

Market Outlook

Indian markets are likely to see a flat to positive opening on the back of flat global cues amid renewed vaccine optimism. However, global news flows and sector specific development will be key monitorables.

Markets Yesterday

- Domestic markets ended higher tracking gains in auto, metal and cement stocks
- US markets ended higher amid optimism over Covid-19 vaccine and hopes of additional fiscal stimulus

Key Developments

- The RBI is seeking an end to unauthorised digital lending by fintech companies and has asked mid-sized and large non-bank lenders to provide details of exposure to such firms, as per Economic Times
- The life Insurance industry is likely to see flat growth in FY21 as per top official of a private insurer, as per Economic Times
- Power Finance Corporation's Board of Directors have revised market borrowing program for FY21 to ₹ 1.18 lakh crore
- Bhel has won orders for supply of 32 reactor header assemblies for indigenously developed 700 MW pressurised heavy water reactors (PHWR) to be set up at four different locations across the country under NPCIL's fleet mode procurement

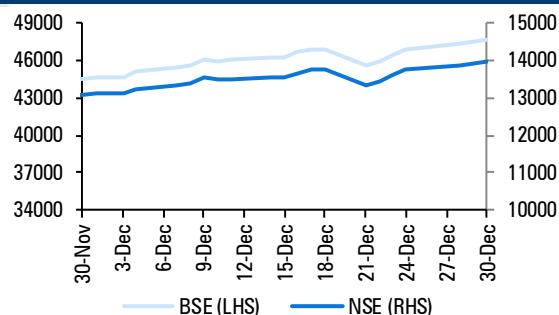
Nifty Heat Map

Ultratech	5,355 4.0%	Shree Cement	24,600 3.2%	Grasim Ind	934 2.7%	UPL	467 2.7%	Bajaj Finance	5,334 2.6%
Eicher	2,517 2.3%	Maruti	7,613 2.2%	M&M	721 1.9%	TechM	983 1.8%	Asian Paints	2,734 1.4%
Tata Steel	640 1.3%	JSW Steel	386 1.1%	HUL	2,407 0.9%	Kotak Bank	2,018 0.9%	Hero Moto	3,101 0.9%
Titan	1,553 0.8%	Hindalco	237 0.8%	Nestle	18,379 0.6%	L&T	1,292 0.6%	HCI Tech	941 0.5%
NTPC	99 0.5%	Bajaj Auto	3,448 0.5%	Adani Ports	485 0.4%	Divis Lab	3,800 0.4%	SBI Life	903 0.4%
Tata Motors	184 0.4%	HDFC Life	676 0.4%	HDFC Bank	1,433 0.4%	Coal India	136 0.4%	BPCL	383 0.4%
Reliance Ind.	1,996 0.3%	Power Grid	190 0.3%	ONGC	93 0.1%	Dr Reddy	5,171 0.1%	ICICI Bank	529 0.0%
HDFC Ltd	2,518 0.0%	Wipro	384 -0.2%	Bajaj Finserv	8,962 -0.2%	ITC	211 -0.2%	Britannia	3,584 -0.3%
Infosys	1,247 -0.3%	IOC	91 -0.3%	SBI	277 -0.4%	Cipla	824 -0.5%	GAIL	123 -0.5%
TCS	2,909 -0.7%	Bharti Airtel	516 -0.8%	Axis Bank	625 -0.8%	Sun Pharma	584 -1.1%	Indusind Bank	899 -1.5%

Today's Highlights

Events: India fiscal deficit, US initial jobless claims, India foreign debt, India infrastructure output

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	47,746	47,613	0.3	8.1	15.7	32.3
Nifty	13,982	13,933	0.4	7.8	14.9	31.7

Institutional Activity

	CY18	CY19	YTD CY20	Yesterday	Last 5 Days
FII (₹ cr)	-68,503	40,893	63,244	1,825	6,853
DII (₹ cr)	1,07,388	44,478	-28,286	-587	-7,283

World Indices – Monthly performance

Kospi	BSE	NSE	Nasdaq	U.K.
2,873	47,746	13,982	12,870	6,556
10.9%	8.1%	7.8%	5.5%	4.6%
Nikkei	Germany	Dow Jones	France	Shanghai
27,444	13,719	30,410	5,599	3,414
3.8%	3.2%	2.6%	1.5%	0.7%

Markets Today (Currency, ADRs updated till yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	50,105	50,039	0.1	3.8	27.8
Silver (₹/kg)	68,567	68,097	0.7	15.9	46.3
Crude (\$/barrel)	51.5	51.1	0.7	8.2	-22.0
Copper (\$/tonne)	7,848	7,860	-0.2	3.6	27.6
Currency					
USD/INR	73.3	73.2	0.2	1.0	-2.6
EUR/USD	1.2	1.2	0.2	2.9	9.5
USD/YEN	103.2	102.8	0.4	1.1	5.2
ADRs					
HDFC Bank	70.7	70.6	0.2	2.5	11.6
ICICI Bank	14.6	14.3	2.1	13.2	-3.5
Tata Motors	12.4	12.5	-1.1	3.5	-4.4
Infosys	16.8	16.8	-0.1	10.1	62.4
Dr Reddys Labs	70.1	70.4	-0.4	6.9	72.8
Wipro	5.6	5.6	0.2	8.5	49.1

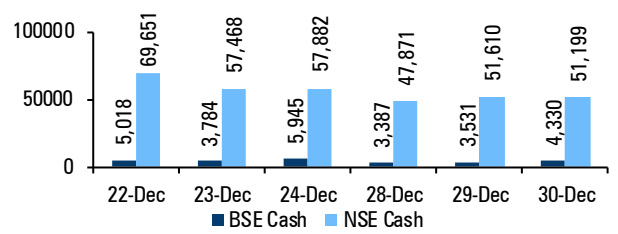
Key Data Points

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%

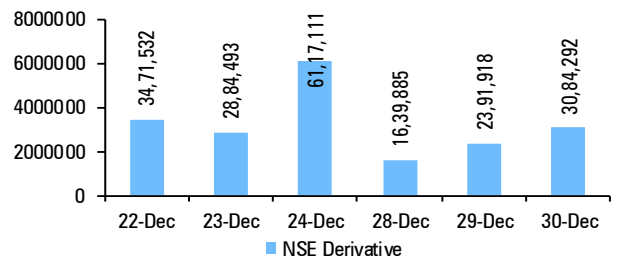
Corporate Action Tracker

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			Ongoing	400.00
IIFL Securities	Buyback			Ongoing	54.00
Engineers India	Buyback	31-Dec-20	01-Jan-21		84.00

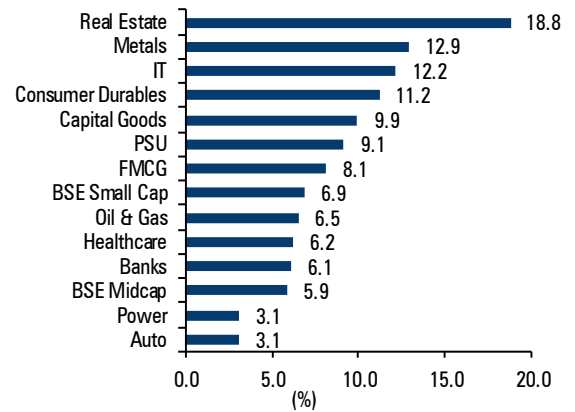
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)




Sectoral Performance – Monthly Returns (%)



Key News for Today

Company/ Industry	News	View	Impact
Sugar Industry	To meet the ambitious target of 20% ethanol blending with petrol by 2030 from less than 10% currently, the Union Cabinet today extended the soft loan scheme for capacity expansion to distilleries that use crops other than sugarcane as their feedstock that includes rice, maize, sorghum, wheat, barley, corn and sugar beet	The sugar industry would be able to diversify their distillery capacity from grain as feedstock. It would aid revenue growth	👍

Hero MotoCorp	As per media sources, some dealers in Chattisgarh have been prevented from selling Hero MotoCorp products due to non registration of the new vehicles in the respective districts/state	This seems to be more of a procedural lapse as the company has been selling new products pan-India without any issue. Moreover, Chhattisgarh as a state is not among top five states for the company and contributed ~3.4% of the overall sales pie in volume terms for FY20. We expect the issue to be resolved in the next few days with minimal impact on the company	
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Key developments (Continued...)

- Yes Bank has promoted Niranjana Banodkar as the group Chief Financial Officer (CFO) and Anurag Adlakha as the group Chief Human Resources Officer, the bank said via exchange filings
- Vedanta Ltd has emerged as the highest bidder for the Radhikapur West coal block, in Angul district, Odisha at about 190 km from the company's Jharsuguda aluminium smelter. The mine has total reserves of 312 million tonnes (MT) and an approved per annum extraction capacity of 6 MT
- Indian Bank has raised Tier-1 capital fund through private placement of Basel-III compliant AT-1 perpetual bonds aggregating to ₹ 392 crore at a coupon of 8.44% per annum
- As per Economic Times, Infosys' joint venture in Saudi Arabia has filed a lawsuit in a California court alleging that Infosys violated US law on corruption. Saudi Prerogative Company (SPC) has alleged that Infosys falsely claimed it was not making money from certain contracts and requested it to reduce its commission of 8% by half or completely waive off, which led to financial loss. However, the Saudi firm has alleged that Infosys had made substantial money on the same contracts. Infosys has said it will defend itself vigorously against the allegations
- Cadila Healthcare has received DCGI approval for Saroglitazar Mg for the treatment of non-alcoholic fatty liver disease in India
- FDC Ltd plans to expand production capacity by installation of an additional BFS machine at its Waluj plant. The overall increment in production capacity at Waluj will be 30-33% for an estimated cost of ₹ 74 crore (Phase 1) and ₹ 26 crore (later) that is expected to be completed in 20 months
- Filatex India in its BSE filings said that the installation of captive rooftop solar power generation of 1.0 MW at Dahej and 0.4 MW at Dadra has been successfully completed and it commenced commercial operation from December 30, 2020
- NCC's board of director has approved issuance of 1.8 crore fully convertible warrants on a preferential basis to the promoters/promoter group, subject to shareholder's approval. While the exact pricing is not yet known, the promoter stake is likely to go up by about 3-3.5%, as per the company. The company will utilise the money for general corporate purposes
- The promoter entity of Time Technoplast has repaid debt worth ₹ 35 crores. Consequently, the pledge has now come down to 12% of total equity
- Union Bank has got shareholder approval to raise up to ₹ 6,800 crore equity capital to fund business growth
- The Odisha government has allowed reopening of cinemas from January 1 with 50% limit on occupancy
- For Jindal Steel and Power, credit rating agency, Care Ratings, has upgraded its ratings from CARE BBB (-) with "Stable" outlook to CARE BBB (+) with "Stable" outlook on the long-term bank facilities and non-convertible debentures and from "CARE A3" to "CARE A2" for the short-term facilities

Nifty Daily Chart

NIFTY[N59901] 13981.95, 0.35%
Price Avg (E, 20)



Technical Outlook

Equity benchmarks extended gains over a sixth consecutive session and ended Wednesday's session at 13982, up 0.4%. In the coming session, Nifty future is likely to open on a flat note amid muted global cues. Volatility is expected to be high owing to the monthly derivative expiry. We however expect the index to trade with positive bias while maintaining higher high-low. Hence, use intraday dip towards 13910-13935 in Nifty December future for creating long position for target of 14018

Going ahead, we expect index to maintain positive bias and head towards our target of 14200 in coming weeks as it is the 138.2% external retracement of entire CY20 decline (12430-7511). The current rally is well supported by revolving sectoral participation and strong market breadth as currently all the Nifty constituents are trading above their 200 days SMA, which augurs well for longevity of the bull trend.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	47746.2	47466	47188	47916	48086
Nifty 50	Positive	13982.0	13899	13816	14031	14080
ACC Ltd	Neutral	1648.3	1615	1581	1668	1687
Axis Bank Ltd	Neutral	625.1	618	610	634	642
HDFC BANK LTD	Neutral	1432.5	1416	1401	1443	1455
SBI	Negative	276.9	273	270	280	282
HERO MOTOCORP LT	Positive	3101.4	3076	3050	3118	3134
MOTHERSON SUMI	Negative	160.6	157	153	163	165
Tata Motors	Negative	184.2	181	178	186	188
M&M FIN SERVICES	Neutral	174.3	172	170	176	178
BAJAJ AUTO LTD	Neutral	3448.2	3411	3374	3479	3510
TCS	Negative	2909.3	2892	2874	2938	2966
INDIAN OIL CORP	Negative	90.9	90	89	92	93
CIPLA LTD	Negative	823.8	816	809	830	837
PIDILITE INDS	Neutral	1749.7	1736	1724	1765	1782
Reliance Industries	Negative	1995.5	1979	1961	2010	2025
BHARTI AIRTEL	Negative	516.2	513	508	523	528
DR REDDY'S LABS	Negative	5171.0	5145	5119	5194	5217

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	13940-13910	13600
Resistance	14025-14060	14200
20 day EMA	0	13434.0
200 day EMA	0	11695.0

Advances/Declines

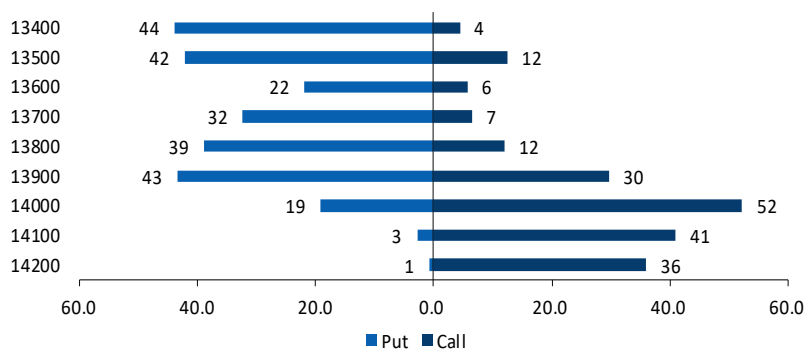
	Advances	Declines	Unchanged
BSE	1650	1313	171
NSE	1017	882	100

Daily Technical Calls

- Daily Technical Calls**
- Buy Hindustan Unilever in the range of 2402.00-2406.00
 - Buy JSW Steel in the range of 384.50-386.50
- 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) Dabur Ind**
Buy DABIND JAN Fut at ₹540.50-541.00
CMP: 541
Target 1: 547.7 Target 2: 558.5
Stop Loss: 533.3
- ii) Havells India**
Sell HAVIND JAN Fut at ₹910.00-911.00
CMP: 910
Target 1: 891.5 Target 2: 878
Stop Loss: 909.5

[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 M3 Money Supply CH Manufacturing PMI CH Non-Manufacturing PMI US Goods Trade Balance US Pending Home Sales	IN Federal Fiscal Deficit US Initial Jobless Claims IN Infrastructure Output (YoY) IN Foreign Debt	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 Production 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
29-Dec	Consumer Confidence	US	Dec	97.0	96.1
30-Dec	M3 Money Supply	IN	Oct	12.3%	12.4%
30-Dec	Manufacturing PMI	CH	Dec	51.9	52.1
30-Dec	Non-Manufacturing PMI	CH	Dec	55.7	56.4
30-Dec	Crude Oil Inventories	US	Dec	--	-0.562M
30-Dec	Balance of Payments	IN	Dec	31.60B	19.846B
30-Dec	Current Account	IN	Dec	15.50B	19.80B
30-Dec	Trade Balance	IN	Dec	14.80B	-10.017B
30-Dec	Goods Trade Balance	US	Nov	84.82B	80.42B
30-Dec	Crude Oil Inventories	US	Nov	-6.065M	-0.562M
Date	Event	Country	Period	Expected	Previous
31-Dec	Foreign Debt	IN	Nov	--	554.5B
31-Dec	Federal Fiscal Deficit	IN	Nov	--	9,531.54B
31-Dec	Initial Jobless Claims	US	Dec	835k	803k

Bulk Deals

Company	Client Name	Type	No. of shares	Price (I)
BSE*				
COROMANDEL	E I D PARRY INDIA LIMITED	Sell	58,50,000	803.2
PTIL	ESAAR INDIA LIMITED	Sell	3,00,000	359.7
NSE*				
Chemcon Special Chem Ltd	PLUTUS WEALTH MANAGEMENT LLP	Buy	10,00,000	428.5

Recent Releases

Date	Report
December 30, 2020	Market Strategy 2021
December 30, 2020	Sector Update- Roads & Construction
December 30, 2020	Company Update- Amber Enterprise Limited.
December 30, 2020	Company Update-MM Forgings
December 30, 2020	Result Preview- IT Sector



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