

Market Outlook

Indian markets are likely to open with a flat to negative bias tracking mixed global cues and a weak start to its Asian counterparts. Global news flows and earnings outcome of domestic companies would be key monitorables.

Markets Yesterday

- Domestic markets ended slightly lower on the back of mixed global cues and as investors awaited retail inflation data
- US markets ended mixed post better-than-expected unemployment data and as investors awaited a potential stimulus package

Key Developments

- Supreme Court is likely to hear AGR case today wherein the timeline of dues payment is likely to be announced
- CPI Inflation for July rose to 6.93% compared to revised June inflation of 6.23% (earlier projected at 6.09%). The rise may primarily be attributed to rise in prices of vegetables, household goods, retail petrol and gold prices. Inflation during lockdown period is distorted by supply side constraints in food items due to local lockdown along with higher unusual rise in gold prices. There was also a sharp upward revision for many food items for June indicating data collection challenges. RBI may want to look through the current abnormal data print and continue to focus on growth by adopting accommodating liquidity stance
- Air passenger traffic in July 2020 fell 82.3% YoY to 2.2 million passengers compared to the previous year when the industry saw traffic of 11.9 million passengers

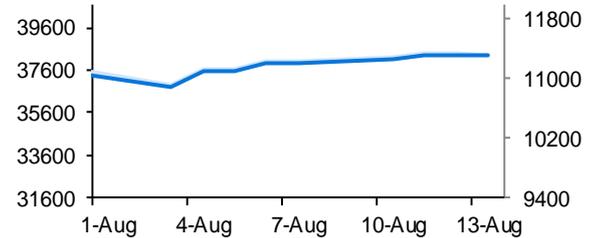
Nifty Heat Map

Tata Motors	131 4.6%	Hindalco	184 4.4%	L&T	991 4.3%	Titan	1,098 3.9%	Bharti Infratel	201 3.5%
Adani Ports	348 1.9%	NTPC	87 1.4%	Hero Moto	2,810 1.3%	Ultratech	4,047 1.2%	IOC	87 1.2%
HCI Tech	725 1.0%	Maruti	6,732 0.9%	Grasim Ind	632 0.9%	Vedanta	124 0.9%	TechM	697 0.7%
JSW Steel	259 0.7%	Zee Ent.	162 0.7%	ONGC	79 0.6%	UPL	489 0.4%	Power Grid	179 0.4%
ICICI Bank	368 0.3%	Asian Paints	1,803 0.3%	Wipro	277 0.3%	Coal India	129 0.2%	HUL	2,199 0.2%
Kotak Bank	1,336 0.1%	Bajaj Finance	3,420 0.0%	Britannia	3,808 0.0%	Bajaj Finserv	6,350 -0.1%	TCS	2,254 -0.1%
BPCL	421 -0.2%	Bajaj Auto	3,018 -0.2%	Cipla	760 -0.2%	Reliance Ind.	2,122 -0.3%	Tata Steel	413 -0.3%
Dr Reddy	4,502 -0.4%	Indusind Bank	519 -0.4%	Infosys	951 -0.4%	Shree Cement	21,294 -0.4%	Nestle	16,474 -0.4%
HDFC Bank	1,059 -0.4%	HDFC Ltd	1,805 -0.5%	M&M	631 -0.6%	GAIL	97 -0.7%	Axis Bank	448 -0.7%
SBI	202 -0.7%	ITC	201 -1.3%	Eicher	21,673 -2.0%	Sun Pharma	521 -2.1%	Bharti Airtel	535 -2.3%

Today's Highlights

Results: Berger Paints, Bodal Chemicals, KSB, Sun TV, Voltas, NTPC, United Breweries, Glenmark, Nesco, Hindalco, Elgi Equipments, Greenply Ind, Indian Bank, Ramco Cements, Majesco, Deccan Cements, NCL Ind, Nirlon

Index Movement



— BSE (LHS) — NSE (RHS)

	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	38,310	38,370	-0.2	1.9	-7.1	26.2
Nifty	11,300	11,308	-0.1	2.0	-7.1	26.3

Institutional Activity

	CY18	CY19	YTD CY20	Yesterday	Last 5 Days
FII (₹cr)	-68,503	40,893	-56,379	416	2,702
DII (₹cr)	107,388	44,478	79,586	-764	-3,767

World Indices – Monthly performance

Kospi	Dow Jones	Nasdaq	NSE	BSE
2,432	27,897	11,043	11,300	38,310
13.1%	6.9%	5.3%	4.6%	4.4%
Nikkei	Germany	U.K.	France	Shanghai
22,844	12,994	6,186	5,042	3,319
2.5%	1.5%	0.9%	0.7%	-1.9%

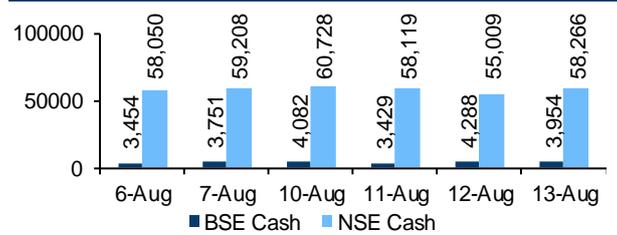
Markets Today (ADR & currency Data not updated)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹10 gm)	52,823	52,254	1.1	-3.3	33.1
Silver (₹kg)	70,690	66,753	5.9	3.3	43.6
Crude (\$/barrel)	45.0	45.0	0.0	4.7	-31.3
Copper (\$/tonne)	6,256	6,433	-2.7	0.2	4.6
Currency					
USD/INR	74.8	74.9	0.0	0.0	-4.6
EUR/USD	1.2	1.2	0.5	0.6	5.6
USD/YEN	106.8	106.7	0.1	-0.9	1.7
ADRs					
HDFC Bank	47.2	47.0	0.2	0.9	-25.6
ICICI Bank	10.1	10.1	-0.3	7.7	-33.0
Tata Motors	8.4	8.1	3.5	22.9	-35.2
Infosys	12.8	12.6	1.0	-0.7	23.6
Dr Reddys Labs	60.9	61.3	-0.6	0.2	50.1
Wipro	4.2	4.3	-0.9	-2.5	12.3

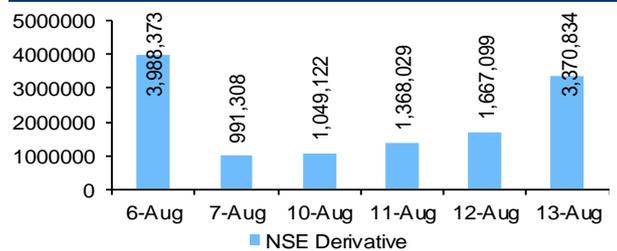
Key Data Points

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)



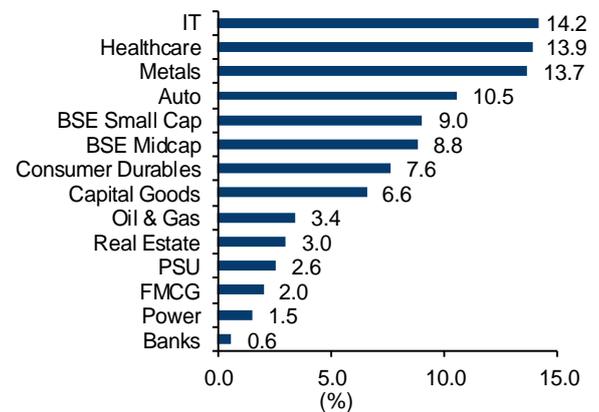
NSE Derivative Turnover (₹ crore)



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 (%)



Key News for Today

Company/ Industry	News	View	Impact
Hero MotoCorp (HMCL)	HMCL's Q1FY21 revenues declined 63% YoY to ₹ 2,972 crore tracking 69.4% drop in total volumes to 5.6 lakh units. Margins came in at 3.6% courtesy negative operating leverage. Consequent PAT was at ₹ 61.3 crore	The company's performance was above our expectations on all counts. Sharp 12.8% QoQ jump in ASPs aided the topline while margins were encouraging considering limited 25% capacity utilisation during the quarter. HMCL said ex fixed costs incurred during lockdown, margins were at 12%. We continue to expect HMCL to be a beneficiary of post-Covid demand resilience in the rural belt and shift to personal mobility	

Tata Steel	Tata Steel reported a subdued Q1FY21 performance. Consolidated topline came in line with our estimate while consolidated EBITDA came in notably lower than our estimate. Consolidated topline was at ₹ 24289 crore (down 32% YoY, 28% QoQ), largely in line with our estimate of ₹ 23010 crore. Consolidated EBITDA came in at ₹ 506 crore while adjusted EBITDA came in at ₹ 1038 crore (notably lower than our estimate of ₹ 1634 crore. For the quarter, exceptional expense (net) was to the tune of ₹ 58 crore. Subsequently, on a consolidated basis, net loss was at ₹ 4609 crore	For the quarter, EBITDA/tonne of both Indian, European operations came in lower than our expectation thereby adversely impacting consolidated operational performance. Standalone Indian operations reported EBITDA/tonne of ₹ 5921/tonne (₹ 12531/tonne in Q4FY20, ₹ 13158/tonne in Q1FY20), notably lower than our estimate of ₹ 7500/tonne. India's average steel realisations were lower due to the Covid impact during the quarter and about ₹ 2000 crore of costs were under absorbed due to lower volumes, thereby adversely affecting performance of Indian operations. Tata Steel European operations reported negative EBITDA/tonne of ~US\$42/tonne vs. our expectation of a negative EBITDA/tonne of US\$ 25/tonne	
Eicher Motors (EML)	For EML, consolidated revenues for Q1FY21 were at ₹ 818 crore, down 65.7% YoY amid flat QoQ ASPs at ₹ 1.33 lakh/unit. The company just about managed EBITDA breakeven (₹ 4 crore), with consolidated loss after tax at ₹ 55 crore. The company's share of loss from VECV JV was at ₹ 65.4 crore	Overall performance lagged estimates, with supply side issues hampering production ramp up. Encouragingly, however, the management said demand lead indicators (enquiries and bookings) were near pre-Covid levels. Rise in all cost overheads on percentage of sales basis impact margin print	
Aditya Birla Fashion and Retail (ABFRL)	ABFRL reported revenue de-growth of 85% YoY to ₹ 320.0 crore. Revenue from Lifestyle brands de-grew 81% YoY to ₹ 190.0 crore while revenues from Pantaloons division declined significantly by 91% YoY to ₹ 82.0 crore. The company rationalised operating overheads by ~ ₹ 450 crore (QoQ) in Q1FY21 mainly through reduction in rental expenses by ₹ 237 crore (down 74% QoQ) and other expenses by ₹ 180 crore (down 45% QoQ). Subsequently, EBITDA losses were curtailed, to a certain extent, to ₹ 351.3 crore. PBT losses were at ₹ 533.5 crore and net loss came in at ₹ 399.9 crore (tax write back: ₹ 134 crore)	As on June 30, net debt was at ₹ 3250 crore. In a bid to strengthen its balance sheet, the company has successfully completed rights issue of ₹ 1000 crore (with ₹ 496 crore mobilised in first tranche during the quarter). Furthermore, it is looking to release working capital in the range of ₹ 400-500 crore mainly through optimisation of existing inventory (SS20 inventory to be carried over to AW20). While footfalls are seeing gradual improvement on a weekly basis, the management is aiming to achieve normalcy in revenues by Q4FY21E. The focus on correcting the cost structure will be pursued in remainder of the year	
Greaves Cotton	Greaves Cotton reported a muted operating performance for Q1FY21. Standalone revenues came in at ₹ 147.1 crore, down 69.2% on YoY, (below our estimate of ₹ 175.8 crore). At EBITDA level, it registered a loss of ₹ 21.7 crore on YoY (vs. EBITDA of ₹ 61.3 crore in Q1FY20) owing to higher employee expenses, other operating expenses and lesser booking of revenues. Loss after tax came in at ₹ 24.2 crore (vs. PAT of ₹ 39.8 crore in Q1FY20), partially impacted by only marginal decline of 4% in depreciation and much lower other income, down 71% to ₹ 2.2 crore YoY	Overall auto engine volumes may remain sluggish in the medium term due to BS-VI transition and economic slowdown amid Covid-19. While new product launches in high speed E-2W vehicles (launch of Magnus high speed E-2W soon) at Ampere and new business initiatives (CNG engines, after market and B2C business) may provide much needed growth uptick in the long term	

<p>Bharat Petroleum Corporation (BPCL)</p>	<p>BPCL's revenues fell 37.7% QoQ to ₹ 50616.9 in Q1FY21 crore as fuel demand declined sharply due to lockdown. Reported GRMs at US\$ 0.4/bbl were impacted by inventory loss of US\$ 1.5/bbl. Better than expected profitability in marketing segment led to EBITDA at ₹ 3915.8 crore, also supported by marketing inventory gain of ₹ 1003 crore. Reported PAT was at ₹ 2076.2 crore</p>	<p>While BPCL's overall profitability was lower than estimates, marketing segment profitability was better. Crude throughput at 5.1 MMT and product sales at 7.5 MMT were lower than estimates and marketing segment reported stable margins with inventory gains. Faster recovery in demand with steady margins and improvement in GRMs will be key to performance going ahead</p>	
<p>Gail</p>	<p>Gail's revenues fell 34% YoY to ₹ 12086.9 crore. EBITDA came in at ₹ 622.6 crore, down 72.4% YoY due to weak operational performance in gas trading and petchem segments. Subsequently, reported PAT was at ₹ 255.5 crore, down 80.2% YoY</p>	<p>Gail's gas transmission and trading volumes were affected due to lockdown (mainly CGD volumes). Currently, volumes are at 95% of FY20 levels. Decline in oil prices leading to lower price realisations also impacted petchem and LPG/LLH performance. Profitability of the gas trading segment, which is highly dependent on global LNG prices, has been a drag on overall performance and will be important to watch in future</p>	
<p>Trent</p>	<p>Standalone revenues (which includes Westside, Zudio, Landmark formats) degrew 87.4% YoY to ₹ 96.3 crore in Q1FY21. The company has made provisions worth ₹ 40 crore towards inventories, which led to gross margins contracting substantially to 13.3% vs. 53% in Q1FY20. EBITDA losses came in at ₹ 119.1 crore. Reported loss before tax came in at ₹ 182.2 crore. Owing to deferred tax asset (₹ 43 crore), the company reported net loss of ₹ 139.5 crore</p>	<p>Overall 90% of Westside and Zudio stores have now reopened. The company witnessed an encouraging response for its EOSS, which started from August 1. Footfalls are currently at ~35% of pre-Covid levels but owing to better conversion ratio, sales are currently at 55% of pre-Covid levels. The management expects normalcy to return gradually over the next 12 months. E-commerce sales witnessed 50% growth over previous period post lockdown relaxations. Apart from strengthening its digital presence, the company will continue its accelerated store expansion strategy in FY21E</p>	
<p>Balkrishna Industries (BIL)</p>	<p>BIL posted healthy Q1FY21 results under the circumstances, with topline decline limited to ~22% YoY (₹ 929 crore) and margins maintained at ~25%. Consequent PAT came in at ₹ 121.7 crore (down 30.8% YoY), impacted by fall in sales and other income as well as higher depreciation outgo. The company declared an interim dividend of ₹ 3/share</p>	<p>Fall in revenues tracked 25.7% YoY decline in total tonnage to 38,096 MT. The company expects to close FY21E with similar volume levels as last year (~2 lakh MT) and said that demand run rate has gained momentum thus far in Q2FY21, led by agri side. Gross margins were up 511 bps QoQ during the quarter</p>	

DB Corp	DB Corp's revenues fell 65.3% YoY to ₹ 210.4 crore in Q1FY21 as ad revenue & circulation revenue declined sharply by 75.5% YoY & 29.4% YoY, respectively, due to lockdown impact. EBITDA loss was at ₹ 33.1 crore against EBITDA of ₹ 175.5 crore in Q1FY20. The company reported net loss of ₹ 48 crore compared to PAT of ₹ 93.7 crore in Q1FY20	DB Corp's operating performance was weaker along the expected lines. Ad revenue has improved from April lows of 19% but is still lower at 53%. Similarly, circulation of copies is at 81% and witnessing pickup in key markets. Softened newsprint prices and cost rationalisation were key positives. Revenue fall was largely in line with its peer indicating the disturbance across the print segment caused by Covid-19 led lockdown. Faster recovery in ad revenue and normalised circulation will be key monitorables, going ahead	
Auto sector	Media reports say the Supreme Court has allowed registration of BS-IV vehicles that were sold in March 2020 but could not be registered due to imposition of lockdown in the run up to BS-VI switchover	The move would benefit the 2-W segment the most as it accounts for ~ 7 lakh out of an estimated 7.27 lakh total such vehicles. However, it would not result in any increase in OEM volumes as they record sales upon dispatch to dealers	

Key developments (Continued...)

- United Breweries' Q4FY21E volumes are expected to de-grow 70% to 17.6 million cases while net revenue is expected to de-grow 71% YoY to ₹ 602 crore. Subsequently, absolute EBITDA is likely to report a loss of ₹ 36 crore vs. a profit of ₹ 329 crore. PAT is expected to arrive at a loss of ₹ 124 crore vs. a profit of ₹ 165 crore in Q1FY20
- For Q1FY21E, we expect Hindalco's domestic operations to report aluminium sales volume of ~305000 tonnes (314000 in Q4FY20, 320000 in Q1FY20) and copper sales of ~47250 tonnes (82000 tonnes in Q1FY20, 86000 tonnes in Q4FY20). Copper volumes are likely to be impacted by Covid-19 related disruptions. We expect topline to come in at ₹ 7546 crore (down 25.0% YoY, 24.6% QoQ). EBITDA is likely to come in at ₹ 802 crore (down 29.7% YoY, 44.5% QoQ)
- NTPC's operations have been relatively better than the sectoral average as we expect gross generations to decline 12.9% to 59.67 billion units (BUs) whereas energy sold is expected to decline 12.8% to 55.5 BUs. We build in realisations of ₹ 4 kWhr. We expect revenues at ₹ 22193.8 crore and PAT at ₹ 2082.6 crore. The key monitorable would be the accounting treatment for the rebate to be offered to discoms and the deterioration of receivables during Q1FY21E on account of inability of SEBs to pay during lockdown
- Berger Paints' revenues may decline 52% YoY in Q1FY21, led by a sharp decline in volume by 48% YoY. We believe low realisations would be largely on account of change in mix and passing on the benefit of low raw material prices. While gross margins are likely to remain intact, the EBITDA margin is likely to decline ~610 bps YoY to 11.7%. As a result, PAT may see a decline of 65% YoY to ~₹ 61 crore
- Voltas may report decline in sales by 62% YoY led by ~67% drop in revenue of UCP products. Revenue from the project division may see a drop of 52% due to complete lockdown in April and government's social distancing norms. EBITDA margin may see a decline of 850 bps YoY at 2.5% due to low operating leverage. Finally, PAT may decline ~89% YoY at ₹ 19 crore impacted by lower margin and sales during the period
- For Q1FY21E, we expect Elgi Equipments to report consolidated revenue decline of 34.4% YoY to ₹ 306 crore while EBITDA margin is expected to decline to 5.1% YoY leading absolute EBITDA to decline by 62.1% YoY to ₹ 15.6 crore while it is expected to report a net loss of ₹ 0.1 crore (vs. PAT of ₹ 17 crore in Q1FY20). It is likely to post a weak performance on the domestic front given that lockdown adding to already ailing industrial activities while international air compressor market is likely to aid revenues as it is gradually ramping up
- We expect Sun TV's ad revenues to decline ~55% YoY in Q1FY21E given ad volumes as well as prices were hit during the lockdown with no new content being telecast. However, subscription revenues are expected to maintain growth momentum and grow 9.2% YoY. Total revenues are expected to fall 44% YoY owing to IPL revenues in base quarter. We build in 60% lower cost of sales as no fresh content was made for GEC. Subsequently, we expect EBITDA margins (ex-IPL) margins to expand 350 bps YoY to 72%
- Ramco Cement operates mostly in the south and eastern markets. While Q4FY20 saw weak realisations in the south, the same has improved sharply in Q1FY21E. Hence, we expect realisations to improve 7% QoQ, 1.1% YoY to ₹ 5043/t. Sales volume would likely decline 33.1% YoY to 1.8 MT. Better realisations should help the company maintain EBITDA/t similar to last quarter despite a volume dip. Negative operating leverage is expected to lead to a sharp fall in profitability during the quarter

Key developments (Continued...)

- For Q1FY21, Engineers India reported standalone revenues at ₹ 467.8 crore with a decline of 36.3% on YoY basis. Consultancy and turnkey (LSTK) segment contributed 59% and 41%, respectively. Consultancy revenue de-grew 38% to ₹ 275.1 crore on YoY basis while turnkey revenue de-grew by 33.6% to ₹ 192.7 crore, on YoY owing to execution slowdown. While Overall EBITDA margin came in at 4.6%, substantially lower compared to 19% in Q1FY20 mainly on account of booking of higher construction material cost in the quarter. PAT came in at ₹ 48.1 crore, down by 61.2% on YoY basis partially aided by lower effective tax rate
- City Union Bank reported a stable set of numbers wherein healthy NII growth and sequential lower provisioning led to a profit of ₹ 154 crore. Overall business growth decelerated on account of nationwide lockdown. The bank has said that 87.55% of the customers have paid at least one instalment during the morat period while 12.45% of the customers have fully utilised the morat. Provisioning for the quarter was at ₹ 157 crore of which the bank provided ₹ 100 crore for Covid-19. Total Covid provisioning as on June 30, 2020 was at ₹ 202 crore (~58 bps of advances. Advances growth was up 7.2% YoY to ₹ 34536 crore. Agri and commercial real estate reflected healthy growth while MSME and retail loan growth was muted. NII growth was healthy at 4.8% YoY to ₹ 437 crore on account of stable margins. NIMs were down 13 bps YoY to 3.98% (flat QoQ)
- Timken's Q1FY21 revenue came in at ₹ 160.2 crore, down 63.4% YoY (vs. I-direct estimate of ₹ 178.9 crore). Nationwide lockdown, supply chain disruption led the fall in topline. Gross margins expanded ~160 bps on account of supplementary sales from inventory. EBITDA margin of 8.8% vs 21.7% YoY. Absolute EBITDA came in at ₹ 14.1 crore, down 85% YoY. Tracking its operating performance, Timken ended the quarter with a PAT of ₹ 3.15 crore. Other income came in at ₹ 7.8 crore, up 85.7% YoY
- Shankara Building Products reported weak set of numbers impacted by Covid-19 led lockdown. The revenues declined by 46% YoY to ₹ 346 crore (Retail division (~60% of the revenues was down 42% YoY and Channel (25%) & Enterprise segment (15%) revenues declined by 8% and 74%, respectively). Company reported EBITDA loss at ₹ 9.3 crore, while PAT loss was ₹ 25.3 crore vs. profit of ₹ 6.8 crore in base quarter
- EIH's Q1FY21 operational performance remained weak due to complete business shutdown due to pandemic environment. EIH's revenues for the quarter declined ~90.2% YoY to ₹ 28.5 crore (vs. I-direct estimates of ₹ 62.8 crore) while net loss came in at ₹ 118.2 crore for the quarter
- Carlsberg India (third largest beer company by revenues) revenues declined 75% in Q1FY21. Dining at restaurant, bars and pubs, which account for one-third of beer sales, still continue to remain restricted
- Jindal Steel & Power (JSPL) has started supply of 1080 grade Head Hardened rails to Rail Vikas Nigam (RVNL) for the completion of Kolkata Metro's Joka-Esplanade corridor. JSPL was selected by RVNL after a bidding process to supply 3000 MT of Head Hardened rails for Kolkata Metro rail tracks. So far, JSPL has supplied 1300 MT of 1080 grade head hardened rails to RVNL, remaining delivery of 1700 MT will be made within a week
- VECV has entered an agreement with Volvo Group India for transfer of the latter's bus division as a going concern on slump sale basis. The consideration value for the same is placed at ₹ 100.5 crore, and values the division at ~0.36x price to FY20 sales of ₹ 276.8 crore
- Cadila Healthcare has launched the generic version of Remdesivir (Remdac), used to treat hospitalized Covid-19 patients, in India. The company has priced the drug at ~₹ 2800 per 100mg vial. The drug will be made available to Government and private hospitals treating COVID patients through the company's distribution chain
- L&T Construction awarded significant contracts (ranging between ₹ 1000 to ₹ 2500 crore) across its various businesses including 136 MLD sewage treatment plant in Chandigarh smart city, order to develop infrastructure & utilities for a mixed-use facility at Muscat, Power T&D order and geostructure order from IRCON
- Sadbhav Engineering has been declared as the lowest bidder by National Highways Authority of India (NHAI) for the two EPC (Engineering, Procurement and Construction) road projects in Ahmedabad. The two projects cover a total length of 48.5 km with total bid at ₹ 1572.30 crore.
- As per media reports, National Highways Authority of India (NHAI), plans to construct 23 new highways and economic corridors across the country by March 2025. Of the proposed total 23 expressways and economic corridors, four will be completed by 2023, 10 will be 2024 and nine will be completed by 2025. The NHAI has set up a Special Purpose Vehicle (SPV) to fund these projects of which Mumbai Delhi expressway will be the first. It aims to get cheaper funds for SPV from pension and insurance funds
- Cadila Healthcare has received USFDA approval to market Sevelamer Carbonate (US RLD - Renvela) tablets, 800 mg in the US. The drug, used to control phosphorus levels in chronic kidney disease patients, will be manufactured at the company's Ahmedabad SEZ formulations plant
- Aurobindo Pharma has received USFDA approval to market the muscle spasms drug, Methocarbamol oral tablets, 750 mg in US
- According to media sources, delay of issuing import licenses to brands may hurt festive sales of premium television sets in India. According to new regulation, company had to seek license from government to import television sets in India. While brands have already started domestic manufacturing/sourcing of mid-level television sets, the premium television sets are still imported due to lack of manufacturing. The premium television sets accounts for ~15-20% of total television industry in India

- JK Cement has cancelled its board meeting for results which was scheduled on August 18 due to sad demise of Shri Yadupati Singhania
- Media reports say that Maruti Suzuki is exploring three options within Haryana for shifting of its Gurugram plant
- Mphasis has been awarded US patent for Artificial Intelligence system for data extraction, aggregation and analysis
- Crisil has reaffirmed its ratings on the bank facilities and other debt instruments of Bajaj Finance worth ₹ 21000 crore at 'CRISIL AAA/FAAA/Stable/CRISIL A1+'
- Media reports state that Care Ratings have reaffirmed AA- rating for Tata Motors

Nifty Daily Chart



Technical Outlook

Equity benchmarks concluded weekly derivative expiry session on a flat note as the Nifty settled Thursday's session at 11300, down 8 points. In the coming session, we expect continuance of stock specific action while sustaining above Monday's positive gap (11214-11238). Hence, intraday dip towards 11272-11302 should be used to create long position for target of 11389.

Going ahead, we reiterate our stance of a relative outperformance of broader markets while Nifty undergoes a healthy consolidation in the broad range of 10900-11400. We believe, ongoing healthy consolidation would help daily and weekly stochastic oscillator to cool off the overbought condition. Thus, any dip from hereon should not be construed as negative, instead be capitalised as incremental buying opportunity. We expect, beaten down midcap and small caps like Pharma, IT, Consumption, Agro Chemicals, auto and defence where the structure is turning constructive would drive the broader market higher, as collectively, constituents of these sectors contribute ~ 60% weightage in Nifty mid cap and small cap indices.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	38310.5	38195	38054	38497	38658
Nifty 50	Positive	11300.5	11261	11221	11350	11399
ACC Ltd	Neutral	1394.6	1382	1369	1418	1441
Axis Bank Ltd	Positive	448.1	443	439	455	461
HINDALCO INDS	Positive	183.6	179	175	186	189
SBI	Positive	201.9	199	196	205	210
HINDUSTAN PETRO	Negative	212.4	209	207	214	217
MUTHOOT FINANCE	Positive	1178.2	1153	1128	1197	1214
Tata Motors	Positive	131.2	126	122	134	137
MRF LTD	Positive	63976.5	62134	60291	65086	66195
BAJAJ AUTO LTD	Positive	3018.0	2998	2979	3038	3059
TCS	Positive	2254.5	2236	2219	2286	2318
ITC LTD	Negative	201.5	198	194	205	208
CIPLA LTD	Neutral	760.3	749	737	778	795
PIRAMAL ENTERPRI	Positive	1467.4	1455	1441	1482	1497
Reliance Industries	Neutral	2122.1	2109	2095	2138	2153
BHARTI AIRTEL	Negative	535.4	524	512	548	560
EQUITAS HOLDINGS	Positive	52.7	53	52	54	54

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range Bound	Range Bound
Support	11270-11230	10900
Resistance	11345-11385	11400
20 day EMA	0	10899.0
200 day EMA	0	10586.0

Advances/Declines

	Advances	Declines	Unchanged
BSE	1514	1212	148
NSE	1086	787	105

Daily Technical Calls

Daily Technical Calls

- Buy TVS Motors in the range of 429.00-431.00
- Buy Bharat Electronics in the range of 114.70-115.20

All recommendations of August Future

[See Momentum Pick for more details](#)

Intraday Derivative Strategy

i) Larsen & Toubro

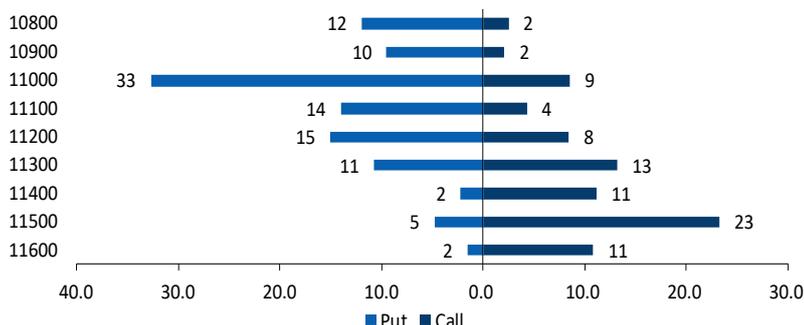
Buy LARTOU AUG Fut at ₹995.00-996.00
 CMP: 995.5
 Target 1: 1006.1 Target 2: 1022.8
 Stop Loss: 984.6

ii) Biocon

Sell BIOCON AUG Fut at ₹392.00-392.50
 CMP: 394
 Target 1: 389.7 Target 2: 385.8
 Stop Loss: 394.9

[See Derivatives view for more details](#)

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



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., Qess 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 Ply., 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 Ind., Ramco Cement Bodal Chem., KSB Ltd., Sun TV		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, MOIL Ltd. EU Construction Output JP Manufacturing PMI		Oil India 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
13-Aug	Initial Jobless Claims	US	July	963K	1120K
13-Aug	Industrial Production (YoY)	CH	July	4.8%	5.1%
Date	Event	Country	Period	Expected	Previous
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
Hindalco	7,546.3	-25.0	-24.6	802.5	-29.7	-44.8	39.3	-76.5	-89.6
United Breweries	602.3	-70.6	-57.7	-36.1	PL	PL	-124.1	PL	PL
Elgi Equipments.	306.0	-34.4	-32.7	15.6	-62.1	-42.3	-0.1	-100.4	-105.9
Ramco Cements	934.4	-32.7	-33.0	173.0	-52.2	-38.3	59.1	-69.4	-59.4
Berger Paint	823.3	-52.0	-39.2	96.3	-68.4	-53.8	61.3	-65.2	-40.6
Voltas Ltd.	1,008.3	-62.0	-51.7	25.1	-91.4	-86.9	18.7	-88.7	-88.3
Sun TV	606.1	-43.9	-17.6	436.1	-36.1	-13.4	320.2	-16.2	28.1
NTPC	22,193.8	-8.3	-18.5	5,520.1	-14.4	-24.6	2,082.6	-20.0	66.3

Recent Releases

Date	Report
August 13, 2020	Company Update- Thermax
August 13, 2020	Result Update – Natco Pharma Limited.
August 13, 2020	Result Update - Ashok Leyland
August 13, 2020	Result Update – Aurobindo Pharma Ltd.
August 13, 2020	Result Update – Graphite India



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