

Market Outlook

Indian markets are likely to see a flattish opening on the back of global cues amid uncertainty about stimulus hopes and a surge in Coronavirus cases. However, global news flows and sector specific development will be key monitorables.

Markets Yesterday

- Domestic markets ended higher tracking gains in select index heavyweights
- US markets ended lower amid continued uncertainty related to fiscal stimulus bill

Key Developments

- Bajaj Auto is expected to post relatively muted performance in Q2FY21E, largely led by product mix deterioration and an element of rupee appreciation. Total volumes were at 10.5 lakh units, down 10.2% YoY (2-W down 2%, 3-W down 53%; share of 3-W in total volumes at 8.4% vs. 16.1% YoY; exports at 46% of total volumes, unchanged YoY). Net sales are expected at ₹ 7,192 crore, down 6.7% YoY. EBITDA & EBITDA margins for the quarter are seen at ₹ 1,231 crore and 17.1%, respectively (up 380 bps QoQ, 50 bps YoY). Consequent PAT is expected at ₹ 1,178 crore, down 16% YoY
- Bharti Infratel to report Q2 numbers today. For Bharti Infratel, we bake in net tenancy addition of ~1600. We expect 0.4% QoQ growth in rental revenues at ₹ 2252 crore, also aided by exit charge. Energy revenues would be up 9.4% QoQ at ₹ 1391 crore, given higher diesel prices. Overall margins are expected at 50.5%, up flattish QoQ. Key monitorable is future outlook and growth plans

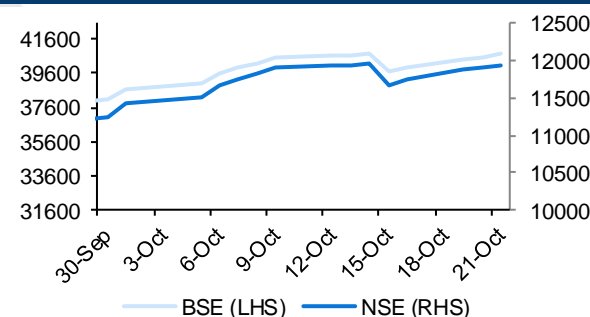
Nifty Heat Map

| | | | | | | | | | |
|---------------|----------------|---------------|----------------|------------|----------------|--------------|-----------------|---------------|----------------|
| Power Grid | 164 4.2% | Bharti Airtel | 419 3.5% | Tata Steel | 404 3.0% | Hindalco | 186 2.8% | GAIL | 88 2.3% |
| NTPC | 82 2.0% | Grasim Ind | 792 1.9% | Ultratech | 4,629 1.9% | HDFC Bank | 1,247 1.9% | Adani Ports | 355 1.8% |
| BPCL | 350 1.8% | Kotak Bank | 1,393 1.8% | HDFC Ltd | 2,049 1.7% | Axis Bank | 501 1.5% | ICICI Bank | 420 1.4% |
| JSW Steel | 323 1.3% | Coal India | 115 1.3% | IOC | 76 1.3% | Infosys | 1,148 1.0% | Titan | 1,245 0.9% |
| Sun Pharma | 490 0.8% | L&T | 924 0.8% | ONGC | 68 0.6% | Tata Motors | 130 0.5% | Bajaj Auto | 3,018 0.5% |
| Indusind Bank | 628 0.5% | Cipla | 767 0.4% | SBI | 204 0.3% | Maruti | 6,862 0.3% | ITC | 168 0.1% |
| Asian Paints | 2,114 -0.2% | Divis Lab | 3,079 -0.2% | M&M | 601 -0.2% | Shree Cement | 21,111 -0.3% | UPL | 454 -0.4% |
| HUL | 2,163 -0.5% | TechM | 846 -0.5% | Dr Reddy | 5,047 -0.5% | Eicher | 2,181 -0.6% | Bajaj Finserv | 5,904 -0.8% |
| Bajaj Finance | 3,233 -0.9% | Wipro | 343 -1.0% | HCL Tech | 871 -1.0% | Nestle | 16,031 -1.4% | Reliance Ind. | 2,125 -1.5% |
| HDFC Life | 563 -1.5% | Hero Moto | 3,178 -1.8% | SBI Life | 785 -1.9% | TCS | 2,675 -2.3% | Britannia | 3,397 -4.4% |

Today's Highlights

Results: Bajaj Auto, Mphasis, Biocon, Asian Paints, Alembic Pharma, Kewal Kiran, Sterlite Tech, Music Broadcast, Hexaware, Bharti Infratel, Tube Investments, Ambuja Cement, Crompton Greaves, Coforge, HDFC AMC

Index Movement



| | Close | Previous | Chg (%) | MTD(%) | YTD(%) | P/E (1yrfwd) |
|--------|--------|----------|---------|--------|--------|--------------|
| Sensex | 40,707 | 40,544 | 0.4 | 6.9 | -1.3 | 27.4 |
| Nifty | 11,938 | 11,897 | 0.3 | 6.1 | -1.9 | 27.8 |

Institutional Activity

| | CY18 | CY19 | YTD CY20 | Yesterday | Last 5 Days |
|-----------|---------|--------|----------|-----------|-------------|
| FII (₹cr) | -68,503 | 40,893 | -52,081 | 2,108 | 2,980 |
| DII (₹cr) | 107,388 | 44,478 | 62,172 | -1,634 | -5,769 |

World Indices – Monthly performance

| BSE | NSE | Nasdaq | Dow Jones | France |
|--------|----------|---------|-----------|--------|
| 40,707 | 11,938 | 11,485 | 28,211 | 4,854 |
| 7.0% | 6.1% | 4.8% | 3.4% | 1.7% |
| Nikkei | Shanghai | Germany | Kospi | U.K. |
| 23,639 | 3,325 | 12,558 | 2,371 | 5,777 |
| 1.2% | 0.2% | -0.3% | -0.8% | -0.9% |

Markets Today (ADR data updated till yesterday)

| Commodities | Close | Previous | Chng (%) | MTD(%) | YTD(%) |
|-------------------|--------|----------|----------|--------|--------|
| Gold (₹10 gm) | 51,300 | 50,910 | 0.8 | 1.5 | 30.8 |
| Silver (₹kg) | 63,565 | 63,124 | 0.7 | 5.9 | 35.9 |
| Crude (\$/barrel) | 41.7 | 43.2 | -3.3 | 4.1 | -35.4 |
| Copper (\$/tonne) | 6,992 | 6,759 | 1.3 | 3.2 | 11.9 |
| Currency | | | | | |
| USD/INR | 73.6 | 73.7 | -0.2 | 0.3 | -3.0 |
| EUR/USD | 1.2 | 1.2 | 0.3 | 1.1 | 5.7 |
| USD/YEN | 104.9 | 104.2 | 0.6 | 0.6 | 3.6 |
| ADRs | | | | | |
| HDFC Bank | 58.9 | 57.4 | 2.6 | 17.9 | -7.1 |
| ICICI Bank | 11.4 | 11.3 | 0.8 | 15.8 | -24.6 |
| Tata Motors | 8.9 | 8.6 | 3.6 | -1.9 | -31.0 |
| Infosys | 15.4 | 15.1 | 1.5 | 11.3 | 48.9 |
| Dr Reddys Labs | 68.5 | 67.9 | 0.8 | -1.6 | 68.8 |
| Wipro | 5.1 | 5.0 | 1.4 | 7.4 | 34.7 |

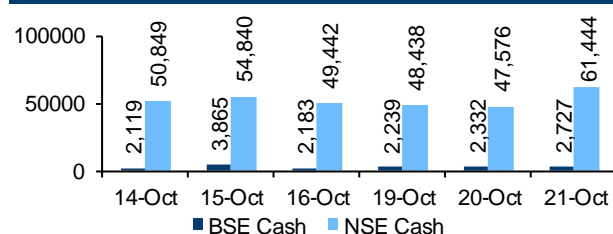
Key Data Points

| Key Economic Indicator | Period | Latest | Prior Values |
|--------------------------|--------|--------------|--------------|
| RBI Cash Reserve Ratio | N/A | 3.00% | 3.00% |
| RBI Repo Rate | N/A | 4.00% | 4.00% |
| RBI Reverse Repo Rate | N/A | 3.35% | 3.35% |
| CPI YY | Sep | 7.34% | 6.69% |
| Current Account Balance | Q1 | -0.6bln \$ | -2.6bln \$ |
| Exports - USD | Sep | 27.4 bln\$ | 22.7 bln\$ |
| FX Reserves, USD Final | Aug | 542 bln\$ | 534.6 bln\$ |
| GDP Quarterly yy | Q2 | -23.90% | 3.10% |
| GDP Annual | FY20 | 4.20% | 6.10% |
| Imports - USD | Sep | 30.31 bln \$ | 29.47 bln \$ |
| Industrial Output yy | Aug | -8.00% | -10.80% |
| Manufacturing Output | Aug | -8.60% | -11.10% |
| Trade Deficit Govt - USD | Aug | -6.77bln \$ | -4.83 bln \$ |
| WPI Food yy | Sep | 8.17% | 3.84% |
| WPI Fuel yy | Sep | -9.54% | -9.68% |
| WPI Inflation yy | Sep | 1.32% | 0.16% |
| WPI Manuf Inflation yy | Sep | 1.61% | 1.27% |

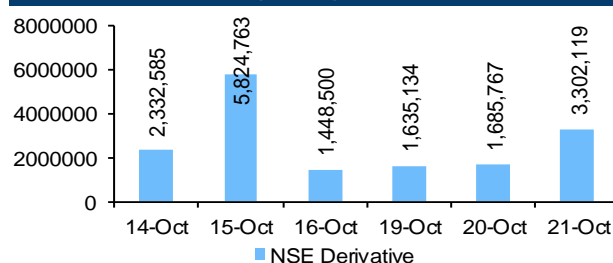
Corporate Action Tracker

| Security name | Action | Ex Date | Record Date | Status | Price (₹) |
|------------------|----------|------------|-------------|--------|-----------|
| HCL Technologies | Dividend | 22-0 ct-20 | 24-0 ct-20 | | 4.00 |
| Infosys | Dividend | 23-0 ct-20 | 26-0 ct-20 | | 12.00 |

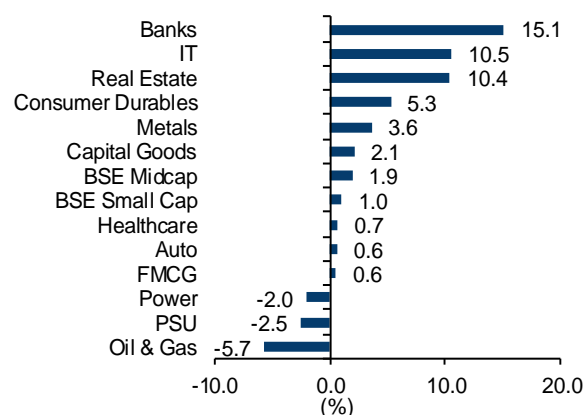
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)










Sectoral Performance – Monthly Returns (%)







Key News for Today

| Company/ Industry | News | View | Impact |
|-------------------|--|--|--------|
| Syngene | Q2FY21 revenues grew 11.9% YoY to ~₹ 520 crore led by growth in Discovery Services and Dedicated R&D Centres. EBITDA margins remained flat YoY at 30% with better gross margins due to change in product mix being offset by higher employee expenses owing to recruitment for new facilities. EBITDA grew 11.9% YoY to ₹ 156 crore. Adjusted net profit (ex-exceptional insurance gain in Q2FY20) grew 2.6% YoY to ₹ 84 crore. Delta vis-a-vis EBITDA was due to higher depreciation and lower other income partially offset by lower tax outgo | Results were above our estimates on all fronts especially traction from Dedicated Centres. In addition to a strong quarterly performance, the company is back to operating at near normal capacity, which indicates the company is back on the growth track after a muted Q1 impacted by the pandemic. We will get more insights post discussion with management | |

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|------------------------------|---|--|---|
| Colgate | Colgate reported strong results with 5.3% revenue growth led by 7.1% domestic business growth. With sharp decline in crude based commodity cost, gross margins improved 340 bps. Further, the company benefited from lower advertisement rates, which resulted in 160 bps lower ad-spend to sales. Moreover, cost cutting measures resulted in overhead spends down by 120 bps to sales. All these factors resulted in operating margin expansion of 540 bps to 31.8%. Net profit increased 12.3% to ₹ 274.2 crore despite the lower tax in base quarter | The impact of Covid induced lockdown was minimal in oral care category given inventory levels at trade as well as at consumer were sufficient to cover one month supply disruption. Given manufacturing & supply chain issues were resolved by April, the companies were able to ramp up manufacturing in short period of time. We believe Colgate has recouped first quarter's lost sales in Q2FY21. The growth opportunity in oral care space is limited given high penetration and slow rate of habit change (brushing twice a day). However, Colgate has been able to improve margins on a continuous basis with periodic favourable conditions. We expect similar conditions would drive earning growth (8% cagr FY20-23E). The dividend payout has considerably increased in last few years. With ₹34/share dividend declared in H1FY21, we expect ₹ 40/share pay-out for the full year (~3% dividend yield). We are positive on the stock |  |
| Bajaj Finance | Bajaj Finance reported in line performance with elevated Covid provisions, lower opex, which enabled higher-than-expected operating profit and standstill status kept asset quality stable. Consolidated AUM witnessed growth of 1% YoY. Nil growth came at 4% YoY to ₹ 4158 crore while opex continued to be lower at ₹ 1159 crore (down 16% YoY and flat QoQ) Overall provisions came in at ₹ 1700 crore and PAT for Q2FY21 thereby came at ₹ 965 crore, down 36% YoY and flat QoQ. BAF contingency provision for Covid-19 at ₹ 1,370 crore, led to overall provision buffer rising to ₹ 5099 crore (3.7% of AUM) vs. ₹ 3729 crore. On consolidated basis, GNPA ratio was at 1.03% vs 1.4% QoQ and NNPA ratio was 0.37% vs 0.4% in Q1FY21. Moratorium book came down from 15.7% in previous quarter to 8.0% in September 2020 | Leaving FY21 behind and front loading provisions for asset quality stress, the management has guided for improvement from FY22E. Given lower moratorium and meagre restructuring till date, return ratios are well placed to witness improvement ahead. We remain positive on the stock |  |
| JK Tyre & Industries (JKTIL) | JKTIL posted healthy Q2FY21 results. Consolidated revenues rose 5.6% YoY to ₹ 2,275 crore (India up 11%, Mexico down 18%). Margins came in at a four year high of 15.6% while PAT was lower by 38% YoY to ₹ 105 crore | Aftermarket and exports channel aided growth in revenues while fixed cost control measures led to strong uptick in margins on YoY basis. PAT was lower YoY primarily due to low effective tax rate in the base quarter. The company managed to reduce short term debt by ₹ 660 crore to ₹ 1,313 crore amid lower working capital linked to lower sales in Q1FY21 as well as operational efficiencies realised by the company. JKTIL posted CFO of ₹ 979 crore in H1FY21 |  |

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|---|--|--|---|
| Aditya Birla Fashion and Retail (ABFRL) | As per media reports, ABFRL is looking to expand its online presence through strategic partnership with major players such as Flipkart or Amazon. The company is open to a joint venture or hiving off business into a special purpose vehicle as part of the deal. ABFRL will also be holding a board meeting on October 23 to consider fundraising options (it had recently raised ₹ 995 crore via rights issue) | The current pandemic is expected to materially shift more customer traffic to digital channel. If the deal fructifies, the partnership could act as a key catalyst to boost online channel sales for the company. ABFRL expects share of e-commerce space to double to 13% by FY21E (vs. 6% in FY20) |  |
| Larsen & Toubro Infotech | Larsen & Toubro Infotech (LTI) reported a healthy set of Q2FY21 numbers both on revenues and margins front. The company's constant currency dollar revenues increased 2.3% QoQ (above our estimate of 1.5% QoQ) and margins increased 279 bps QoQ to 22.9% (above our estimate of 20.5%) mainly led by higher offshoring and increase in utilisation. Digital (41% of revenues) grew 5.8% QoQ and 18.4% YoY. The company has also won large deal with net new TCV in excess of US\$40 million in analytics | LTI is expected to be a key beneficiary of recent trends of multi-year technology transformation phase. In addition, the company's ability to win large deals, effectively mine clients, adding fortune 500 clients and acquire new clients will enable the company to deliver industry leading revenue growth in coming years. This coupled with healthy margin performance prompt us to revise our EPS estimates upwards. Hence we have a positive view on the stock |  |
| Newgen Software Technologies | Newgen reported a healthy set of Q2FY21 numbers on profitability numbers. While revenues were flat YoY at Rs 155 crore, net profits increased from ₹ 4 crore to ₹ 29 crore led by expansion of EBITDA margins from ~6% to 26.5% | The company expects revenues to improve in H2FY21E which is the strongest quarter for Newgen. From longer term perspective Newgen expects revenues to grow at least in double digit and margins are expected to be healthy although some of the benefits of Q2FY21 may not flow in longer term. This coupled with reasonable valuation of 2.6x EV/sales prompt us to be positive on the stock |  |
| L&T | L&T Construction was awarded large contracts (ranging between ₹ 2500 to ₹ 5000 crore) across its various businesses including buildings & factories order from a reputed developer in Mumbai to construct residential & office space, an order from Punjab water supply board in water & effluent treatment business and an order from NCRTC for manufacturing & supply of pre-cast ballastless slab track system for Delhi-Meerut RRTS | As on date for the quarter, L&T has announced orders value ranging between ₹ 11000 crore to ₹ 25000 crore (Ex-Services) across heavy civil infrastructure, transportation, power T&D, building & factories, water treatment businesses. Continued momentum in order inflows amid economic slowdown to augur well for L&T as it will further strengthen its order book and improve its revenue visibility over a longer time frame while working capital and cash flow situation will be closely watched amid a tight liquidity situation |  |

| | | | |
|----------------|---|---|---|
| DB Corp | DB Corp's Q2FY21 revenues fell 34.8% YoY to ₹ 346.4 crore. Print and digital revenues declined to ₹ 208.1 crore, down 37.8% YoY while circulation revenues were at ₹ 103.3 crore, down 19.7% YoY. EBITDA was at ₹ 71.1 crore, down 27.8% YoY whereas EBITDA margins improved 201 bps YoY to 20.5%. Consequently, PAT was at ₹ 28.5 crore, down 62.3% YoY | Softened raw material prices coupled with cost control measures was a positive. However, circulation revenues are likely to remain subdued in near term. Print ad revenue, while improved sequentially, still remain lower compared to pre-Covid level. Considering challenging ad growth outlook, we believe full ad recovery is still a few quarters away |  |
| Infrastructure | NHAI saw active participation by potential investors in the first pre-bid meeting for the fifth round of highway monetisation programme through the TOT route. Total ~50 officials from different companies, both domestic, overseas, took part in the virtual meeting. Among investors who took part in the pre-bid meeting includes L&T, Cube Highways, Adani, ISADAK, CDPQ and Global Infrastructure Partners among others | Under TOT, the national highways are given on long-term lease to private entities on a long-term concession basis against an upfront payment. If TOT-5 gets successful, the proceed will be used to repay debt and to develop highways by NHAI |  |
| PNC Infratech | PNC Infratech has been declared L1 in an EPC project namely "Upgradation of Canal System from Srisailem Reservoir to Gorukallu Balancing Reservoir" with The Water Resources Department, Government of Andhra Pradesh at a quoted value of ₹ 1000.7 crore. The project is to be constructed in 36 months | The order inflows during YTD FY21 have been very strong providing revenue visibility over the next two to three years. Additionally, PNC Infratech is actively looking to expand its business into various infrastructure verticals and the recently water projects provides required diversification |  |
| Nestle | Nestle SA said its India business posted a strong mid-single-digit growth in the September quarter with good momentum in Maggi, Nescafé and KitKat brands | The growth is better than our expectation of sales decline in 4% during the quarter. The stock could reach positively to the news. |  |

Key developments (Continued...)

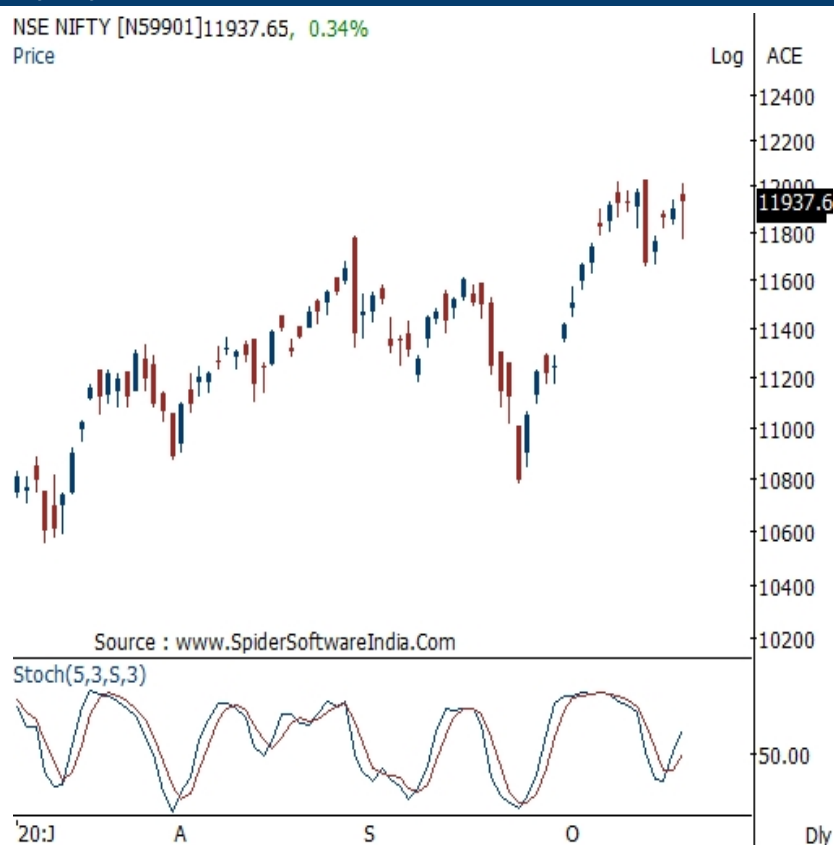
- Biocon's Q2FY21 revenues are likely to grow ~16% YoY ₹ 1821 crore mainly on the back of continuing traction in the Generics segment. In the biosimilars segment, traction in Ogivri (Trastuzumab) and launch of insulin Glargine is expected to be partially offset by decline in Fulphila (Pegfilgrastim) sales. EBITDA margins are expected to remain flat at 25.6%. Net profit is expected to improve just 1.2% YoY to ₹ 191.3 crore, due to higher depreciation. Additionally, stronger than expected results from Syngene will support Biocon's quarterly performance
- Coforge is expected to report results today. Revenues in dollar terms are expected to increase 7.4% QoQ. In terms of rupee revenues, the company is expected to grow 6.0% QoQ. EBITDA margins is expected to increase 160 bps QoQ due to absence of ESOP charges (~113 bps) and higher utilisation. Healthy improvement in operating margins is expected to result in 41.3% QoQ increase in PAT. Key things to watch in today's conference call outlook on travel vertical, large deal pipeline in BFSI, insurance & healthcare and margin outlook
- For HDFC AMC, AUM is expected to witness sequential uptick, though on YoY basis is seen to remain flattish at ₹ 3.75 lakh crore. Gradual recovery in equity market and inflow from SIP is seen to partially offset pressure of lumpsum outflow. Operational performance is expected to revive sequentially and remain flat on YoY basis. Revenue from operation expected at ₹ 498 crore (Yield at ~53 bps of closing AUM). Steady expense trajectory is seen to lead to support profitability with PBT at ₹ 426 crore, i.e. 45 bps of AUM. PAT is seen at ₹ 324 crore, ~34 bps of AAUM

- Ambuja Cement derives major revenues from the north and western India markets that remained weak in terms of prices during the quarter. However, volume offtake remained better than Industry average in these two regions. Accordingly, we expect volume growth of 30.2% QoQ to 5.5MT while realisations are expected to drop 4% QoQ after a strong up move in Q1. EBITDA/t is expected to decline 17.9% QoQ to ₹ 1,166/t whereas YoY it is likely to improve 38.6% due to cost rationalisation
- For Asian Paints, we believe, a slow recovery in the metro regions is expected to be partially offset by strong volume recovery in semi-urban and rural regions, helping drive volume in Q2FY21. We believe company to report sales growth of 6% YoY to ₹ 5355 crore led by volume growth of 7% in Q2FY21. On the margin front, benign raw material prices and improved operating leverage to drive EBITDA margin up by 170 bps YoY at 20.6%, which would take PBT higher by 18% YoY to ₹ 985 crore. PAT may decline by 12% YoY at ₹ 743 crore mainly due to reversal of tax benefits in the base period
- Sterlite Tech to report Q2 numbers today. Given the weak demand in product segment and residual Covid-19 led execution challenges in solutions/services business, we bake in topline decline of 19% YoY to ₹860 crore. With negative operating leverage impact, consolidated EBITDA is expected to decline 31% YoY at ₹ 198 crore while EBITDA margins for the quarter are expected to decline 320 bps YoY to 18% . Reported PAT at ₹ 63.5 crore, is expected to be down 60% YoY. Key monitorable is Management commentary on overall demand & ramp up of solutions based business
- For Bajaj Finserv, moderation in lending business led consolidated top-line growth at 5.8% YoY to ₹ 15052 crore. Insurance business witnessed improvement in earnings, however, elevated provisioning of ₹ 1370 crore in lieu of Covid in lending business impacted consolidated earnings reported at ₹ 986 crore, down 18% YoY. Amid lockdown and risk aversion, AUM growth remained lower at 1% YoY to ₹ 137300 crore. Gross premium accretion in general insurance picked up QoQ, though was down 3% YoY to ₹ 4156 crore. Flattish top-line and healthy investment income led to 13% YoY earnings growth to ₹ 332 crore. Life insurance premium grew 20% YoY to ₹ 2677 crore, led by individual new business premium. However, PAT came lower at ₹ 98 crore vs ₹ 207 crore in Q2FY20, attributable to higher actuarial liabilities
- UltraTech Cement reported good set of numbers for Q2FY21 with EBITDA margin expansion of 592bps YoY to 25.5%. Volumes for the quarter improved 8.2% YoY to 19.2MT. While realizations broadly remained flat YoY, stricter cost controls helped company to improve margins sharply. While revenues grew 8.1% YoY to ₹10,019 crore, EBITDA improved by 40.8% YoY to ₹2,552 crore due to better margins. Further, reduction in interest costs (down 31% YoY) helped to achieve robust PAT growth of 89% YoY to ₹1209 crore for the quarter
- Sagar Cements reported strong performance with EBITDA and PAT growth of 2.5x and 10x respectively during Q2FY21. Revenues grew by 22.8% YoY to ₹ 325.9 crore led by 20.8% YoY increase in realisations and 1.7% YoY growth in volumes. EBITDA margins doubled to 32.1% YoY on lower production costs (down 2.4% YoY). Further, lower interest costs (down 26% YoY) led to company reporting 919% YoY growth in net profits to ₹50.2 crore for the quarter vs (I-direct estimate: ₹ 43.5 crore)
- Chennai Petroleum's operating revenue fell 20.1% YoY to ₹ 9732.9 crore in Q2FY21. Crude throughput was down 20% YoY to 2.1 MMT while GRMs were healthy due to an increase in crude oil and petroleum products leading to EBITDA was at ₹ 608 crore. Reported PAT was at ₹ 290.6 crore against net loss of ₹ 213 crore in Q2FY20
- KPIT reported Q2FY21 numbers. The company's revenues were flattish QoQ at US\$65.3 million led by change in revenue mix and lower onsite. However, the company's EBIT margin increased 28 bps QoQ to ~7%. The company's net profit increased 16.1% QoQ led by one time gain and higher operating margins
- Shanthi Gears (70% subsidiary of Tube Investments of India; manufacturer of industrial gears) reported muted Q2FY21 performance. Sales de-grew 24% YoY to ₹ 54 crore while margins dipped by ~100 bps YoY to ~16%. PAT climbed down by 22% YoY to ₹ 6.6 crore. The company generated CFO of ₹ 7.9 crore for H1FY21 vs. ₹ 14.5 crore for the corresponding period last year. Orderbook as of September 30 stands at ₹ 187 crore, up from ₹ 145 crore in the previous year
- Tata Consultancy Services (TCS) announced that KBZ MS General Insurance and KBZ Life Insurance has successfully moved to TCS BaNCS Cloud for Insurance
- Fire broke out at a transit stockyard of Royal Enfield at Kukas, Jaipur. No harm to personnel was reported, and inventory damage was also reported as being negligible
- Kia Motor's Sonet SUV has received > 50,000 bookings within 2 months of its launch. The model has intensified competition in the compact SUV segment
- Alembic Pharma receives USFDA approval for the generic version of AbbVie's Tricor micronized (Fenofibrate) capsules in US. The drug, used to treat high cholesterol levels in conjunction with a proper diet, had an estimated market size of US\$17 million as per IQVIA MAT June 2020
- As per media reports, Gland Pharma has received SEBI approval to launch its initial public offering (IPO) for raising upto ₹ 6000 crore. The company, with majority ownership by China's Shanghai Fosun Pharmaceutical (Fosun Pharma), may likely launch the IPO in November 2020
- On October 24, 2020, Vedanta will consider and approve the first Interim Dividend on equity shares (if any), for the Financial Year 2020-21. Furthermore, the record date for the purpose of determining the entitlement of the equity shareholders for the said dividend, if declared, is being fixed as October 31, 2020

- As per media sources, the Cabinet Committee on Economic Affairs has approved the compound interest waiver for certain categories of borrowers with loan amounts up to ₹ 2 crore. However, the government is first expected to inform the SC and then make the matter public. The next hearing for the interest on moratorium case is to be held on 2nd November 2020
- RBI has clarified that the liquidity availed by banks under LTRO has to be deployed in the financial instruments issued by five specific sectors namely: agriculture, agri-infrastructure, MSMEs, secured retail and drugs, pharmaceuticals and healthcare
- As per latest shareholding pattern, Rakesh Jhunjhunwala has reduced his stake in Federal Bank from 3.18% to 2.71%
- As per BSE filing, on October 29, 2020, Hindustan Copper has convened a board meeting to seek approval of shareholders for raising funds by issue of shares via qualified institutional placement (QIP). This will be to the extent of 15 % of existing paid up equity capital. The board will also consider recommending the mines ministry to modify the object clause of the QIP from expansion/capex plan to general corporate purpose including ongoing expansion/ capex plan. Furthermore, during the board meeting it will also consider and recommend seeking approval of shareholders for "the overall borrowing limit of Rs 2,500 crore for all types of borrowings/ loans including bonds
- Marico has extended its edible oil brand 'Saffola' into the Chyawanprash category mainly to leverage the increased awareness and interest in immunity boosting products. The new range is being rolled out in phases across general trade outlets before taking it to modern trade, Saffola stores and e-commerce platforms. The company forayed in immunity boosting product - kadha and milk mix and Honey earlier this year
- Zee Entertainment has rejigged organisational structure and divided business into verticals for content creation, technology and revenue & monetisation
- Bombay High Court has reserved judgement on NTO 2.0 and ordered Trai not to take any coercive actions against broadcasters for non-implementation of tariff order
- Yoodlee films, Saregama India's film segment is planning their first theatrical release in 2021
- In a bid to attract long-term capital for infrastructure financing, Prime Minister Narendra Modi will soon hold a meeting with top 15 global fund houses to get their views on investment in infra projects
- 50 unserved and underserved airports (including five heliports) with 285 routes have been added under UDAN across the length and breadth of India. As the implementing agency, AAI has an ambitious plan to develop at least 100 airports/ waterdromes/ heliports by 2024 under the scheme
- DLF's rental arm has given on lease 7.7 lakh sq ft office space to Standard Chartered GBS in an upcoming commercial tower in Chennai to be constructed at a cost of around ₹ 450 crore, The construction of the prime office tower is expected to start in January 2021 and will be completed in 36 months
- Bharti Airtel is developing 5G network technologies in India through own R&D and in collaboration with local, US and Japanese firms, underlining a dramatic shift in the mobile phone operator's strategy, which will see it develop its own intellectual property rights (IPR), as against depending on third-party equipment vendors.
- Dilip Buildcon through JV - DILIP BUILDCON -ALTIS-HOLDING has been declared as L-1 bidder for a new EPC Project namely "Eight Lane access controlled Expressway starting near village Ummedpura to Nayagaon Jageer village section of Delhi - Vadodara Green field Alignment in the State of Rajasthan on EPC Mode (Pkg-15)." The Bid Project cost is ~₹ 1000 crore

Nifty Daily Chart

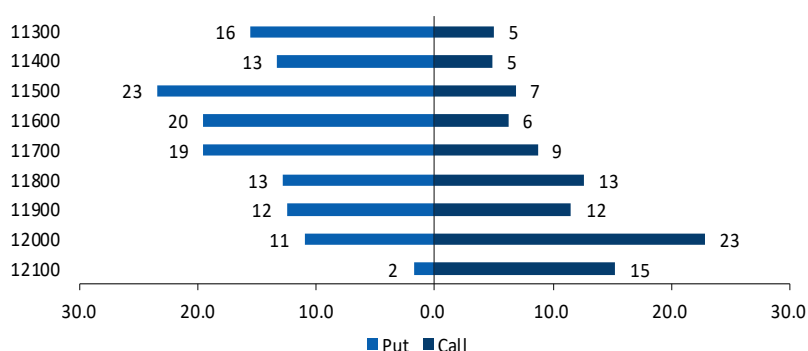
NSE NIFTY [N59901] 11937.65, 0.34%
Price



Pivot Points

| Index/Stocks | Trend | Close | S1 | S2 | R1 | R2 |
|---------------------|----------|---------|-------|-------|-------|-------|
| SENSEX | Neutral | 40707.3 | 40246 | 39785 | 41072 | 41437 |
| Nifty 50 | Neutral | 11937.7 | 11803 | 11668 | 12046 | 12154 |
| ACC Ltd | Positive | 1620.2 | 1592 | 1564 | 1637 | 1654 |
| Axis Bank Ltd | Positive | 501.5 | 491 | 478 | 511 | 520 |
| HDFC BANK LTD | Positive | 1246.7 | 1229 | 1211 | 1258 | 1269 |
| SBI | Neutral | 203.8 | 199 | 195 | 207 | 211 |
| HERO MOTOCORP LT | Negative | 3178.4 | 3114 | 3049 | 3262 | 3345 |
| MOTHERSON SUMI | Neutral | 107.1 | 104 | 102 | 110 | 114 |
| Tata Motors | Positive | 130.3 | 129 | 126 | 134 | 136 |
| M&M FIN SERVICES | Neutral | 131.9 | 127 | 124 | 134 | 138 |
| BAJAJ AUTO LTD | Positive | 3018.0 | 2993 | 2969 | 3040 | 3063 |
| TCS | Negative | 2675.4 | 2643 | 2610 | 2729 | 2782 |
| INDIAN OIL CORP | Positive | 76.0 | 75 | 75 | 77 | 77 |
| CIPLA LTD | Neutral | 767.1 | 758 | 750 | 774 | 780 |
| PIDILITE INDS | Negative | 1496.8 | 1473 | 1450 | 1530 | 1564 |
| Reliance Industries | Negative | 2124.6 | 2084 | 2044 | 2178 | 2232 |
| BHARTI AIRTEL | Positive | 419.0 | 408 | 397 | 424 | 431 |
| DR REDDY'S LABS | Negative | 5046.8 | 4937 | 4827 | 5127 | 5207 |

Nifty Call – Put Strike (Number of shares in lakh) – October 2020



Technical Outlook

Equity benchmarks continued with its winning spree over fourth consecutive session. The Nifty ended the session at 11938, up 41 points or 0.3%. In the coming session, volatility to remain high owing to weekly derivative expiry. However, we expect index to trade firm above 11850 amid positive bias. Hence, intraday dip towards 11840-11865 should be used to create long position for target of 11946.

We reiterate our broader positive stance and expect the Nifty to retest its lifetime high of 12400 by December 2020. On expected lines, banking sector has been outperforming the benchmark over past few sessions. We expect, similar catch up activity to be seen in auto (most of stocks have corrected 10-20% recently), consumption and infra (which have undergone solid base formation over past 3-4 months) that collectively carries ~60% weightage (including banking which is already outperforming). Such a broadening sectoral participation augurs well and expected to lift index beyond psychological hurdle of 12000 and drive index towards 12400 by December.

CNX Nifty Technical Picture

| Nifty 50 | Intraday | Short Term |
|-------------|-------------|-------------|
| Trend | Range Bound | Range Bound |
| Support | 11860-11820 | 11500 |
| Resistance | 11950-12000 | 12000 |
| 20 day EMA | 0 | 11666.0 |
| 200 day EMA | 0 | 10965.0 |

Advances/Declines

| | Advances | Declines | Unchanged |
|-----|----------|----------|-----------|
| BSE | 1327 | 1332 | 176 |
| NSE | 933 | 923 | 123 |

Daily Technical Calls

Daily Technical Calls

1. Buy Kotak Mahindra Bank in the range of 1382.00-1386.00
2. Buy Ramco Cement in the range of 793.00-795.00

All recommendations of October Future

[See Momentum Pick for more details](#)

Intraday Derivative Strategy

i) Hindalco

Buy HINDAL OCT Fut at ₹186.00-186.50

CMP: 186

Target 1: 188.3

Target 2: 191.5

Stop Loss: 184.2

ii) Tata Consumer

Sell TATGLO OCT Fut at ₹466.00-467.00

CMP: 456

Target 1: 463.2

Target 2: 458.2

Stop Loss: 469.8

[See Derivatives view for more details](#)

Results/Events Calendar

| | | | | | | | | | | | |
|---|----------------------------------|---|-----------------------------------|---|-------------------------------------|---|------------------------------------|--|----------------------------------|---|------------------------------------|
| 05 | October Monday | 06 | October Tuesday | 07 | October Wednesday | 08 | October Thursday | 09 | October Friday | 10 | October Saturday |
| UK Services PMI EU Retail Sales (MoM) US Services PMI UK Composite PMI EU Markit Composite PMI | | UK Construction PMI US Trade Balance CH Imports CH Exports US Exports, US Imports | | TCS,Majesco US Consumer Credit JP Current Acc.,JP GDP YoY US Crude Oil Inventories CH FX Reserves | | Titagarh Wagons(Q4FY20) 5 Paisa Capital GM Breweries US Initial Jobless Claims JP GDP QoQ | | RBI MPC,UK GDP (MoM) UK Industrial Prod YoY UK Manufacturing Production UK Trade Balance CH FX Reserves | | GTPL Hathway US Core PPI | |
| 12 | October Monday | 13 | October Tuesday | 14 | October Wednesday | 15 | October Thursday | 16 | October Friday | 17 | October Saturday |
| Shalby,IN CPI YoY IN Industrial Production YoY IN Manuf. Output MoM | | Wipro UK Unemployment Rate US CPI YoY CH Trade Balance CH Imports,CH Exports | | Infosys,Tata Elxsi Titagarh Wagons(Q1FY21) CH Industrial Production CH Retail Sales,US PPI MoM WPI Inflation | | South Indian Bank Mindtree,Cyient IN Trade Bal., US Crude Oil Inv. IN Exports, IN Imports US Initial Jobless Claims | | HCL Tech,Federal Bank Philip Carbon Black IIFL Securities. Tata Communications US Retail Sales | | HDFC Bank Avenue Supermarts Oberoi Realty JP Exports, JP Imports JP Trade Balance | |
| 19 | October Monday | 20 | October Tuesday | 21 | October Wednesday | 22 | October Thursday | 23 | October Friday | 24 | October Saturday |
| ACC,Tata Metaliks Britannia,Rallis EU Construction Output | | Mahindra CIE,LTI Granules,HUL Hindustan Zinc Kajaria Ceramic | | Bajaj Finserv,CPCL,KPIT Colgate,Sasken Newgen,Sagar Cement Ultratech Cement,Bajaj Finance JK Tyre,Syngene,DB Corp | | Mphasis,Bajaj Auto,Coforge Asian Paints,Alembic Pharma Kewal Kiran,Sterlite Tech,Bioco Music Broadcast,HDFC AMC Bharti Infratel,Ambuja Cement | | JSW Steel,Tech Mahindra Persistent Systems Ltd. Nestle,Control Print,Atul Ltd. Sudarshan Chemicals,Yes Bank Genus Power,Heidelberg | | Polycab Ind Vardhman Textiles | |
| 26 | October Monday | 27 | October Tuesday | 28 | October Wednesday | 29 | October Thursday | 30 | October Friday | 31 | October Saturday |
| Mahindra Finance Swaraj Engines,SBI Life Torrent Pharma Kotak Mahindra Bank CH Industrial Production | | JM Financials,Bharti Airtel Amara Raja Batteries Tata Motors,Sanofi,CEAT SKF India,Nippon Life Accelya,VST Industries | | Axis Bank,Titan,Schaeffler Radico,Marico,Firstsource Larsen & Toubro,MCX Supreme Ind.,Vguard,Moil Saregama,APL Apollo Tubes | | TVS Motors,Maruti Suzuki Zensar,Bluedart,Himadri Spec. Johnson Controls Hitachi Havells India,Laurus Labs Bank of Baroda,Mastek,Sis India | | IOC,Mahindra Lifespace Intellect Mahindra Logistics IN Infrastructure Output CH Manufacturing PMI | | IN Trade Balance DCB Bank Relaxo Footwear IN Current Account | |
| 02 | November Monday | 03 | November Tuesday | 04 | November Wednesday | 05 | November Thursday | 06 | November Friday | 07 | November Saturday |
| Ramco Cements,Bandhan Bank Hdfc Limited.,AIA EU Manufacturing PMI US Manufacturing PMI IN Nikkei Market Manuf.PMI | | Dabur,Sun Pharma Kansai Nerloac Ratnamani Limited. | | Pidilite India,SBI,USL Happiest Minds US Exports,Imports US Trade Balance US Markit Composite PMI | | Trent Gujarat Gas UK Construction PMI EU Retail Sales US Fed Int Rate Decision | | TV Today,Bosch Bhel,Cipla,Indoco Remedies Bharat Electronics US Unemployment Rate CH Imports, Exports | | CH Composite PM | |

Major Economic Events this Week

| Date | Event | Country | Period | Actual | Expected |
|--------|------------------------|---------|--------|----------|----------|
| 19-Oct | Construction Output | EU | Aug | 2.6% | -- |
| 20-Oct | Current Account | EU | August | 19.9B | 17.2B |
| 21-Oct | CPI YoY | UK | Sep | 0.5% | 0.5% |
| 21-Oct | Crude Oil Inventories | US | Oct | -1.001M | -1.180M |
| 21-Oct | PPI MoM | UK | Sep | 1.1% | -0.4% |
| Date | Event | Country | Period | Expected | Previous |
| 22-Oct | Retail Sales MoM | UK | Oct | -- | 0.8% |
| 22-Oct | Initial Jobless Claims | US | Oct | 860K | 898K |
| 22-Oct | Consumer Confidence | EU | Oct | -15.0 | -13.9 |
| 22-Oct | Manufacturing PMI | JP | Oct | -- | 47.7 |
| 22-Oct | Services PMI | JP | Oct | -- | 46.9 |
| 23-Oct | Bank Loan Growth | IN | Oct | -- | 5.1% |
| 23-Oct | Deposit Growth | IN | Oct | -- | 10.5% |
| 23-Oct | FX Reserves, USD | IN | Oct | -- | 551.51B |
| 23-Oct | Manufacturing PMI | US | Oct | 54.3 | 54.10 |
| 23-Oct | Services PMI | US | Sep | 55.0 | 56.10 |
| 23-Oct | Manufacturing PMI | EU | Oct | 53.1 | 53.70 |

Result Preview

| Company | Revenue | Chg(%) | | EBITDA | Chg(%) | | PAT | Chg(%) | |
|-----------------|---------|--------|-------|---------|--------|-------|---------|--------|-------|
| Crore | Q2FY21E | YoY | QoQ | Q2FY21E | YoY | QoQ | Q2FY21E | YoY | QoQ |
| Bajaj Auto | 7,192.0 | -7.0 | 134.0 | 1,231.0 | -4.0 | 201.0 | 1,178.0 | -16.0 | 123.0 |
| HDFC AMC | 544.9 | -0.8 | 10.9 | 426.1 | -0.3 | 12.0 | 323.9 | -12.0 | 7.1 |
| Biocon | 1,821.4 | 15.8 | 9.0 | 466.2 | 15.7 | 12.8 | 191.3 | 1.2 | 28.0 |
| Asian Paints | 5,355.1 | 6.0 | 83.2 | 1,104.0 | 15.6 | 128.0 | 742.5 | -11.8 | 238.1 |
| Ambuja Cements | 2,717.8 | 3.5 | 24.9 | 636.3 | 44.7 | 6.9 | 354.6 | 51.1 | -21.8 |
| Sterlite Tech. | 1,100.6 | -19.1 | 25.6 | 198.3 | 63.0 | -31.3 | 63.5 | -60.2 | 965.9 |
| Bharti Infratel | 3,631.7 | -0.2 | 3.6 | 1,864.2 | -0.8 | 1.7 | 753.9 | -21.8 | 7.1 |
| Coforge | 1,120.6 | 7.9 | 6.0 | 197.8 | 4.2 | 16.7 | 112.9 | -5.5 | 41.3 |

Recent Releases

| Date | Report |
|-----------------|--|
| October 21,2020 | Result Update-Hindustan Zinc |
| October 21,2020 | Result Update-Granules India |
| October 21,2020 | Result Update-Kajaria Ceramics. |
| October 21,2020 | Result Update-Hindustan Unilever |
| October 21,2020 | Result Update-Rallis India |



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