

Market Outlook

Indian markers are likely to open weak tracking profit booking pressure in global markets and a slow start to Asian peers. Global news flows and earnings outcome of domestic companies would be key monitorables for today's trade.

Markets Yesterday

- Domestic markets ended higher on the back of positive news flows on the Covid vaccine front, better-than-expected earnings reports and positive global cues
- US markets ended lower dragged by a sharp decline in tech giants

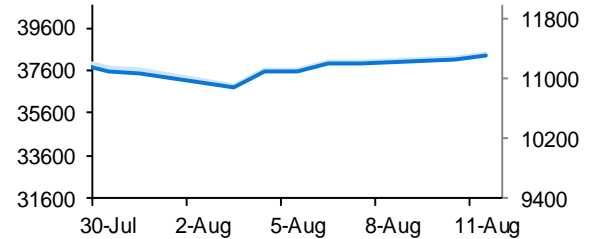
Key Developments

- We expect pure play CV maker Ashok Leyland's Q1FY21E performance to reflect weakness in the industry segment. Total volumes for the quarter were at 3,814 units, a drop of 90% YoY. The product mix turned severely adverse, with MHCV: LCV ratio at ~27:73 vs. ~66:34 QoQ. Consequent standalone net sales for the quarter are seen at ₹ 500 crore, down 91.2% YoY. Negative operating leverage is expected to result in a loss at the EBITDA level of ₹ 301 crore, with loss after tax expected at ₹ 385.4 crore
- Aurobindo Pharma's Q1FY21 revenues are expected to grow ~12% YoY to ₹ 6070 crore on the back of 10% growth in the US, mainly due to strong currency benefit despite expected decline in injectables tracking Covid-related impact on US hospitals. This growth is likely to be further accelerated through steady growth in Europe supported by currency gains. EBITDA margins are likely to increase 34 bps to 21.5%. PAT is expected to grow 18% YoY to ~₹ 765 crore

Today's Highlights

Results: Ashok Leyland, Aurobindo Pharma, Aster DM, Bharat Forge, Brigade Enterprise, Century Plywood, eClerx, Graphite India, Gulf Oil, Natco Pharma, TCI, Thermax, NCC, Firstsource, Wabco, Gandhi Special Tubes

Index Movement



— BSE (LHS) — NSE (RHS)

| | Close | Previous | Chg (%) | MTD(%) | YTD(%) | P/E (1yrfwd) |
|--------|--------|----------|---------|--------|--------|--------------|
| Sensex | 38,407 | 38,182 | 0.6 | 2.1 | -6.9 | 24.4 |
| Nifty | 11,323 | 11,270 | 0.5 | 2.2 | -7.0 | 23.8 |

Institutional Activity

| | CY18 | CY19 | YTD CY20 | Yesterday | Last 5 Days |
|-----------|---------|--------|----------|-----------|-------------|
| FII (₹cr) | -68,503 | 40,893 | -57,147 | 1,014 | 1,981 |
| DII (₹cr) | 107,388 | 44,478 | 81,290 | -1,416 | -2,503 |

World Indices – Monthly performance

| Kospi | Dow Jones | NSE | BSE | Germany |
|--------|-----------|--------|--------|----------|
| 2,419 | 27,687 | 11,323 | 38,407 | 12,947 |
| 12.5% | 6.2% | 5.1% | 5.0% | 2.5% |
| Nikkei | Nasdaq | France | U.K. | Shanghai |
| 22,750 | 10,783 | 5,028 | 6,154 | 3,340 |
| 2.1% | 1.6% | 1.2% | 1.0% | -1.3% |

Nifty Heat Map

| | | | | | | | | | |
|--------------|----------------|-----------------|---------------|---------------|----------------|---------------|----------------|---------------|-----------------|
| Zee Ent. | 160 5.7% | Axis Bank | 448 3.9% | JSW Steel | 254 3.5% | BPCL | 429 3.4% | Indusind Bank | 522 2.5% |
| ITC | 203 2.1% | HDFC Ltd | 1,827 1.5% | Tata Steel | 416 1.5% | HDFC Bank | 1,067 1.5% | Adani Ports | 335 1.1% |
| ICICI Bank | 367 1.0% | Wipro | 280 0.8% | Reliance Ind. | 2,134 0.7% | Coal India | 130 0.7% | SBI | 195 0.6% |
| Maruti | 6,649 0.6% | Bajaj Finserv | 6,440 0.6% | Bajaj Auto | 3,007 0.5% | Bajaj Finance | 3,457 0.4% | Eicher | 21,443 0.4% |
| Asian Paints | 1,790 0.4% | Hero Moto | 2,713 0.4% | Kotak Bank | 1,365 0.3% | Vedanta | 126 0.3% | GAIL | 97 0.3% |
| Hindalco | 179 0.2% | L&T | 962 0.2% | HUL | 2,211 0.2% | M&M | 630 0.1% | NTPC | 88 0.1% |
| Ultratech | 3,969 0.0% | IOC | 87 -0.1% | TCS | 2,280 -0.1% | Power Grid | 177 -0.2% | Nestle | 16,623 -0.3% |
| Infosys | 948 -0.3% | Sun Pharma | 541 -0.5% | ONGC | 78 -0.8% | TechM | 675 -1.0% | HCITech | 684 -1.2% |
| Tata Motors | 122 -1.3% | Bharti Infratel | 194 -1.4% | Bharti Airtel | 551 -1.4% | Grasim Ind | 624 -1.5% | Britannia | 3,880 -1.6% |
| Dr Reddy | 4,596 -2.0% | Cipla | 778 -2.2% | UPL | 482 -2.5% | Titan | 1,066 -3.7% | Shree Cement | 21,530 -3.9% |

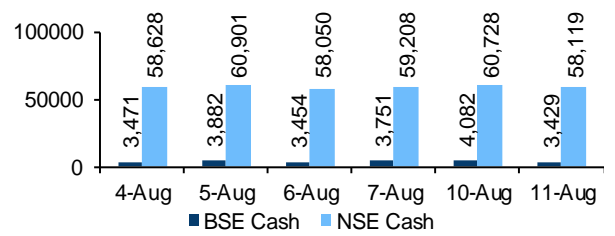
Markets Today (ADR & currency Data not updated)

| Commodities | Close | Previous | Chng (%) | MTD(%) | YTD(%) |
|-------------------|--------|----------|----------|--------|--------|
| Gold (₹10 gm) | 53,639 | 54,946 | -2.4 | -0.4 | 37.2 |
| Silver (₹kg) | 72,713 | 75,394 | -3.6 | 11.9 | 55.7 |
| Crude (\$/barrel) | 44.8 | 44.5 | 0.6 | 4.9 | -31.2 |
| Copper (\$/tonne) | 6,386 | 6,397 | -0.2 | -0.4 | 4.0 |
| Currency | | | | | |
| USD/INR | 74.8 | 74.7 | 0.2 | 0.1 | -4.5 |
| EUR/USD | 1.2 | 1.2 | 0.5 | 0.1 | 5.2 |
| USD/YEN | 106.1 | 106.2 | -0.1 | -0.2 | 2.4 |
| ADRs | | | | | |
| HDFC Bank | 46.1 | 46.5 | -0.8 | -1.3 | -27.2 |
| ICICI Bank | 10.0 | 9.6 | 3.5 | 6.1 | -34.0 |
| Tata Motors | 8.2 | 7.9 | 3.7 | 20.4 | -36.5 |
| Infosys | 12.6 | 12.6 | -0.1 | -2.0 | 22.0 |
| Dr Reddys Labs | 62.3 | 60.8 | 2.5 | 2.5 | 53.5 |
| Wipro | 4.2 | 4.2 | 0.5 | -2.1 | 12.8 |

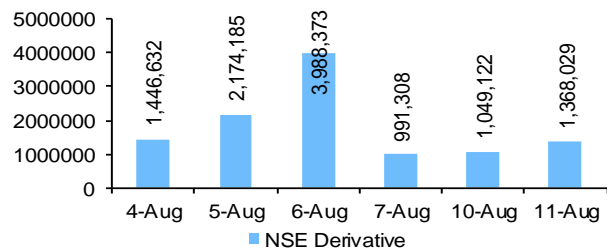
Key Data Points

| Key Economic Indicator | Period | Latest | Prior Values |
|--------------------------|--------|--------------|--------------|
| RBI Cash Reserve Ratio | N/A | 3.00% | 4.00% |
| RBI Repo Rate | N/A | 4.00% | 4.40% |
| RBI Reverse Repo Rate | N/A | 3.35% | 3.75% |
| CPI Yy | Jun | 6.09% | 5.84% |
| Current Account Balance | Q1 | -0.6bn \$ | -1.4bn \$ |
| Exports - USD | Jun | 21.91 bln\$ | 19.05 bln\$ |
| FX Reserves, USD Final | Jun | 517.64 bln\$ | 506.8 bln\$ |
| GDP Quarterly yy | Q1 | 3.10% | 4.70% |
| GDP Annual | FY 20 | 4.20% | 6.10% |
| Imports - USD | Jun | 21.11 bln \$ | 22.2 bln \$ |
| Industrial Output yy | Jun | -34.70% | -55.50% |
| Manufacturing Output | Jun | -39.30% | -64.30% |
| Trade Deficit Govt - USD | Jun | 0.79 bln \$ | 3.15 bln \$ |
| WPI Food yy | May | 1.10% | 2.60% |
| WPI Fuel yy | May | -19.83% | -10.12% |
| WPI Inflation yy | May | -3.12% | - |
| WPI Manuf Inflation yy | May | -0.42% | - |

Exchange Cash Turnover (₹ crore)



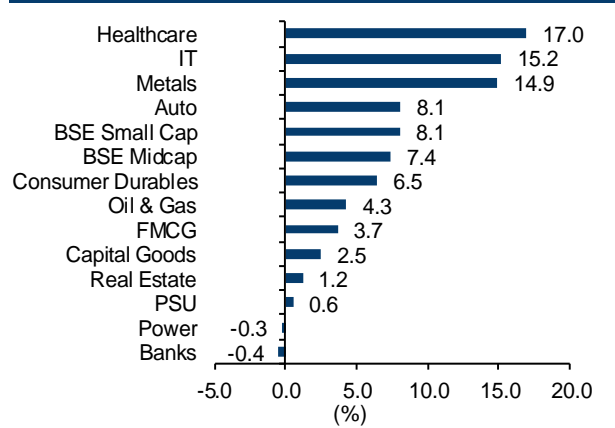
NSE Derivative Turnover (₹ crore)



Corporate Action Tracker





| Security name | Action | Ex Date | Record Date | Status | Price (₹) |
|-----------------------|----------|-----------|-------------|---------|-----------|
| Sun Pharma | Buyback | | | Ongoing | 425.00 |
| Sterlite Technologies | Buyback | | | Ongoing | 150.00 |
| Oriental Carbon | Dividend | 11-Aug-20 | - | | 6.00 |
| Dabur | Dividend | 13-Aug-20 | - | | 1.60 |
| Escorts | Dividend | 13-Aug-20 | - | | 2.50 |
| Maruti Suzuki | Dividend | 13-Aug-20 | - | | 60.0 |
| NTPC | Dividend | 13-Aug-20 | 14-Aug-20 | | 2.65 |
| TTK Prestige | Dividend | 13-Aug-20 | - | | 20.00 |
| Hawkins Cooker | Dividend | 14-Aug-20 | 17-Aug-20 | | 80.00 |
| Varun Beverages | Dividend | 14-Aug-20 | 17-Aug-20 | | 2.50 |




Sectoral Performance – Monthly Returns (%)



Key News for Today

| Company/ Industry | News | View | Impact |
|-------------------|---|---|--------|
| Adani Ports | Adani Ports announced its Q1FY21 results. While revenues de-grew 18% YoY to ₹ 2293 crore, driven by 27% decline in cargo volumes to 41.4 MMT. EBITDA margins (ex-forex) contracted 673 bps to 59.2%, leading to 26% decline in absolute EBITDA to ₹ 1358 crore. Subsequently, PAT declined 26% to ₹ 758 crore | Post Q1, July saw 6% YoY growth in cargo volumes to 18.3 MMT. The management expects stabilisation in volumes in the next two months. Krishnapatnam port acquisition is expected to be completed in the current quarter (already received CCI approval) | |

| | | | |
|--|---|---|---|
| <p>Ratnamani Metals and Tubes (RMTL)</p> | <p>RMTL reported a mixed Q1FY21 performance. Topline came in higher than our estimate while EBITDA margin came in lower than our estimate. PAT came in broadly in line with our estimate. For Q1FY21, net income from operations was at ₹ 578 crore (down 2% YoY, 8% QoQ), higher than our estimate of ₹ 517 crore. EBITDA margin came in at 12.7% (15.3% in Q4FY20, 17.5% in Q1FY20), lower than our estimate of 15.0%. Subsequent EBITDA came in at ₹ 74 crore (down 29% YoY) vs. our estimate of ₹ 78 crore. PAT was at ₹ 50 crore (down 21% YoY), broadly in line with our estimate of ₹ 52 crore</p> | <p>EBITDA margins came in lower than our estimate due to higher sales volume of carbon steel business, which is relatively a lower margin business compared to stainless steel business. However, with a gradual opening up of the economy, going forward, we expect stainless steel volumes to improve from Q1FY21 levels</p> |  |
| <p>VST Tiller and Tractors (VST)</p> | <p>VST reported a healthy performance in Q1FY21. Net sales in Q1FY21 were at ₹ 146 crore, up 5% YoY. EBITDA for the quarter came in at ₹ 16 crore with corresponding EBITDA margins at 11%. PAT for the quarter was at ₹ 17 crore, up 48% YoY. Higher PAT in Q1FY21 was supported by relatively better margin profile and higher other income</p> | <p>Power tiller sales volumes in Q1FY21 were at 5836 units, up 16% YoY while tractor sales volume was at 1689 units, flat YoY. With power tiller imports now under restricted category and robust farm sentiments domestically, the company is well poised to report a healthy financial performance, going forward</p> |  |
| <p>Indoco Remedies</p> | <p>Q1FY21 revenues grew 9.2% YoY to ₹ 276 crore with export formulations growing ~60% YoY to ₹ 95 crore partly offset by 9% YoY decline in domestic formulations to ₹ 147 crore. EBITDA margins expanded 877 bps YoY to 17.6% on account of better gross margins performance and lower travel and promotional expenses. Subsequent EBITDA grew 117.1% YoY to ₹ 48.7 crore. PAT for the quarter came in at ₹ 17 crore vs. ₹ 1.8 crore in Q1FY20</p> | <p>After going through rough patches in FY18-19, where the company faced headwinds on the domestic front (structural issues) and the exports front (regulatory setbacks) the situation is returning to normalcy. While FY21 growth in the domestic market is likely to be subdued on account of Covid-19, with easing logistical challenges and removal of ban on Paracetamol, good traction on the exports front is expected to continue with regulatory overhangs (except WL to Goa I) waning. With better visibility, we expect the company to maintain consistency in coming quarters</p> |  |
| <p>Somany Ceramics</p> | <p>Somany Ceramics reported a weak set of numbers in Q1FY21, as expected, as Covid-19 led lockdown disrupted both production and dealers/retailers channels throughout the quarter. The company reported a steep tiles volume decline of 56% resulting in topline decline of 57.2% YoY at ₹ 169.4 crore. Lower topline driven negative leverage led to a loss at EBITDA levels of ₹ 11.6 crore (vs positive EBITDA of ₹ 30.3 crore in base quarter). The bottomline, given the loss at EBITDA level also remained in the red with loss of ₹ 22 crore vs. PAT of ₹ 7.4 crore in Q1FY20</p> | <p>Somany has had a challenging last couple of years with weak volume growth in FY20, and exceptional losses in the last two years. The discretionary nature of the product could mean a longer timeline for recovery with interim pain accentuated by debt (FY20 D/E of 0.8x)</p> |  |

| | | | |
|-----------------|---|---|---|
| Ashoka Buildcon | Ashoka Buildcon's performance was a mixed bag in Q1FY21. It reported weak execution (revenues down 35% YoY), as expected, owing to Covid-19 led challenges. However, better-than-expected reported margins (largely due to lower other expenses) that were up 180 bps YoY to 14.3%, led to superior bottomline, up 11.9% YoY to ₹ 68.1 crore (our estimate: ₹ 18.1 crore) | While reported numbers were ahead of estimates, we await details such as debt, order book and post unlock execution traction. Furthermore, the lack of clarity over Macquarie exit remains an overhang coupled with weak outlook in the near term |  |
| Symphony | Symphony's Q1FY21 performance was hit by almost 40 days of revenue loss due to lockdown in India. Lower operating leverage (in the absence of volume growth) resulted in losses at the EBITDA level during Q1FY21 | First two months of Q1FY21 were impacted by lockdown situation in various states in India. However, the company is confident of normalisation of inventory at dealer level by Q2FY21. On the international front, business condition at Mexico and Australia were less impacted by pandemic but lockdown situation in these countries also impacted sales. With earnings in the short-term expected to be negatively impacted, Symphony through its robust balance sheet and strong brand is expected to recovery sooner than competition |  |
| Inox Leisure | The Inox benefit trust has sold its entire stake of 4.23% (43.5 lakh shares) in Inox Leisure via bulk deals at ₹ 233 per share amounting to ~₹ 101 crore | We believe funds raised through the bulk deal will be used for working capital needs/debt repayment and future capex once cinemas reopen. In the near term, this will augment Inox's liquidity position and make the balance sheet stronger |  |

Key developments (Continued...)

- IIP contracted for a fourth consecutive month amid the Covid pandemic. However, post lifting of nationwide lockdown, the decline slowed down to 16.6% in June as opposed to a 34% decline in May. Manufacturing sector contracted 17.1% YoY. Mining & power output declined 19.8% and 10% YoY, respectively. However, due to the pandemic situation, June IIP numbers are not comparable to the previous data
- For Bharat Forge, total operating income is expected to drop 70% YoY to ₹ 403 given the weakness in most of the company's core business segments, viz. domestic CV, global CV and oil & gas. Revenues from India are seen declining 80% YoY to ₹ 111 crore while revenues from outside India are expected to drop 63% YoY to ₹ 283 crore. Margins are expected to come under pressure on account of negative operating leverage. Consequently, overall EBITDA margins are seen at 3.1%, with loss at PAT level of ₹ 71.4 crore
- Hindalco's wholly-owned subsidiary, Novelis will report quarterly numbers today for Q1FY21. We expect it to report sales volume of 700 KT compared to 811 KT in Q4FY20 & 830 KT in Q1FY20. Furthermore, during the quarter, we expect Novelis to report EBITDA/tonne of US\$325/tonne compared to US\$436/tonne in Q4FY20 & US\$448/tonne in Q1FY20
- For Q1FY21E, we expect Graphite India (GIL) to report a muted performance on account of Covid-19 related concerns leading to muted demand from the user industry. During the quarter, global, domestic demand of graphite electrodes was impacted by partial closure of steel capacities and lower steel production. For Q1FY21E, we expect GIL to report capacity utilisation of 30% (75% in Q1FY20, 41% in Q4FY20). For the quarter, we expect GIL to report a consolidated topline of ₹ 335 crore (down 65.4% YoY, 44.4% QoQ). We expect the company to report consolidated EBITDA loss of ₹ 70 crore and consolidated net loss of ₹ 68 crore
- We expect Brigade Enterprises' sales volumes to decline ~55% YoY to 5.1 lakh sq ft with April and May first week being complete washout. On the financial front, with lower residential revenues recognition, we expect the topline to de-grow 50.4% YoY to ₹ 351.9 crore, also impacted by lockdown effect on hospitality and mall portfolio. Overall, at the PAT level, we expect losses given the sharp decline in operating profits. Key monitorable: Outlook on business and status of operations post lockdown lifting

Key developments (Continued...)

- Labour and lockdown effects in April will haunt the execution rate for NCC in Q1. Hence, we expect topline to de-grow 51.4% YoY to ₹ 1062.9 crore. EBITDA margin is expected to contract 260 bps YoY to 9.5% due to negative operating leverage. Overall, losses are expected at PAT level. Key monitorable: Management commentary on order inflows, execution, status on Andhra Pradesh orders, receivables and net debt
- Motherson Sumi (MSSL) reported a soft Q1FY21 performance. Consolidated revenues fell 49% YoY to ₹ 8,504 crore (standalone down 77% YoY, SMR down 51%, SMP down 45% and PKC down 43%). MSSL posted loss at consolidated EBITDA level of ₹ 630 crore amid sequential increase in all cost heads. All segments reported EBIT loss, however EBITDA losses at SMP greenfield plants were at the lowest level in the past five quarters. Consequent consolidated loss at PAT level came in at ₹ 810 crore vs. profit of ₹ 332 crore in the base quarter
- Bosch Ltd reported weak overall Q1FY21 results amid muted OEM volumes for the quarter. Net revenues came in at ₹ 992 crore (down 64% YoY), with automotive segment revenues down 65.6% YoY to ₹ 813 crore. The company reported loss at EBITDA level of ₹ 103 crore, with automotive EBIT loss at ₹ 309 crore. All chief cost items rose on percentage of sales basis. Consequent reported loss at PAT level was at ₹ 121 crore, with Bosch booking exceptional charges towards restructuring and transformational projects worth ₹ 197 crore
- Star Cement's revenue for Q1FY21 fell 36.4% YoY to ₹ 297.8 crore. EBITDA margins dipped 162 bps YoY to 23.9%, coming in as negative surprise. As a result, PAT also dropped sharply by 48.2% YoY to ₹ 43.3 crore
- Metropolis' Q1FY21 revenues de-grew 29.6% YoY to ₹ 143 crore with the full impact of Covid-19 coming in. EBITDA margins dropped to 8.5% from 26.9% in Q1FY20 due to negative operating leverage. EBITDA fell 77.9% to ₹ 12.1 crore. Adjusted PAT fell 91.4% YoY to ₹ 2.9 crore. The significant drop in numbers is in sync with other diagnostic players basically undone by Covid related challenges and other costs pressure besides lower voluntary testing
- Sanghi Industries reported a weak set of numbers with sharp fall of 46% YoY in the revenues, as western region was severely impacted by Covid and resultant lockdown. Though margins improved 100 bps YoY to 25%, net profit also declined sharply by 84% YoY to ₹ 6.0 crore due to weak revenues
- As per Siam data, total domestic auto sales declined 29% YoY to 17.15 lakh units in July 2020. PV volumes dipped 3.9% to 1.82 lakh units, while 2-W volumes fell by 15.2% to 12.81 lakh units (motorcycles down 5%, scooters down 36%) and 3-W volumes dropped 77.2% to 12,728 units
- The board of directors of Minda Industries has approved a rights issue amounting to ₹ 250 crore (1 crore shares @ ₹ 250 each) in the entitlement ratio of 1:27 i.e. one share each for every 27 shares held in the company. It would entail equity base dilution of ~4%, with total post issue shares at 27.2 crore. The record date for the same is August 17, 2020
- For July 2020, JSW Steel crude steel production fell 5%YoY & increased 9%MoM to 12.46 million tonne (MT) (13.17 MT in July 2019 & 11.44 MT in June 2020). Furthermore, during the month, production of rolled products: flat, increased 4% YoY, 17% MoM to 9.40 MT (9.08 MT in July 2019, 8.04 MT in June 2020) & rolled products: long, fell 24%YoY & increased by 46%MoM to 2.4 MT (3.16 MT in July 2019 & 1.65 MT in June 2020)
- In a major relief for Jindal Steel & Power (JSPL), the Delhi High Court has directed the Reserve Bank of India (RBI) to allow JSPL to remit about \$55 million (around ₹ 411 crore) to its Mauritius-based subsidiary. However, the court has in its order said that the relief is conditional and JSPL will have to furnish the undertaking from the board of director that if for some reason this court passes a direction to the company to deposit the remitted amount of around \$90 million, the company will immediately deposit the same amount in the court. The company is seeking to remit a total \$90 million to its subsidiary Jindal Steel & Power (Mauritius) to meet its debt obligation, which the company was supposed to pay by June 30, 2020
- As per media sources, Icra expects moratorium to decline to 10-15% by H2FY21 vs. 10-60% during morat phase II. Of the 10-15% morat, slippages for FY21 is estimated at 3-4%, 5-8% would be restructured loan book while the balance 2-3% would become overdue loans
- As per media reports, Telecom Regulatory Authority of India (Trai) is not satisfied with the replies of Vodafone Idea and Bharti Airtel regarding the premium plans as many of the technical details sought by it remain unanswered. It says that both operators gave presentations to Trai officials but were unable to answer key technical questions asked by the regulator. The operators have now sought more time to provide the details
- Fitch Ratings expects the recent RBI announcement for restructuring of loans to extend uncertainty over the banking sector's asset quality. Restructuring of loans would provide banks more time to build capital buffers to address the crisis on their loan portfolios. As per the rating agency, most of the banks would struggle to maintain a CET 1 ratio of 6.125% under a high stressed scenario. However, delaying recognition of NPA could provide some short-term support to the economy by stimulating credit growth
- Coal India (CIL) said that five trade unions of CIL who had served notice of one-day strike on CIL and its subsidiaries on August 18, 2020 against proposed divestment or buyback of shares have withdrawn their strike
- Lupin has launched Zileuton extended-release tablets, 600 mg in US. The drug, indicated for treating asthma, had US annual sales of ~US\$40 million as per IQVIA MAT June 2020

Key developments (Continued...)

- As per media sources, the Andhra Pradesh government has requested Railways to extend its dedicated freight corridor connectivity to ports in the state till Vijayawada. AP has four ports in the pipeline for development by 2024: the Bhavanapadu Port in Srikakulam District, the Kakinada SEZ Port in East Godavari, the Machilipatnam Port in Krishna District and the Ramayapatnam Port in Prakasham District
- As per media sources, B9 Beverages (maker of craft beer Bira) is in talks with Kirin Holdings (Japan biggest beer maker) to sell a stake of up to 20% in the company. The deal has the potential to mark the entry of another MNC in the Indian beer sector (dominated by UB, AB InBev and Carlsberg)
- As per media sources, over 50 American tech companies, including Microsoft, Amazon and Facebook, have filled a brief supporting the lawsuit challenging the temporary ban on entry of non-immigrant visa holders in US
- Petronet LNG has invoked Force Majeure on nine cargoes with suppliers during lockdown. The company said Dahej terminal is operating at full capacity (~63 mmscmd) in June post lockdown while Kochi terminal is operating at 19.2% utilisation
- The Bombay High Court will hear a plea filed by broadcasters against Trai's directives regarding NTO 2.0 today (August 12)
- PVR said that ₹ 300 crore raised through rights issue will be mainly used to meet working capital needs (cinema maintenance, electricity, etc) and partly for debt repayment obligations
- Crisil has reaffirmed AAA/Stable rating to State Bank of India's Tier II Bonds worth ₹ 10000 crore

Nifty Daily Chart

NSE NIFTY [N59901] 11322.25, 11373.60, 11299.15, 11322.50, 2584594688 0.46%

Price Avg(S,200)



Source : www.SpiderSoftwareIndia.Com

Technical Outlook

Equity benchmarks extended gains over sixth consecutive session and ended the Tuesday's session at five months high. The Nifty settled at 11323, up 0.5% or 52 points. In the coming session, Nifty future is likely to open on a subdued note tracking muted global cues. However, we expect Nifty future to hold key support of 11200. Hence, intraday dip towards 11185-11210 should be used to create long position for target of 11298

Key point to highlight is that, Nifty took six sessions to retrace preceding four sessions decline (11341-10882), indicating lack of faster retracement on either side amid overbought placement of daily and weekly stochastic oscillator (currently placed at 86 and 84, respectively) which makes us believe index would extend the ongoing healthy consolidation in the broad range of 10900-11400. Meanwhile, we expect broader markets to continue to outshine the equity benchmarks. Hence, temporary breather from hereon should not be construed as negative, instead be capitalised as incremental buying opportunity in quality stocks.

Pivot Points

| Index/Stocks | Trend | Close | S1 | S2 | R1 | R2 |
|---------------------|----------|---------|-------|-------|-------|-------|
| SENSEX | Positive | 38407.0 | 38294 | 38182 | 38537 | 38668 |
| Nifty 50 | Positive | 11322.5 | 11290 | 11258 | 11365 | 11406 |
| ACC Ltd | Positive | 1412.6 | 1397 | 1381 | 1432 | 1451 |
| Axis Bank Ltd | Positive | 448.0 | 438 | 429 | 453 | 459 |
| HINDALCO INDS | Positive | 179.0 | 175 | 172 | 184 | 190 |
| SBI | Positive | 195.1 | 193 | 192 | 196 | 198 |
| HINDUSTAN PETRO | Neutral | 215.3 | 213 | 210 | 219 | 222 |
| MUTHOOT FINANCE | Neutral | 1174.2 | 1160 | 1147 | 1188 | 1203 |
| Tata Motors | Positive | 122.3 | 120 | 119 | 125 | 127 |
| MRF LTD | Negative | 61460.5 | 61070 | 60680 | 62170 | 62880 |
| BAJAJ AUTO LTD | Positive | 3007.5 | 2982 | 2957 | 3046 | 3085 |
| TCS | Negative | 2279.9 | 2266 | 2253 | 2302 | 2325 |
| ITC LTD | Positive | 203.1 | 200 | 196 | 208 | 212 |
| CIPLA LTD | Neutral | 778.0 | 764 | 750 | 797 | 816 |
| PIRAMAL ENTERPRI | Negative | 1473.8 | 1455 | 1435 | 1500 | 1525 |
| Reliance Industries | Negative | 2133.8 | 2102 | 2071 | 2162 | 2191 |
| BHARTI AIRTEL | Negative | 551.1 | 548 | 544 | 558 | 564 |
| EQUITAS HOLDINGS | Negative | 50.7 | 49 | 48 | 52 | 54 |

CNX Nifty Technical Picture

| Nifty 50 | Intraday | Short Term |
|-------------|-------------|-------------|
| Trend | Range Bound | Range Bound |
| Support | 11200-11160 | 10900 |
| Resistance | 11280-11320 | 11400 |
| 20 day EMA | 0 | 10899.0 |
| 200 day EMA | 0 | 10586.0 |

Advances/Declines

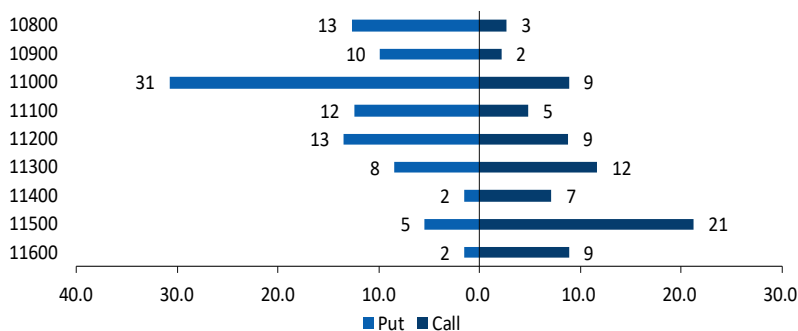
| | Advances | Declines | Unchanged |
|-----|----------|----------|-----------|
| BSE | 1579 | 1179 | 161 |
| NSE | 1058 | 833 | 92 |

Daily Technical Calls

- Daily Technical Calls**
- Buy Dabur India in the range of 509.00-511.00
 - Sell Manappuram Finance in the range of 157.50-158.00
- All recommendations of August Future

[See Momentum Pick for more details](#)

Nifty Call - Put Strike (Number of shares in lakh) - August 2020



Intraday Derivative Strategy

i) Voltas

Buy VOLTAS AUG Fut at ₹610.00-612.00
 CMP: 611
 Target 1: 617 Target 2: 626
 Stop Loss: 605

ii) Interglobe Aviation

Sell INTAVI AUG Fut at ₹939.00-941.00
 CMP: 940
 Target 1: 928 Target 2: 910
 Stop Loss: 952

[See Derivatives view for more details](#)

Results/Events Calendar

| 27 | July Monday | 28 | July Tuesday | 29 | July Wednesday | 30 | July Thursday | 31 | July Friday | 01 | August Saturday |
|--|---------------|---|----------------|---|------------------|--|-----------------|---|---------------|---|-----------------|
| Marico, Bharat Elec., Escorts United Spirits, Havells India Bharti Infratel, Pfizer, Tech Mah. Kotak Mahindra Bank, VGuard Royal Orchid, Orient Electric | | Nestle, IDFC First, Hexaware Orient Cem., Quesc Corp Sunteck Realty, NIIT Tech, Castro Oriental Hotels, Indulnd Bank UltraTech Cement, Sanofi | | Mahindra Lifespace, SIS Dr. Reddy, GSK, Bharti Airtel Sagar Cement, Colgate, Mastek Maruti Suzuki, Navin Fluorine Phoenix Mills, MM Forging | | Dabur, JM Fin., Tata Comm., HDFC Ltd., Torrent Pharma Mahindra Logistics, Apcotex Ajanta Pharma, Essel Propack Dhampur Sugar, Hester Bios | | IOC, Blue Dart, Tata Metaliks Jagran Prakashan, SBI, MOSL Sun Pharma, Zydus Wellness Tata Chemicals, Tata Motors Saregama, Teamlease | | Relaxo Footwear | |
| 03 | August Monday | 04 | August Tuesday | 05 | August Wednesday | 06 | August Thursday | 07 | August Friday | 08 | August Saturday |
| VST Ind., Kansai Nerolac Exide Industries Bank of India UK Manufacturing PMI EU Manufacturing PMI | | Tata Consumer Prod., Astral Poly Taj GVK Hotels, PI Industries Gujarat Gas, Grindwell Norton Narayana Hrudayalaya, MRPL Varun Beverage, Hikal | | Birla Soft, Inox Leisure Cadila Healthcare, Adani Gas Jyothy Labs, Hawkins Cooker Dwarikesh Sugar, Apollo Tyres JK Lakshmi cement | | HPCL, GSPL, JK Tyre Gujarat Pipavav Port, Lupin VSSL, Sumitomo Chemicals Torrent Power, Indian Hotels Pidilite Ind., Vodafone Idea | | TV Today, Balrampur Chini Mahanagar Gas, Ramco Cem. Container Corp., DCB Bank Kajaria Cera., Sobha Ltd., Bata M&M, Cipla, Gabriel Ind, Abbott | | DCB Bank Divi's Labs Affle India Wonderla Holidays Shaily Engineering | |
| 10 | August Monday | 11 | August Tuesday | 12 | August Wednesday | 13 | August Thursday | 14 | August Friday | 15 | August Saturday |
| TTK Prestige, Bank of Baroda Sonata Software, Shree Cement Titan, IPCA Labs, KEC Int., HEG Action Const., Caplin Point Triveni Eng., Cochin Shipyard | | Indoco Remedies, Symphony AIA Eng., Somany Ceramics VST Tillers Tractors, Bosch Ltd. Ador Welding, Bajaj Electricals Ashoka Buildcon, Ratnamani | | Ashok Leyland, Bharat Forge Graphite Ind., Brigade Ent., Eclerx Century Plyw., Aurobindo Pharma Gulf Oil Lubricants, Aster DM, NCC Natco Pharma, Thermax, TCI | | Tata Steel, DB Corp, APL Apollo Eicher Motors, Greaves Cotton Hero Motocorp, BPCL, GAIL Engineers Ind., Trent., Timken Shankara, City Union Bank | | United Breweries, Voltas, NTPC Berger Paints, Glenmark, NESCO Hindalco, Elgi Equip., Indian Bank Greenply Industries, Sun TV Bodal Chemical, KSB Ltd. | | JP GDP QoQ | |
| 17 | August Monday | 18 | August Tuesday | 19 | August Wednesday | 20 | August Thursday | 21 | August Friday | 22 | August Saturday |
| Hind Rectifier JP Industrial Production MoM EU Reserve Assets | | KNR JP Exports, JP Imports JP Trade Balance | | EU Current Account UK CPI (YoY) EU CPI (YoY) | | EU Construction Output JP Manufacturing PMI | | EU Manufacturing PMI EU Services PMI UK Retail Sales (MoM) US Manufacturing PMI | | JP Manufacturing PMI EU Consumer Confid. | |
| 24 | August Monday | 25 | August Tuesday | 26 | August Wednesday | 27 | August Thursday | 28 | August Friday | 29 | August Saturday |
| UK Retail Sales (MoM) | | US Consumer Confidence | | CH Industrial Profit YTD CH Industrial Profit (YoY) | | M3 Money Supply YoY US GDP (QoQ) US GDP Price Index | | US Personal Income US Goods Trade Balance EU Consumer Confidence US Personal Spending EU Consumer Inflation Exp | | | |

Major Economic Events this Week

| Date | Event | Country | Period | Actual | Expected |
|--------|-----------------------------|---------|--------|----------|----------|
| 11-Aug | Unemployment Rate | UK | June | 3.9% | 4.2% |
| 11-Aug | Industrial Production (YoY) | IN | July | -16.6% | -20.0% |
| 11-Aug | Manufacturing Output | IN | June | -17.1% | -- |
| 11-Aug | PPI (MoM) | US | July | 0.6% | 0.3% |
| Date | Event | Country | Period | Expected | Previous |
| 12-Aug | GDP (YoY) | UK | June | -22.5% | -1.7% |
| 12-Aug | Manufacturing Production | UK | June | 10.0% | 8.4% |
| 12-Aug | CPI (YoY) | IN | July | 6.2% | 6.1% |
| 12-Aug | Core CPI (MoM) | US | July | 0.2% | 0.2% |
| 12-Aug | Crude Oil Inventories | US | July | -- | -7.737M |
| 13-Aug | Initial Jobless Claims | US | July | 1,140K | 1186K |
| 13-Aug | Industrial Production (YoY) | CH | July | 4.7% | 4.8% |
| 14-Aug | WPI Inflation (YoY) | IN | July | -1.1% | -1.8% |
| 14-Aug | Exports | CH | July | -0.6% | 0.5% |
| 14-Aug | Trade Balance | IN | July | -- | -0.79B |
| 14-Aug | Industrial Production (MoM) | US | July | 3.0% | 5.4% |
| 14-Aug | Retail Sales | US | July | 1.8% | 7.5% |
| 14-Aug | FX Reserves | IN | July | -- | 534.57B |

Result Preview

| Company | Revenue Chg(%) | | | EBITDA Chg(%) | | | PAT Chg(%) | | |
|--------------------|----------------|-------|-------|---------------|-------|-------|------------|-------|-------|
| | Q1FY21E | YoY | QoQ | Q1FY21E | YoY | QoQ | Q1FY21E | YoY | QoQ |
| Graphite India | 334.7 | -65.4 | -44.4 | -69.7 | PL | NA | -67.7 | PL | LP |
| Brigade Enterprise | 351.9 | -50.4 | -44.7 | 70.3 | -61.4 | -48.0 | -31.0 | PL | PL |
| Aurobindo Pharma | 6,070.1 | 11.5 | -1.4 | 1,304.1 | 13.3 | -0.9 | 765.0 | 18.0 | -8.7 |
| Thermax Ltd. | 716.4 | -48.6 | -45.9 | 28.7 | -71.1 | -54.9 | 22.0 | -65.0 | -43.7 |
| Bharat Forge | 403.0 | -70.0 | -54.0 | 12.0 | -96.0 | -89.0 | -71.0 | PL | -3.0 |
| NCC | 1,062.9 | -51.4 | -51.3 | 101.4 | -62.0 | -63.8 | -35.5 | PL | PL |
| Ashok Leyland | 500.0 | -91.0 | -87.0 | -301.0 | PL | PL | -385.0 | PL | PL |

Recent Releases

| Date | Report |
|-----------------|--|
| August 11, 2020 | Result Update- Triveni Engineering |
| August 11, 2020 | Company Update – Sonata Software |
| August 11, 2020 | Result Update - KEC International |
| August 11, 2020 | Result Update – Bank of Baroda |
| August 11, 2020 | Result Update – IPCA Laboratories |



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