

## Market Outlook

Indian markets are likely to open in the green on the back of positive global cues supported by better-than-expected developed markets economic data. However, global news flows and domestic earnings will be key monitorables.

## Markets Yesterday

- Domestic markets ended marginally lower amid release of soft domestic factory output data and mixed global cues
- US markets ended higher tracking strength in technology stocks and the US government's purchase of an experimental Covid vaccine

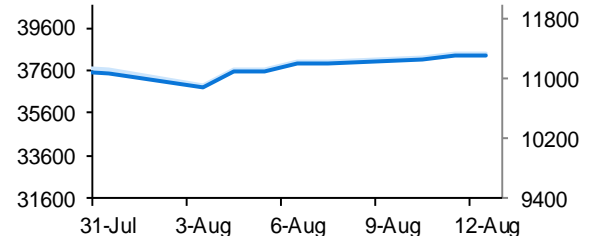
## Key Developments

- India's fuel demand fell 11.7% YoY to 15.67 MMT in July due to a spike in Covid-19 infections leading to localised lockdowns. It declined 3.5% compared to June 2020. Petrol demand fell 10.3% YoY to 2.26 MMT while diesel demand fell 19.3% YoY to 5.52 MMT
- Bombay High Court will give its decision regarding a plea filed by broadcasters against NTO 2.0 implementation on 24 August. The court has also said Trai cannot take any coercive action against broadcasters till final verdict is announced. In other news, DPOs have expressed disappointment over partial implementation of NTO 2.0
- Brent crude oil prices increased 2.2% to US\$45.5/bbl on August 12 on news of reduction in US crude oil inventories

## Today's Highlights

Results: Hero MotoCorp, Tata Steel, BPCL, Gail, Eicher Motors, Engineers India, ABFRL, APL Apollo, DB Corp, Greaves Cotton, Balkrishna Industries, Shankara Building, Timken, Trent, City Union Bank

## Index Movement



— BSE (LHS) — NSE (RHS)

	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	38,370	38,407	-0.1	2.0	-7.0	26.3
Nifty	11,308	11,323	-0.1	2.1	-7.1	26.4

## Institutional Activity

	CY18	CY19	YTD CY20	Yesterday	Last 5 Days
FII (₹cr)	-68,503	40,893	-56,795	351	2,291
DII (₹cr)	107,388	44,478	80,350	-940	-3,253

## World Indices – Monthly performance

Kospi	Dow Jones	Nasdaq	NSE	BSE
2,432	27,977	11,012	11,308	38,370
13.1%	7.3%	6.0%	5.0%	4.9%
Nikkei	Germany	U.K.	France	Shanghai
22,844	13,059	6,280	5,073	3,319
2.5%	2.0%	1.7%	0.3%	-1.9%

## Nifty Heat Map

ICI Tech	717 4.9%	SBI	203 4.2%	Eicher	22,117 3.1%	TechM	692 2.6%	Tata Motors	125 2.5%
Hero Moto	2,774 2.3%	Adani Ports	341 1.9%	Maruti	6,730 1.2%	JSW Steel	257 1.2%	UPL	487 1.1%
Zee Ent.	161 0.9%	M&M	635 0.9%	Ultratech	4,000 0.8%	GAIL	98 0.8%	Axis Bank	451 0.7%
Infosys	955 0.7%	Power Grid	178 0.7%	ITC	204 0.6%	Bajaj Auto	3,023 0.5%	NTPC	89 0.5%
Asian Paints	1,797 0.4%	Grasim Ind	626 0.3%	Bharti Infratel	195 0.2%	ICICI Bank	367 -0.1%	Indusind Bank	521 -0.3%
HDFC Bank	1,064 -0.3%	Reliance Ind.	2,128 -0.3%	ONGC	78 -0.4%	Tata Steel	415 -0.5%	Nestle	16,541 -0.5%
Bharti Airtel	548 -0.6%	HDFC Ltd	1,814 -0.7%	HUL	2,195 -0.7%	Shree Cement	21,379 -0.8%	Titan	1,056 -0.9%
TCS	2,257 -1.0%	Coal India	129 -1.1%	Bajaj Finance	3,418 -1.1%	Wipro	276 -1.2%	L&T	950 -1.3%
Bajaj Finserv	6,357 -1.3%	IOC	86 -1.4%	Sun Pharma	532 -1.6%	Dr Reddy	4,518 -1.7%	BPCL	422 -1.7%
Vedanta	123 -1.8%	Hindalco	176 -1.8%	Britannia	3,810 -1.8%	Cipla	762 -2.0%	Kotak Bank	1,335 -2.2%

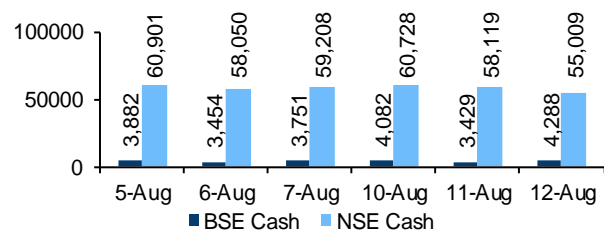
## Markets Today (ADR & currency Data not updated)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹10 gm)	52,280	51,929	0.7	-3.4	32.9
Silver (₹kg)	66,976	66,934	0.1	2.1	42.0
Crude (\$/barrel)	45.4	45.4	-0.2	4.3	-31.6
Copper (\$/tonne)	6,433	6,386	0.7	-0.6	3.8
Currency					
USD/INR	74.8	74.9	-0.1	0.0	-4.6
EUR/USD	1.2	1.2	0.3	-0.1	5.0
USD/YEN	106.9	107.3	-0.4	-1.0	1.6
ADRs					
HDFC Bank	47.0	46.1	2.0	0.6	-25.8
ICICI Bank	10.1	10.0	1.8	8.0	-32.8
Tata Motors	8.1	8.2	-1.3	18.8	-37.4
Infosys	12.6	12.6	0.3	-1.7	22.4
Dr Reddys Labs	61.3	62.3	-1.7	0.8	51.0
Wipro	4.3	4.2	0.5	-1.6	13.3

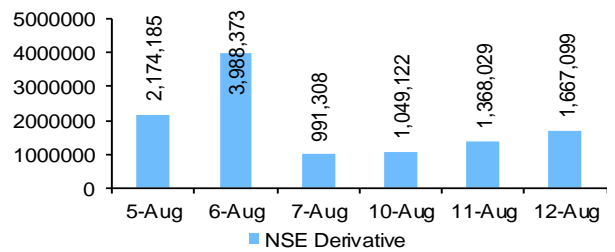
**Key Data Points**

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)**



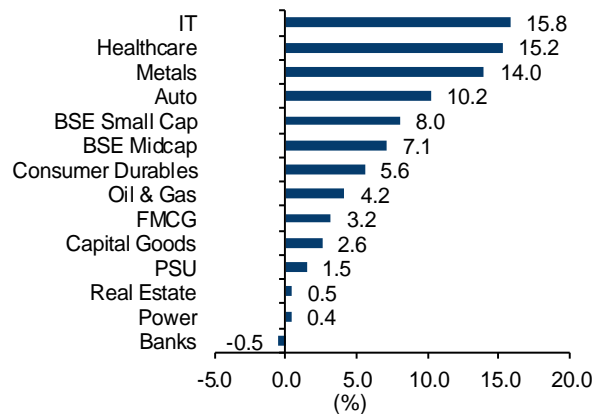
**NSE Derivative Turnover (₹ crore)**



**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 (%) (Not updated)**











**Key News for Today**

Company/ Industry	News	View	Impact
Ashok Leyland	Ashok Leyland reported a muted operational performance in Q1FY21. Revenues declined 88.5% YoY to ₹ 651 crore tracking 90% drop in total volumes to 3,814 units. It posted loss at EBITDA level of ₹ 333 crore, with loss after tax at ₹ 389 crore	Rise in ASPs during the quarter to ₹ 17.1 lakh/unit was a significant surprise given product mix deterioration ( M&HCV to LCV mix at 27:73 for quarter vs. 67:33 in base quarter). Margin performance was heavily impacted by negative operating leverage while jump in interest costs further crimped profitability. We await management commentary on demand outlook but the overall demand picture remains bleak over the medium term, especially on the M&HCV side	

<p>Hindalco</p>	<p>Novelis (Hindalco's subsidiary), reported a steady performance for Q1FY21. During the quarter, the company had completed Aleris acquisition on April 14, 2020 and Q1FY21 performance includes the acquired business. Shipments for quarter were at 774 KT (down 7% YoY), impacted by weak market conditions, partly offset by addition of the acquired Aleris business. Net sales were at US\$ 2.4 billion, down 17% YoY. Adjusted EBITDA fell 32% YoY to US\$253 million. Adjusted EBITDA/tonne was at US\$327/tonne (our estimate of US\$325/tonne). Ensuing net loss from continuing operations was at US\$61 million. Excluding tax-effected special items in both years, for the quarter net income was US\$22 million, down 85% YoY</p>	<p>Going forward, in terms of key business verticals, the beverage can segment is resilient in North America, Europe and is witnessing an improving trend in South America. Within automotive segment, US, European OEMs resumed operations in May 2020 and are rebuilding inventories. Chinese market was a bright spot that achieved record shipments in Q1FY21 (aided by traction in electric vehicle segment). However, overall automotive shipments were down 50% YoY in Q1FY21. Within specialities, strength was seen in EV battery enclosure, foil but softness in demand was seen in the heat exchanger segment. Aerospace segment saw reduced output levels on muted demand. Going forward, in a normalised scenario, for combined operations (Aleris + Novelis), the company guided for a sustainable EBITDA/tonne of US\$450-475/tonne (over medium term and inclusive of synergy benefits)</p>	
<p>Aurobindo Pharma</p>	<p>Q1FY21 revenues grew 8.8% YoY to ₹ 5925 crore (I-direct estimate: ₹ 6070 crore) mainly due to 15.6% YoY growth in the US to ₹ 3107 crore. EU business de-grew 5.0% YoY to ₹ 1322 crore. ARV segment grew 33.6% YoY to ₹ 426 crore. API segment grew 6.6% YoY to ₹ 780 crore. EBITDA margins remained flat YoY at 21.2% (I-direct estimate: 21.5%) as higher gross margins were offset by higher staff costs and other expenditure. EBITDA grew 9.2% YoY to ₹ 1257.4 crore against I-direct estimates of ₹ 1304.1 crore. Adjusted PAT grew 20.4% YoY to ₹ 780.6 crore (I-direct estimate: ₹ 765 crore). Delta vis-à-vis EBITDA was due to lower interest cost and higher other income (including ₹ 22.2 crore in forex gain)</p>	<p>Q1 results were in line with I-direct estimates on all fronts. Aurobindo possesses one of the best enduring generics ecosystem among peers (vertically integrated model, lower product concentration) to withstand the volatility in the US generics space. The company has also significantly improved its debt position utilising additional cash freed up from foregoing the Sandoz deal. While a few other plants still remain under the USFDA scrutiny, the clearance for a critical plant (Unit IV) indicates that the company continues to work towards stricter adherence. We will be revisiting our estimates after the conference call</p>	
<p>Graphite India</p>	<p>Graphite India reported subdued Q1FY21 numbers wherein it reported a consolidated loss at EBITDA and PAT level. During the quarter, the performance was impacted by inventory write down taken by the company. For Q1FY21, it reported a consolidated topline of ₹ 409 crore (down 58 % QoQ, 32 % YoY), compared to our estimate of ₹ 335 crore. The Consolidated EBITDA loss was at ₹ 131 crore (our estimate of consolidated EBITDA loss of ₹70 crore) while net consolidated net loss was at ₹ 78 crore (our estimate of consolidated net loss of ₹ 68 crore). During the quarter, Graphite India recognised it was carrying inventory on net realisable value (NRV) basis to the extent applicable and has accordingly taken a charge of ₹ 159 crore on cost of inventory. This resulted in negative EBITDA and net loss for the quarter</p>	<p>Graphite India's Q1FY21 performance was impacted by ₹ 159 crore of inventory write down taken by the company. Also, during the quarter, lower steel production impacted both graphite electrode demand and pricing. Going forward also, graphite electrodes demand and realisation is expected to remain under pressure, as destocking of graphite electrodes inventory at customer end is happening at a slower pace than anticipated</p>	

<p>Navneet Education</p>	<p>Given the highly seasonal nature of the business (55%, 65% of total revenues, profitability, respectively, derived from Q1), delays in schools reopening had a material impact on Q1FY21. Publication revenue fell 71% YoY to ₹ 124 crore. Owing to temporary closure of stores and cancellation in export orders, revenues from stationery segment fell 45% YoY to ₹ 201 crore. Overall revenues fell 59% YoY to ₹ 324.9 crore. Rationalisation of fixed overheads (employee &amp; other expenses down 15%, 58% YoY, respectively) curtailed EBITDA decline, to a certain extent. Ensuing EBITDA fell 66% YoY to ₹ 78 crore (EBITDA margin: 24%). PAT declined 66% YoY to ₹ 51 crore</p>	<p>Publication segment for the remainder of the year is heavily dependent on schools re-opening. With schools expected to re-open from September in a phased manner, the company has started receiving orders from distributors and traders. While certain revenues may get deferred to Q2/Q3, entire revenue loss may not be recouped in FY21E. Revenue from stationery exports (80% of stationery segment) declined 40% YoY to ₹ 154 crore owing to cancellation of few orders. However, the management expects exports to grow in the remainder of the year backed by orders. On the New Education Policy, 2020, the management believes there are opportunities given changes in curriculum starting from 2021. Leverage position remains at comfortable levels (D/E: 0.3x)</p>	
<p>Thermax</p>	<p>Thermax reported a weak Q1FY21 performance. Consolidated revenue was at ₹ 665 crore, down 52.2% YoY (vs. our estimate of ₹ 716.4 crore) on the back of slower execution owing to Covid-19 lockdowns. Consolidated order inflow for the quarter was at ₹ 608 crore down 50% YoY. The company registered a loss of ₹ 11.4 crore at EBITDA level (vs. EBITDA of ₹ 99.1 crore in Q1FY20). Consolidated loss after tax came in at ₹ 15.3 crore (vs. PAT of ₹ 62.8 crore in Q1FY20), partly impacted by 6.8% YoY increase in depreciation</p>	<p>Thermax' weak execution performance was reflection of subdued order inflows and order backlog and disruption in dispatches &amp; execution amid lockdowns while margins further deteriorated due to higher operating expenses amid Covid-19. However, strong balance sheet, prudent working capital management to provide a competitive advantage amid challenging environment</p>	
<p>Natco Pharma</p>	<p>Q1FY21 revenues grew 14.4% YoY to ₹ 563 crore. Export formulations grew 13.8% YoY to ₹ 274 crore. Domestic formulations de-grew 23.4% YoY to ₹ 126 crore. API segment sales doubled YoY to ₹ 144 crore. EBITDA margins declined 849 bps YoY to 30.4% mainly due to significantly lower gross margin performance partially offset by lower employee cost and other expenditure. EBITDA de-grew 10.6% YoY to ₹ 171.1 crore. Net profit de-grew 14.2% YoY to ₹ 122.8 crore</p>	<p>Q1 results were above I-direct estimates on all fronts. The next big US approval will be gRevlimid while there are handful of other US approvals and launches lined up. However, given the current trend in US wherein the niche opportunities being specifically targeted by USFDA to encourage more generic players, this funnel is getting squeezed. In this backdrop, going ahead management is looking to increase focus towards specific markets- India, Brazil, Canada, China and agrochemical segment, to increase their cumulative revenue contribution to 70-80% in the next two to three years</p>	
<p>Wabco India</p>	<p>For Q1FY21, net sales came off by 74% YoY to ₹ 166 crore. The company posted loss at EBITDA level of ₹ 28.5 crore while loss after tax stood at ₹ 31.3 crore</p>	<p>Wabco's poor performance tracked domestic as well as global CV weakness in the Covid impacted quarter, with negative operating leverage weighing on margins and profitability. The company remains richly valued at CMP despite unsupportive fundamentals courtesy existing open offer post acquisition of global parent Wabco Holdings Inc, USA by ZF Friedrichshafen of Germany</p>	

Gandhi Special Tubes	The company reported muted performance in Covid-19 impacted quarter. Net sales in Q1FY21 stood at ₹ 11 crore, down 54% YoY. EBITDA for the quarter stood at ₹ 2.6 crore with corresponding EBITDA margins at 23.7%. Ensuing PAT in Q1FY21 stood at ₹ 3.1 crore, down 45% YoY	Decline in sales is largely owing decline in industry volumes in the CV as well as construction equipment space. The company however possesses sound financial health and is well poised to encash demand recovery going forward	
Transport Corporation of India (TCI)	TCI announced its Q1FY21 results which were above I-direct estimates on all fronts. Revenues de-grew 46% YoY to ₹ 328 crore. EBITDA margins contracted mere 69 bps to 8.5%. Subsequently, absolute EBITDA declined 51% to ₹ 28 crore. Reported PAT de-grew 67% to ₹ 10 crore but came much above our estimate of a loss of ₹ 24 crore	Amid steep volume de-growth, TCI has shown efforts in managing the EBITDA margins. For the month of July, the Freight business has normalised to above 80% levels, while the SCS and shipping segment continue to scale up, with the revival in their customer operations	
Aster DM	Q1FY21 revenues de-grew 13.2% YoY to ₹ 1760.6 crore with the full impact of Covid-19 coming in this quarter. India revenues de-grew 19.2% YoY to ₹ 299 crore whereas GCC revenues de-grew 11% YoY to ₹ 1524 crore. EBITDA margins contracted 291/944 bps YoY/QoQ to 8.1% due to negative operating leverage. Subsequently, EBITDA de-grew 36.2% YoY to ₹ 142.7 crore. Net loss for the quarter stood at ₹ 82.9 crore vs a profit of ₹ 3.1 crore in Q1FY20.	The ongoing Covid-19 crises has created unforeseen hurdles in what has been a smooth journey leveraging on a blend of large hospitals, secondary clinics and a well established pharmacy business in the GCC region. We will get more insights post discussion with management	
Firstsource Solution	Firstsource Solutions reported Q1FY21 numbers. The company's rupee revenues declined 1.7% QoQ and the company's dollar revenues declined by ~4.3% QoQ. The company's EBIT margins were flat at 11.0% as better gross margins were offset by higher other expenses. The company's PAT declined 3.2% QoQ to ₹ 88.7 crore	The company reported decent Q1FY21 numbers considering constrained environment. The company also reduced its debt by ~₹ 86 crore in the quarter. The company expects revenues to improve in coming quarters and has guided for 6-10% YoY growth in FY21E in constant currency terms. The company has also guided operating margins in the range of 11-11.5%	
Gulf Oil Lubricants	Gulf Oil Lubricants' Q1FY21 revenue fell 45.3% YoY to ₹ 241.2 crore as volumes were impacted during lockdown. EBITDA declined 67.4% YoY to ₹ 25.4 crore while reported PAT stood at ₹ 17.2 crore, down 64.8% YoY	Total Volumes were significantly affected in April during lockdown. Volumes witnessed MoM improvement with June volumes at near pre-Covid levels. Sustained recovery in volumes and stable margins will be important in near term	
Century Ply	Century Ply reported weak quarter with consolidated net Sales down by ~65% YoY to ₹ 203 crores driven by plywood volumes decline of ~68% YoY & laminates volume decline of 60%, on account of Covid-19 led disruption in production as well as dealers channel. Consolidated EBITDA margins decreased 14 percentage points YoY to 2%. Consolidated loss was at ₹ 11.8 crore, given the weak performance	Plywood as a category is likely to witness demand challenges with the impact of Covid-19 in near term coupled weakness in demand due to discretionary nature as well as real estate weakness. We await management commentary on outlook	

NCC	NCC Q1FY21 execution, albeit better than expected – revenues down 46% YoY vs. 52% expected), was sharply impacted by lockdown restrictions and labour availability. However, tad better than expected margins (9.8% (down 240 bps YoY), vs estimates of 9.5%) driven by cost rationalisation, higher other income and tax credit led to better than expected reported profitability (PAT of ₹ 16.9 crore vs. expectations of ₹ 35.5 crore loss )	NCC performance, albeit weak on YoY basis, was better than expected on the operational front with cost rationalisation and limited stress on the balance sheet. We, however, expect the EPC execution recovery to be a gradual affair with monsoon restricting the execution along with residual impact of sub-optimal labours at sites (still at ~70-80% of pre Covid)	
Brigade Enterprises	Brigade Enterprises (BEL) reported weak performance (sales volume decline of 61%, topline decline of 71% and loss of ₹ 52.7 crore), on expected lines with weakness across the residential (lower sales volume), retail and hospitality segment, while office leasing remained stable	The near term challenges are visible for the company, but the company is well positioned to tide over the same with comfortable debt levels (BEL share of consolidated only up marginally by ₹ 43 crore QoQ to ₹ 2874 crore, notwithstanding depressed quarter)	

Key developments (Continued...)

- For Q1FY21, we expect Tata Steel's standalone operations to report an EBITDA/tonne of ₹ 7500/tonne (vs. EBITDA/tonne of ₹ 12531/tonne in Q4FY20, ₹ 13158/tonne in Q1FY20). Indian operations (standalone) are expected to report steel sales of 2.1 million tonne (MT) while European operation steel sales are likely to come in at 1.94 MT. Additionally, Bhushan Steel is expected to report a sales volume of 0.65 MT. We expect European operations to report a negative EBITDA/tonne of US\$25/tonne. On a consolidated basis, the topline is expected to decline 36.0% YoY, 31.9% QoQ to ₹ 23010 crore. The consolidated EBITDA is expected to decline 69.6% YoY and 64.8% QoQ to ₹ 1634 crore. Consolidated EBITDA margins are likely to come in at 7.1% (vs. 15.0% in Q1FY20 and 13.8% in Q4FY20)
- Hero MotoCorp is expected to report muted performance in Q1FY21E tracking decline in volumes (down 69.4% YoY and 57.8% QoQ to 5.6 lakh units). Net sales for the quarter are expected at ₹ 2,792 crore, down 65.2% YoY with ASPs seen improving ~6% QoQ to ₹ 49,551/unit amid expected pass through of BS-VI prices. EBITDA is expected at ₹ 15 crore with corresponding EBITDA margins at 0.5%. We expect marginal loss at PAT level of ₹ 7.6 crore
- BPCL's crude throughput in Q1FY21E is expected at 5.9 MMT, a decline of 29.7% QoQ as demand was significantly lower during lockdown. Marketing segment volumes are expected to decline 25.3% YoY with healthy increase in margins QoQ. GRMs are expected at \$ 3.6/bbl vs. \$0.8/bbl in Q3FY20 on account of inventory gains. Hence, we expect the company to report PAT at ₹ 2469.4 crore against net loss of ₹ 1361 crore in Q4FY20
- GAIL's operational performance is expected to remain weak in Q1FY21E mainly on account of subdued profits across all the segments. On the gas business front, gas transmission volumes are expected to decline 7.5% YoY at 97.5 mmscmd with its EBIT at ₹ 634.5 crore. We expect lower margins and EBIT from the gas trading business segment at ₹ 214.9 crore on account of US LNG volumes. On the LPG liquid hydrocarbon front, EBIT is expected to decline 32% YoY to ₹ 344.9 crore on account of lower realisations. Petchem segment is expected to report EBIT loss at ₹ 41.5 crore
- Eicher Motors is expected to report a soft Q1FY21E. RE sales volume for the quarter were at 57,269 units, down 68.8% YoY, with VECV sales volumes down 84% YoY to 2,129 units. Consequent net sales are anticipated at ₹ 812 crore, a decline of 66% YoY. Poorer product mix (>350 cc volumes at 8.4% of total vs. 10.9% YoY) is seen negating expected pass through of BS-VI price hikes. EBITDA is expected at ₹ 23 crore with corresponding margins at 2.9%, with ensuing PAT at ₹ 12.7 crore. Share of losses from VECV segment is expected at ₹ 21.6 crore (vs. ₹ 21 crore profit in Q1FY20)
- For City Union Bank we expect loan growth to remain moderate amid Covid-19. Asset quality to stay stable on the back of standstill asset classification. Moratorium is expected to decline, as seen in the industry. However, elevated provisions to keep profitability benign

## Key developments (Continued...)

- Revenue of EIH (being premium domestic player) is expected to get impacted most during the quarter. Further, with lower revenues from catering business, we expect a revenue drop of 78% YoY. While the company has not resorted to major cost control measures taking long-term approach, we expect the company to make a loss of ₹85 crore for the quarter
- For Q1FY21E, we estimate Timken's revenue at ₹ 178.9 crore, down 59% YoY and 56% QoQ. Decline in revenue is primarily led by lockdown that has impacted all segments. However, we expect mobility segment to be the hardest hit on account of ~90% decline in CV sales across the board in Q1FY21E. Under absorption of fixed overheads would negatively impact EBIDTA. Thus, we expect EBIDTA of ₹ 3.6 crore in Q1FY21, down 96% YoY. We, expect a net loss of ₹ 8.6 crore
- For Q1FY21E, We expect Greaves Cotton to report revenue decline of 63.1% YoY to ₹ 175.8 crore, EBITDA is expected to decline 86.5% to ₹ 8.3 crore with subdued margins of 4.7% while adjusted PAT is expected to decline 97.9% YoY to ₹ 0.8 crore. we expect it to report subdued 3W & 4W engine volumes at 22405 units owing to a slump in auto sales, weakness in domestic demand amid lockdowns due to Covid-19 outbreak. New business initiatives and Ampere sales may face relatively less decline
- With complete closure of stores for ~45 days, we expect revenue for Trent to de-grow significantly in Q1FY21: 75% YoY. We anticipate the company will report EBITDA and PBT loss of ₹ 45.6 crore and ₹ 104.9 crore, respectively, in Q1FY21E
- Bharat Forge (BFL) reported weak performance in Q1FY21. Standalone revenues declined 68.3% YoY to ₹ 427 crore tracking 71% YoY tonnage drop to 17,840 MT. Total India revenues stood at ₹ 167.8 crore (down 71.7% YoY; CV down 84.7%, PV down 85.8%, industrial down 51.2%). Among geographies, the Americas posted 74% revenue decline while the drop was more contained in Europe (down 41%). Standalone EBITDA came in at negative ₹ 3 crore, with margin performance impacted by inventory adjustment. Reported standalone loss at PAT level stood at ₹ 56.3 crore, supported by higher other income
- EIH Associates report net loss of ₹15.3 crore for Q1FY21. Revenues for the quarter declined sharply by 94% YoY to ₹4.4 crore on account of nationwide lockdown
- Affle India has acquired 8% stake in Talent Unlimited Online Services Private Limited ("Bobble AI") for ₹ 19.8 crore. Bobble AI owns and operates "Bobble Indic Keyboard", an indigenous social keyboard. Bobble Indic Keyboard includes speech-to-text capabilities and is accessible in multiple Indian languages. It is also a pre-loaded default keyboard for Xiaomi across multiple devices in India, enhancing Affle's vernacular strategy and OEM partnerships. The Company has secured exclusive global ad monetization rights of tech assets of Bobble AI for five years
- NMDC has hiked prices of Fines & Lumps by ₹300/tonne each for August 20'. After the hike, the revised iron ore prices of lump (65.5%Fe,6-40mm) & fines (64% Fe, -10mm) is ₹2950/tonne & ₹2660/tonne respectively
- Care Ratings has reaffirmed AAA/Stable rating to State Bank of India's Tier II Bonds worth ~₹ 29000 crore
- Lemon Tree opens 109 rooms hotel in Dwarka, Gujarat with Lemon Tree Premier brand under management contract
- Media reports state that the Road Transport Ministry has issued a notification allowing sale and registration of electric 2-W and 3-W without batteries. The battery could be provided separately by the OEM or energy provider
- As per media sources, the US government has relaxed some rules for H1B and L1 visa. The new rules allow senior level employees to get visas. Applicants seeking to resume ongoing employment in the US in the same position with the same employers and visa classification will now be allowed to get visas

Nifty Daily Chart



Technical Outlook

Equity benchmarks snapped past six session's winning streak amid mixed global cues as Nifty ended the session on a flat note at 11308, down by 14 points. In the coming session, volatility would remain high owing to weekly derivative expiry session. However, we expect Nifty future to trade with a positive bias. Hence, intraday dip towards 11275-11302 should be used to create long position for target of 11392

Going ahead, we expect Nifty to extend the ongoing healthy consolidation in the broad range of 10900-11400 amid stock specific action. The relative outperformance of the Nifty mid cap and small cap indices is expected to continue supported by improving market breadth as currently, ~58% constituents of the Nifty midcap, small cap indices are sustaining above their long term 200 days SMA compared to last month's reading of 45%, which signifies broadening of participation.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Negative	38369.6	38192	38014	38480	38592
Nifty 50	Negative	11308.4	11260	11212	11339	11370
ACC Ltd	Negative	1406.9	1395	1382	1418	1428
Axis Bank Ltd	Positive	451.1	443	434	457	462
HINDALCO INDS	Negative	175.8	173	170	177	180
SBI	Positive	203.3	198	191	207	211
HINDUSTAN PETRO	Negative	211.9	210	209	215	217
MUTHOOT FINANCE	Negative	1147.0	1103	1060	1177	1208
Tata Motors	Neutral	125.4	122	118	127	130
MRF LTD	Negative	61701.0	61400	61100	61950	62200
BAJAJ AUTO LTD	Negative	3023.0	2993	2962	3046	3067
TCS	Negative	2257.4	2238	2217	2287	2317
ITC LTD	Neutral	204.2	201	199	206	208
CIPLA LTD	Negative	762.1	752	743	774	787
PIRAMAL ENTERPRI	Negative	1462.4	1445	1427	1480	1497
Reliance Industries	Neutral	2127.6	2107	2088	2145	2164
BHARTI AIRTEL	Neutral	547.7	541	535	557	567
EQUITAS HOLDINGS	Neutral	51.9	50	49	52	53

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Range Bound
Support	11270-11240	10900
Resistance	11350-11390	11400
20 day EMA	0	10899.0
200 day EMA	0	10586.0

Advances/Declines

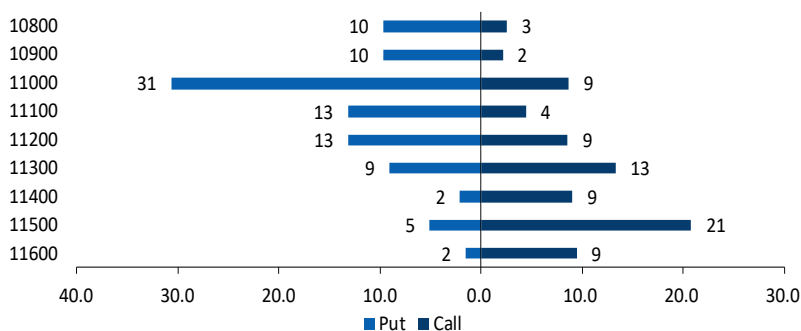
	Advances	Declines	Unchanged
BSE	1472	1261	140
NSE	1005	896	83

Daily Technical Calls

- Daily Technical Calls**
- Buy NIIT Technologies in the range of 2009.00-2013.00
  - Buy State Bank of India in the range of 203.50-204.50
- 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) Bharat Forge**  
 Buy BHAFOR AUG Fut at ₹435.00-436.00  
 CMP: 436  
 Target 1: 440.1      Target 2: 447  
 Stop Loss: 430.9
- ii) Pidilite Industries**  
 Sell PIDIND AUG Fut at ₹1378.00-1380.00  
 CMP: 1375  
 Target 1: 1367      Target 2: 1349  
 Stop Loss: 1391

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., Qness 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, Bluedart, 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, Petronet LNG JP Industrial Production MoM EU Reserve Assets	KNR, Zee Entertainment JP Exports, JP Imports JP Trade Balance	EU Current Account UK CPI (YoY) EU CPI (YoY)	Accelya EU Construction Output JP Manufacturing PMI	Oil Inida 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%
12-Aug	GDP (YoY)	UK	June	-21.7%	-22.4%
12-Aug	Manufacturing Production	UK	June	11.0%	10.0%
12-Aug	Industrial Production (MoM)	EU	July	9.1%	10.0%
12-Aug	CPI (YoY)	US	July	1.0%	0.8%
12-Aug	Crude Oil Inventories	US	July	-4.512M	-2.875M
Date	Event	Country	Period	Expected	Previous
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
Tata Steel	23,009.8	-36.0	-31.9	1,634.4	-69.6	-64.8	-1,236.2	-124.2	-53.6
Hero MotoCorp	2,792.0	-65.0	-55.0	15.0	-99.0	-98.0	-8.0	PL	PL
Eicher Motors	812.0	-66.0	-63.0	23.0	-96.0	-95.0	13.0	-97.0	-96.0
BPCL	44,404.2	-48.3	-45.4	3,949.2	81.2	LP	2,469.4	129.7	LP
Gail	14,464.7	-21.0	-18.5	1,383.4	-38.8	-44.1	837.3	-35.0	-72.3
Greaves Cotton	175.8	-63.1	-51.1	8.3	-86.5	-73.0	0.8	-97.9	-94.2
Timken India	178.9	-59.1	-55.9	3.6	-96.2	-96.2	-8.6	-117.1	-114.1
EIH	62.8	-78.3	-82.1	-65.2	NA	NA	-85.1	NA	PL
Trent Ltd	207.1	-73.0	-71.3	-45.6	PL	PL	-104.9	PL	PL

Recent Releases

Date	Report
August 12, 2020	<a href="#">Company Update- VST Tillers Tractors</a>
August 12, 2020	<a href="#">Result Update – Indoco Remedies</a>
August 12, 2020	<a href="#">Monthly Corporate Action Tracker</a>
August 12, 2020	<a href="#">Result Update – Ratnamani Metals &amp; Tubes</a>
August 12, 2020	<a href="#">Result Update – AIA Engineering</a>



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