)	PAT	Chg(%)
Cr	Q4FY21E	YoY	Q4FY21E	YoY	Q4FY21E	YoY
Jindal Stainless	3,606.0	17.0	1.0	478.0	115.0	1.0
Dr.Reddy's	4,669.4	5.0	-5.5	1,026.2	8.1	90.3
SKF India	874.1	43.3	6.8	161.7	161.4	-10.4
L&T	29,159.0	7.0	48.6	3,061.7	16.7	64.3
Cipla	4,940.7	12.9	-4.4	1,039.9	64.1	-15.5
Oberoi Realty	941.7	78.5	13.7	433.2	16.9	13.3

Recent Releases

Date	Report
May 13, 2021	Company Update- Sonata Software
May 13, 2021	Result Update- Kalpataru Power
May 13, 2021	Result Update- KEC International
May 13, 2021	Company Update- Matrimony.com Ltd.
May 13, 2021	Company Update- FirstSource Solutions



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