

Market Outlook

Indian markets are likely to open with a positive bias on the back of positive global cues, momentum around the vaccine news, Brexit deal and the US stimulus package.

Markets Yesterday

- Domestic markets ended higher tracking gains across sectors amid positive global cues
- US markets ended higher post the US President signing the Covid relief package

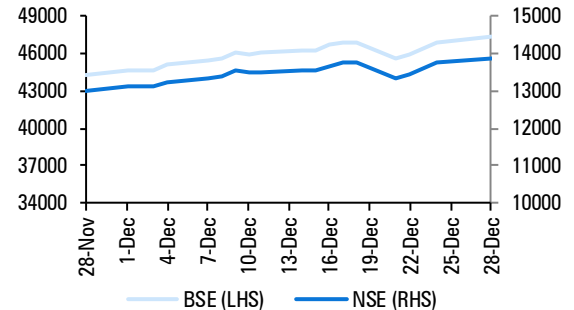
Key Developments

- According to a rating agency report, banks' GNPA and net NPAs are expected to rise to 10.1-10.6% and 3.1-3.2%, respectively, by March 2021. The agency also expects net NPA to decline to 2.4-2.6% by March 2022 as banks have reported strong collections on their loan portfolio with most of them reporting collections of over 90%
- Coal India plans to construct 21 railway sidings at an estimated investment of ₹ 3,370 crore in four of its subsidiaries, an effort towards strengthening its rail infrastructure. These railway sidings would be commissioned by FY24. CIL currently has around 152 rail sidings. The tally is expected to go up to 173 by 2024
- Dixon Technologies, through its subsidiary Padget Electronics has entered into an agreement to manufacture smart phones for Motorola. The company has done an investment of ₹ 75 crore to start its third dedicated phone assembling unit in Noida, which will be operational by January 2021

Today's Highlights

Events: US Conference Board consumer confidence

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	47,354	46,974	0.8	7.3	14.8	31.9
Nifty	13,873	13,749	0.9	7.0	14.0	31.5

Institutional Activity

	CY18	CY19	YTD CY20	Yesterday	Last 5 Days
FII (₹ cr)	-68,503	40,893	59,070	1,589	5,312
DII (₹ cr)	1,07,388	44,478	-25,688	-1,387	-5,825

World Indices – Monthly performance

Index	Value	Chg (%)
BSE	47,354	8.0%
Kospi	2,809	8.0%
NSE	13,873	7.9%
Nasdaq	12,899	6.7%
Germany	13,790	3.8%
Dow Jones	30,404	1.8%
U.K.	6,502	1.7%
Nikkei	26,854	0.8%
France	5,588	-0.2%
Shanghai	3,397	-0.3%

Nifty Heat Map

Tata Motors	186	5.9%	JSW Steel	387	5.6%	HDFC Life	679	3.3%	Titan	1,544	3.2%	SBI Life	902	3.2%
SBI	275	3.1%	L&T	1,289	2.2%	GAIL	123	2.1%	Ultratech	5,142	1.9%	Tata Steel	633	1.7%
Indusind Bank	867	1.7%	IOC	92	1.6%	Kotak Bank	1,989	1.4%	BPCL	383	1.4%	Asian Paints	2,684	1.3%
ICICI Bank	520	1.3%	Hindalco	240	1.2%	Axis Bank	618	1.2%	Bajaj Auto	3,415	1.2%	HDFC Bank	1,413	1.1%
Grasim Ind	907	1.1%	Adani Ports	484	1.0%	Coal India	138	1.0%	UPL	453	0.9%	HDFC Ltd	2,476	0.9%
Bharti Airtel	522	0.8%	Power Grid	192	0.8%	ONGC	94	0.7%	TCS	2,929	0.7%	Eicher	2,451	0.6%
NTPC	100	0.5%	Maruti	7,483	0.5%	Reliance Ind.	2,003	0.5%	Divis Lab	3,766	0.4%	ITC	210	0.4%
Bajaj Finance	5,204	0.4%	Infosys	1,240	0.3%	Hero Moto	3,083	0.3%	HCI Tech	922	0.3%	Wipro	383	0.2%
Nestle	18,597	0.2%	Bajaj Finserv	8,995	0.0%	M&M	711	0.0%	Dr Reddy	5,202	0.0%	TechM	947	0.0%
Cipla	830	-0.4%	Britannia	3,604	-0.4%	Shree Cement	23,716	-0.5%	HUL	2,389	-0.6%	Sun Pharma	587	-0.6%

Markets Today (Currency, ADRs updated till yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	50,062	50,073	0.0	4.4	28.4
Silver (₹/kg)	68,825	67,509	2.0	17.2	48.0
Crude (\$/barrel)	51.0	51.3	-0.7	8.8	-21.6
Copper (\$/tonne)	7,788	7,844	-0.7	2.7	26.4
Currency					
USD/INR	73.5	73.5	0.1	0.7	-2.9
EUR/USD	1.2	1.2	0.2	2.4	8.9
USD/YEN	103.6	103.7	-0.1	0.7	4.9
ADRs					
HDFC Bank	69.6	69.1	0.7	0.8	9.8
ICICI Bank	14.0	13.9	0.9	8.8	-7.3
Tata Motors	11.8	11.7	1.3	-1.2	-8.7
Infosys	16.6	16.6	0.1	9.1	60.9
Dr Reddys Labs	70.4	70.4	0.1	7.4	73.6
Wipro	5.6	5.6	0.4	8.7	49.3

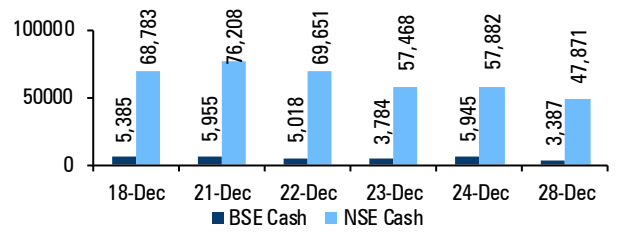
Key Data Points

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	Nov	6.93%	7.61%
Current Account Balance	Q1	19.8bn \$	0.6bn \$
Exports - USD	Nov	23.5 bln\$	24.8 bln\$
FX Reserves, USD Final	Nov	575 bln\$	561 bln\$
GDP Quarterly yy	Q2	-7.50%	-23.90%
GDP Annual	FY20	4.20%	6.10%
Imports - USD	Nov	33.4 bln \$	33.6 bln \$
Industrial Output yy	Oct	3.60%	0.50%
Manufacturing Output	Oct	3.50%	-0.60%
Trade Deficit Govt - USD	Nov	-9.87bn \$	-8.78bn \$
WPI Food yy	Nov	3.94%	6.37%
WPI Fuel yy	Nov	-9.87%	-10.95%
WPI Inflation yy	Nov	1.55%	1.48%
WPI Manuf Inflation yy	Nov	2.97%	2.12%

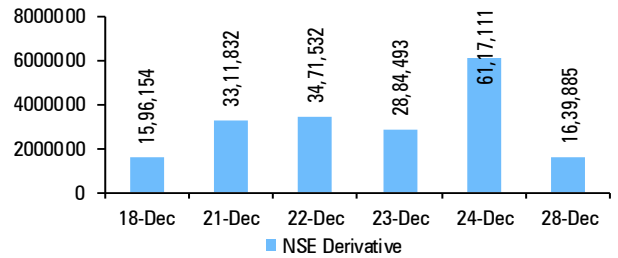
Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
NMDC	Buyback			Ongoing	105.00
TCS	Buyback			Ongoing	3,000.00
Wipro	Buyback			Ongoing	400.00
Mayur Uniquoters	Buyback			Upcoming	400.00
Engineers India	Buyback	31-Dec-20	01-Jan-21		84.00

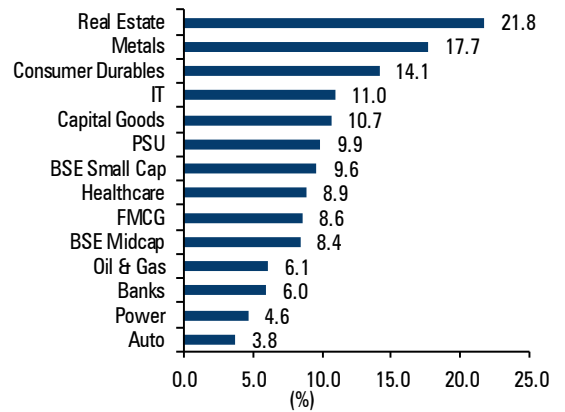
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)




Sectoral Performance – Monthly Returns (%)



Key News for Today

Company/ Industry	News	View	Impact
NTPC	NTPC, in an exchange notification, has said the Dulanga Coal Mine having an ultimate peak capacity of 7 million tonnes has declared commercial operation with effect from October 1, 2020	This operational mine will help NTPC enhance its captive production above 15 MT in the near to medium term	👍

Gujarat Gas	As per Cogencis reports, Gujarat Gas has hiked industrial PNG price by ₹ 4/scm in Morbi	The hike in prices is likely to pass on the recent increase in gas costs to customers, leading to steady margins for the company	
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Key developments (Continued...)

- 3i Infotech has divested its software product business (constituting 38% of the company's topline i.e. ~₹ 443 crore) for ₹ 1000 crore to Azentio group owned by private equity funds advised by Apax Partners. This values the business at EV/ sales of 2.25x. The transaction is expected to be completed by March 31, 2021
- Lupin has launched the generic version of Zyla Life Sciences' Vivlodex (Meloxicam) capsules, 5/10 mg in US. The drug, indicated for management of osteoarthritis pain, had annual US sales of US\$11 million as per IQVIA MAT October 2020
- Axis Bank is trimming overseas operation as part of a strategy of focusing Indian market. It closed branches in Shanghai and Colombo last month while it is in the process of winding up Hong Kong Branch. It is also looking to surrender its UK banking subsidiary license and close operations by April 2021 as reported by ET
- HDFC Bank may have a new chairman in January next year. The tenure of current part-time Chairman Shyamala Gopinath will end on January 1. Ms Gopinath, former deputy governor of the RBI, has been in the position since January 2, 2015 as reported by Business Standard
- Adani International Container Terminal Pvt Ltd (50:50 JV between APSEZ and Terminal Investment Ltd) maiden US\$300 million bond issuance was oversubscribed 10 times. The issue of ~10 years was priced at par to yield 3%, which is also the lowest coupon achieved by any corporate Indian issuer in the last five years
- The Titan Board have given approval to provide corporate guarantees worth ₹ 906 crore to various banks on behalf of Titan Commodity Trading Ltd, which is a wholly-owned subsidiary
- Bank of Baroda has launched the digital lending platform to enable prospective retail loan seekers to get loans digitally through a paperless process at the convenience of their place and time of choice. BoB currently offers pre-approved micro personal loan to existing selected customers to shop anything through offline/online partner channels and pay later in easy EMIs. Customers can also avail the amount in their savings bank account and convert it to EMIs from three to 18 months through m-Connect+ (the bank's mobile banking app) in 60 seconds.
- AU Small Finance Bank has tied up with a leading private insurer to offer life insurance solutions. Through the corporate agency arrangement, over 18 lakh customers of AU Bank across over 700 banking touchpoints in 13 states and two union territories, will have easy access to the entire suite of customer-centric protection and long-term savings products of the insurance company
- Biocon has launched Tacrolimus capsules in US. The immunosuppressant drug is used in treatment of organ transplant patients to prevent/reduce organ rejection
- Today, a meeting of Board members of Jindal Stainless & Jindal Stainless Hisar will be held to explore/evaluate various options of reorganisation/consolidation of stainless-steel businesses of the company and of other group entities by way of scheme of arrangement
- IOC-Adani Gas JV will setup 450 CNG stations and 2500+ km MDPE pipeline network in next five to six years in its Kerala geographical areas

Nifty Daily Chart

NIFTY[N59901] 13873.20, 0.90%

Price



Technical Outlook

Equity benchmarks started the week on a buoyant note and settled at a fresh record high, extending gains for a fourth consecutive session. The Nifty ended the session week at 13873, up 124 points or 0.9%. In the coming session, Nifty future is likely to open on a positive note tracking firm Global cues. We expect the index to trade with positive bias maintaining higher high-low. Hence, after a positive opening use intraday dip towards 13880-13905 in Nifty December future for creating long position for target of 13980.

The daily price action formed a bull candle with a higher high-low and a bullish gap below its base (13749-13811). The index in the process closed firmly above the last two weeks almost identical highs (13777) signalling strength and continuation of positive bias. Going ahead, we expect the cyclicals to lead the rally as the index continue with its positive momentum and head towards 14200 in the coming weeks.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	47353.8	47199	47045	47458	47561
Nifty 50	Positive	13873.2	13829	13783	13902	13931
ACC Ltd	Negative	1622.5	1606	1590	1632	1642
Axis Bank Ltd	Positive	617.7	613	610	620	624
HDFC BANK LTD	Positive	1412.9	1405	1396	1422	1430
SBI	Positive	275.2	270	265	278	281
HERO MOTOCORP LT	Positive	3082.6	3056	3029	3117	3151
MOTHERSON SUMI	Positive	160.7	157	153	163	165
Tata Motors	Positive	186.4	181	176	189	192
M&M FIN SERVICES	Positive	175.8	173	170	178	180
BAJAJ AUTO LTD	Neutral	3414.7	3386	3356	3434	3452
TCS	Positive	2929.4	2904	2879	2952	2975
INDIAN OIL CORP	Positive	91.7	92	91	93	93
CIPLA LTD	Positive	830.2	823	817	837	845
PIDILITE INDS	Positive	1757.4	1733	1710	1774	1792
Reliance Industries	Positive	2003.3	1994	1983	2017	2029
BHARTI AIRTEL	Positive	521.6	517	512	527	532
DR REDDY'S LABS	Neutral	5201.8	5181	5160	5229	5256

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	13860-13810	13400
Resistance	13950-13990	14200
20 day EMA	0	13434.0
200 day EMA	0	11695.0

Advances/Declines

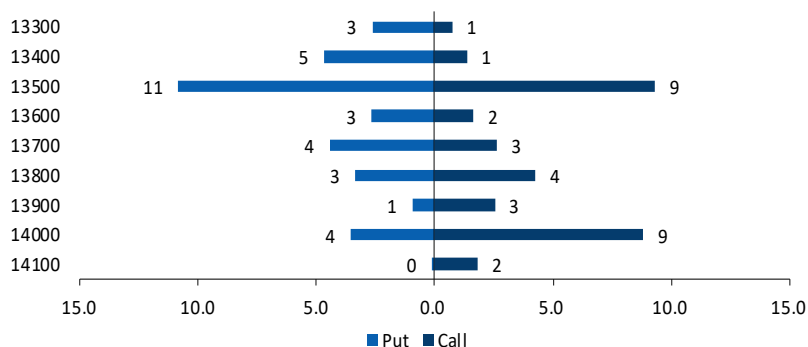
	Advances	Declines	Unchanged
BSE	1972	1046	179
NSE	1375	571	85

Daily Technical Calls

- Daily Technical Calls**
- Buy Ultratech Cement in the range of 5142.00-5148.00
 - Buy Titan in the range of 1542.00-1547.00
- All recommendations of December Future

[See Momentum Pick for more details](#)

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



Intraday Derivative Strategy

i) Colgate Palmolive

Buy COLPAL DEC Fut at ₹1590.00-1502.00

CMP: 1590

Target 1: 1603.9 Target 2: 1623.1

Stop Loss: 1578.1

ii) Balkrishna Ind

Sell BALIND DEC Fut at ₹1555.00-1560.00

CMP: 1560

Target 1: 1535 Target 2: 1501.3

Stop Loss: 1580

[See Derivatives view for more details](#)

Results/Events Calendar

14	December Monday	15	December Tuesday	16	December Wednesday	17	December Thursday	18	December Friday	19	December Saturday
IN WPI Inflation EU Industrial Production IN CPI YoY, CH Retail Sales CH Industrial Production CH Unemployment Rate	IN Trade Balance IN Imports, IN Exports US Capacity Utilisation US Industrial Production JP Manufacturing PMI	UK CPI YoY EU Manufacturing PMI EU Services PMI US Retail Sales US Manufacturing PMI	UK Retail Sales MoM EU CPI YoY EU Construction Output US Initial Jobless Claims CH FDI	UK Retail Sales MoM US Current Account IN Bank Loan Growth IN Deposit Growth IN FX Reserves, USD							
21	December Monday	22	December Tuesday	23	December Wednesday	24	December Thursday	25	December Friday	26	December Saturday
EU Consumer Confidence EU Cons. Inflation Expectation	UK GDP YoY, UK GDP QoQ US GDP QoQ US Existing Home Sales MoM US Real Consumer Spending	US Personal Spending US New Home sales US Initial Jobless Claims US Crude Oil Inventories	JP Retail Sales YoY JP Unemployment Rate	JP Construction Orders							
28	December Monday	29	December Tuesday	30	December Wednesday	31	December Thursday	01	January Friday	02	January Saturday
JP Industrial Production MoM	US CB Consumer Confidence	IN Infrastructure Spending CH Manufacturing PMI CH Non-Manufacturing PMI US Goods Trade Balance US Pending Home Sales	IN Federal Fiscal Deficit IN Current Account IN Trade Balance IN Foreign Debt IN Infrastructure Output	Crude Oil Inventories	JP Manufacturing PMI						
04	January Monday	05	January Tuesday	06	January Wednesday	07	January Thursday	08	January Friday	09	January Saturday
UK Manufacturing PMI US Manufacturing PMI US Construction Spending	JP Services PMI	IN Nikkei Market Manuf. PMI US Services PMI EU PPI (YoY), EU Services P JP Household Confidence UK Composite PMI	EU CPI YoY EU Consumer Confidence UK Construction PMI US Trade Balance EU Retail Sales	IN Federal Fiscal Deficit EU Unemployment Rate US Unemployment Rate US Consumer Credit							
11	January Monday	12	January Tuesday	13	January Wednesday	14	January Thursday	15	January Friday	16	January Saturday
JP Current Account	IN CPI YoY IN Cumulative Industrial Prod. IN Industrial Production IN Manufacturing Output(MoM)	EU Industrial Production US Federal Budget CH Imports, CH Exports US CPI YoY, JP PPI CH Trade Balance	WPI Inflation	UK Construction Output UK Manufacturing Prod'n YoY EU Trade Balance US PPI (MoM), US Retail Sale EU Trade Balance SA	CH GDP QoQ						

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
Date	Event	Country	Period	Expected	Previous
29-Dec	Consumer Confidence	US	Dec	97.0	96.1
30-Dec	Infrastructure Output	IN	Oct	--	-0.8%
30-Dec	Manufacturing PMI	CH	Dec	52.2	52.1
30-Dec	Non-Manufacturing PMI	CH	Dec	--	56.4
30-Dec	Crude Oil Inventories	US	Dec	--	-0.562M
31-Dec	Federal Fiscal Deficit	IN	Nov	--	9,531.54B
31-Dec	Balance of Payments	IN	Dec	--	19.846B
31-Dec	Current Account	IN	Dec	--	19.80B
31-Dec	Trade Balance	IN	Dec	--	-10.017B
31-Dec	Foreign Debt	IN	Nov	--	554.5B
31-Dec	Infrastructure Output	IN	Dec	--	2.5%
31-Dec	Initial Jobless Claims	US	Dec	835k	803k

Bulk Deals

Company	Client Name	Type	No. of shares	Price (₹)
NSE*				
Fairchem	SOLIDARITY ADVISORS	Sell	65,502	618.4
Organics Limited	PRIVATE LIMITED			
Krebs Biochem & Ind Ltd	BRESCON VENTURES PRIVATE LIMITED	Sell	1,00,000	137.8

Recent Releases

Date	Report
December 28, 2020	Sector Update - Retail
December 28, 2020	Company Update-Philip Carbon Black
December 28, 2020	Company Update- Bharat Forge
December 24, 2020	Idirect Instinct- Minda Corporation
December 23, 2020	Stock Tales- Crompton Greaves Consumer Electricals



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