

Market Outlook

Indian markets are likely to witness a gap up opening tracking the announcement of more lockdown relaxations and positive Asian cues. Global news flows, domestic earnings and the outcome of today's Cabinet meeting will be key monitorables.

Markets Yesterday

- Domestic markets ended positive on the back of mixed global cues
- US markets ended higher on Friday amid positivity about US-China relations

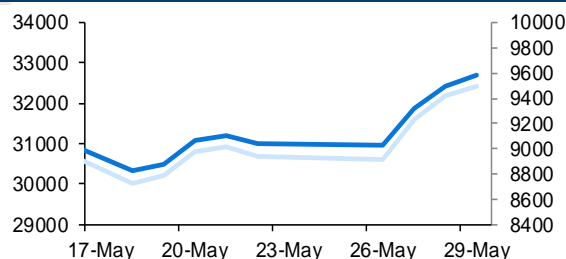
Key Developments

- India GDP growth in Q4FY20 was at 3.1%, led by agriculture while manufacturing continued to suffer. Previous quarter's revision to lower levels helped this number else growth was much lower in Q4. Fiscal deficit also rose to 4.6% for FY20, higher than budgeted estimates. Q1FY21 will be watched for significant decline
- Eight core sector industries posted a steep 38.1% YoY de-growth in April (9% decline in March 2020), due to the nationwide lockdown for Covid-19. Production of coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity declined 15.5%, 6.4%, 19.9%, 24.2%, 4.5%, 83.9%, 86%, and 22.8% YoY, respectively

Today's Highlights

Results: V-Guard, Orient Electric, Srikalahasthi Pipes, Welspun, Universal Cables, Ultramarine & Pigments

Index Movement



— BSE (LHS) — NSE (RHS)

	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	32,424	32,201	0.7	-3.8	-21.4	19.4
Nifty	9,580	9,490	1.0	-2.8	-21.3	19.2

Institutional Activity

	CY18	CY19	YTD CY20	Yesterday	Last 5 Days
FII (₹cr)	-68,503	40,893	-75,943	1,461	5,123
DII (₹cr)	1,07,388	44,478	92,917	967	5,452

World Indices – Monthly performance

Nikkei	Nasdaq	Dow Jones	Germany	U.K.
21,878	9,490	25,383	11,587	6,077
10.7%	10.3%	7.0%	6.7%	5.4%
Kospi	France	Shanghai	NSE	BSE
2,030	4,695	2,852	9,580	32,424
4.2%	2.7%	1.1%	0.3%	-0.9%

Nifty Heat Map

IOC	83	Wipro	213	Coal India	141	ONGC	83	BPCL	343
	7.1%		6.7%		5.5%		5.5%		5.0%
Dr Reddy	4,071	Bajaj Auto	2,711	UPL	406	GAIL	92	ITC	197
	4.7%		4.3%		3.8%		3.6%		3.5%
Sun Pharma	474	Nestle	17,541	Cipla	648	L&T	932	Bajaj Finserv	4,405
	3.3%		3.2%		3.2%		3.0%		2.8%
Hero Moto	2,361	Bharti Infratel	230	Maruti	5,611	Ultratech	3,905	Vedanta	92
	2.7%		2.7%		2.6%		2.5%		2.5%
Asian Paints	1,683	HUL	2,057	NTPC	98	Grasim Ind	589	HDFC Ltd	1,659
	2.4%		2.4%		2.2%		2.2%		2.2%
SBI	161	Eicher	16,548	Indusind Bank	394	Britannia	3,379	Zee Ent.	184
	2.0%		1.9%		1.8%		1.7%		1.6%
ICICI Bank	332	HCI Tech	550	HDFC Bank	952	Hindalco	139	Bajaj Finance	1,954
	1.6%		1.4%		0.7%		0.3%		0.3%
Power Grid	158	TechM	530	JSW Steel	184	Tata Motors	87	Shree Cement	20,800
	0.2%		0.1%		0.0%		0.0%		0.0%
Tata Steel	295	Kotak Bank	1,224	Reliance Ind.	1,464	M&M	436	Infosys	691
	-0.1%		-0.4%		-0.5%		-0.9%		-1.0%
Titan	890	Axis Bank	385	TCS	1,972	Bharti Airtel	553	Adani Ports	324
	-1.1%		-1.5%		-1.6%		-1.8%		-2.4%

Markets Today

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹10 gm)	46,530	46,405	0.3	3.9	19.3
Silver (₹kg)	50,096	48,558	3.2	20.0	5.3
Crude (\$/barrel)	37.8	36.0	5.0	36.2	-47.9
Copper (\$/tonne)	5,377	5,333	0.8	2.8	-13.7
Currency					
USD/INR	75.6	75.5	0.2	-0.7	-5.6
EUR/USD	1.1	1.1	0.6	1.7	-0.7
USD/YEN	107.2	106.8	0.4	0.0	1.3
ADRs					
HDFC Bank	41.8	41.1	1.8	-5.2	-35.1
ICICI Bank	8.7	8.5	2.6	-13.1	-43.8
Tata Motors	5.7	5.8	-0.7	-2.9	-55.5
Infosys	9.1	9.2	-0.4	-0.4	-10.9
Dr Reddys Labs	53.4	51.4	3.9	0.4	26.7
Wipro	3.3	3.1	8.2	-7.0	-18.4

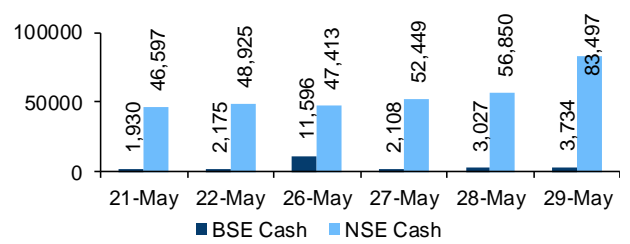
Key Data Points

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	Mar	5.84%	6.58%
Current Account Balance	Q 4	-1.4bln \$	-6.5bln \$
Exports - USD	Apr	10.36%	21.41%
FX Reserves, USD Final	Apr	485.31 bln\$	479.5 bln\$
GDP Quarterly yy	Q1CY20	3.10%	4.70%
GDP Annual	FY20	4.20%	6.10%
Imports - USD	Apr	17.1 bln \$	31.2 bln \$
Industrial Output yy	Mar	-16.70%	4.60%
Manufacturing Output	Mar	-20.60%	3.10%
Trade Deficit Govt - USD	Apr	6.8 bln \$	9.8 bln \$
WPI Food yy	Mar	4.91%	7.80%
WPI Fuel yy	Mar	-10.12%	-1.76%
WPI Inflation yy	Mar	1.00%	2.26%
WPI Manuf Inflation yy	Mar	0.34%	0.42%

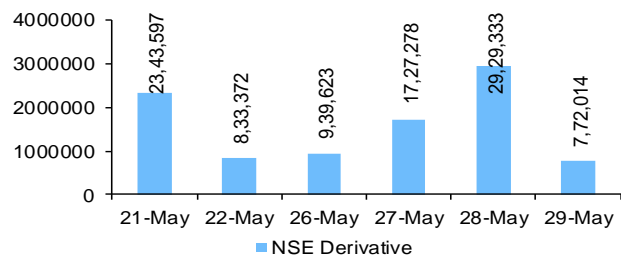
Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
Sun Pharma	Buyback			Ongoing	425.00
Sterlite Technologies	Buyback			Ongoing	150.00
Kalpataru Power	Buyback			Ongoing	275.00
NIIT Technologies	Buyback			Ongoing	1,725.00
Infosys	Dividend	29-May-20	01-Jun-20		9.50
Colgate Palmolive	Dividend	01-Jun-20	02-Jun-20		16.00
TCS	Dividend	03-Jun-20	04-Jun-20		6.00
Kewal Kiran Clothing	Dividend	04-Jun-20	05-Jun-20		6.00

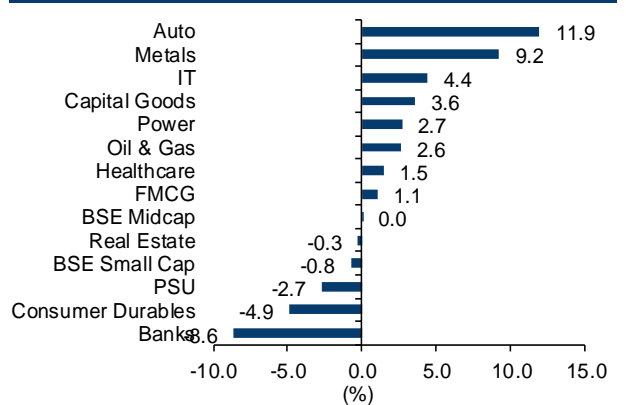
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)












Sectoral Performance – Monthly Returns (%)













Key News for Today

Company/ Industry	News	View	Impact
Voltas	Voltas' Q4FY20 performance was slightly below our estimate mainly due to lower-than-expected performance by project division. However, given the lockdown scenario, the performance of UCP segment was robust owing to strong pre-buying activity by dealers in the first two month of Q4FY20	Despite a lockdown from the second half of March 2020, the company recorded strong UCP sales growth during Q4FY20 largely due to pre-buying activities by dealers in anticipation of supply related disruption. While FY21 performance is likely to be severely impacted by lockdown, we believe Voltas being a strong brand in RAC segment with pan-India dealer network will tide over the rough phase due to its strong balance sheet condition and revival in RAC demand	

Shipping Corporation of India	<p>SCI's Q4FY20 revenue grew 30% to ₹ 1392 crore. Operating cost declined 1100 bps YoY 54%. EBITDA margin improved 90 bps YoY to 23.1%. Adjusting for forex gain/loss, EBITDA margin was at ~ 40%. Strong operating performance led PAT to increase 83% to ₹ 111 crore</p>	<p>Higher freight rates for the tanker segment owing to storage of crude oil in ships boosted tanker freight rates significantly in Q4FY20, which led to higher EBIT margin in the segment. Also, lower crude oil prices led to decline in bunker cost, which led to lower operating cost. Improved fleet utilisation and lower operating cost (lower bunker cost) can aid the company to improve its earnings, going ahead</p>	
Amara Raja Batteries	<p>Net revenues were up marginally by 0.9% YoY to ₹ 1,581 crore in Q4FY20. Reported EBITDA margins came in at 15.4%, down 87 bps QoQ. Consequent reported PAT was at ₹ 137 crore, up 14.5%</p>	<p>The company reported a healthy performance amid 21.5% slide in auto OEM volumes for the quarter. Negative operating leverage impacted margins but CFO generation improved strongly to ₹ 1,177 crore vs. ₹ 541 crore in FY19. Substantial replacement exposure should continue to help battery makers including Amara Raja outperform wider OEM universe during FY21E</p>	
Affle India	<p>Affle reported Q4FY20 numbers. The company reported healthy growth in revenues up 32.3%. However, adjusting for write back of creditors, adjusted EBITDA and PAT were broadly flat. Adjusted EBITDA and PAT margins were at 25% and 18% vs. 33% and 24% in Q4FY19, respectively</p>	<p>The company reported a poor performance on profitability mainly due to higher inventory and other expenses. We believe this was mainly due to Covid-19 pandemic. In the near term, revenues and margins could take a hit due to lockdown and impact on ecommerce. However, the company is biggest beneficiary of movement of advertising to digital world and rapid growth of e-commerce in post Covid world. Hence, we remain positive on the stock from a long term perspective</p>	
Polycab India	<p>Polycab's Q4FY20 performance was better than estimate in terms of EBITDA margin, which increased 490 bps YoY, 60 bps QoQ. Despite a fall in consolidated revenue by 13% YoY, bottomline saw strong growth of 57% YoY supported by better margin, saving in interest cost and lower tax rate</p>	<p>Polycab posted a strong performance in FY20 with better profitability vis-à-vis improvement in balance sheet. However, Q1FY21 is likely to be significantly impacted as the sales in first 40 days were insignificant. Polycab being a strong brand in cable & wire industry is well placed among competitors (with strong b/s) to cope with lost sales once demand returns to normalisation. At the CMP, the stock is available at 13x FY20 earnings</p>	
KEC International	<p>Topline was at ₹ 3671 crore, down 4.4% YoY, marginally better than our estimate of ₹ 3655 crore. During Q4FY20, overall T&D business revenue fell 11% YoY to ₹ 2462 crore, supported by 39% growth in SAE division to ₹ 444 crore. The railways business grew 36% YoY to ₹ 861 crore. EBITDA margins were at 10.1%, marginally down 30 bps YoY while absolute EBIDTA was at ₹ 370.1 crore, down 7% YoY. PAT was at ₹ 192.9 crore (vs. our estimate of ₹ 182.2 crore), down 2.9% YoY on account of lower interest and tax outgo</p>	<p>The overall performance has been satisfactory across segments for FY20 barring order inflows, which were impacted by economic slowdown. Efficient working capital management and execution ramp-up despite challenges should comfortably ensure decent revenue growth over next two years. As per management, working capital is in manageable position with no stress yet despite collection loss of about ₹ 300-400 crore, which could have further reduced debt</p>	

Lemon Tree Hotels	For Q4FY20, revenues increased 17% YoY to ₹ 176 crore. While the room inventory was up 45% YoY, disruption in travel due to the pandemic outbreak weighed on revenues. Occupancy was down 1660 bps YoY to 61% while ARRr improved 2.8% YoY to ₹ 4,530. EBITDA came in at ₹ 63.9 crore, above our estimates but PBT, PAT declined YoY. The company reported a PAT loss of ₹ 19 crore for the quarter	While revenues and EBITDA were higher than our estimates, EBITDA margins were weaker-than-expected and the company also reported higher-than-expected loss on the PAT level. With the sector set to witness pressure and the company's debt heavy balance sheet, the fund raise comes as a positive move, towards improving balance sheet strength	
Jagran Prakashan	Jagran Prakashan reported a weak set of Q4FY20 numbers. Operating revenue (consolidated) fell 24.8% YoY to ₹ 445.6 crore as print ad revenue was down 24.3% YoY to ₹ 262 crore. Ad revenue impact was on account of challenging macroeconomic scenario throughout the quarter and lockdown in last week of March. Subscription revenue and radio revenue also posted de-growth of 9.6% YoY, 44% YoY, respectively. EBITDA fell 60.7% YoY to 54.3 crore due to weaker topline with EBITDA margins at 12.2%, down 1109 bps YoY. Softened newsprint prices helped restrict EBITDA decline partially. Hence, PAT was at ₹ 11.2 crore, down 83.1% YoY mainly due to a weaker operational performance and provisioning for debts/deposits at group level	Jagran Prakashan's performance was disappointing as weak macroeconomic setup continued to impact ad revenues. Although low raw material prices provided some relief, revenue drop was higher than anticipated considering lockdown was in effect only last week of quarter. We seek management commentary on outlook ahead as circulation of copies is still lower than pre-Covid level and ad spend by corporates was minimal at ~20% during April	
Sagar Cements	Sagar Cement reported a decline of 17% YoY to ₹ 303.6 crore (I-direct estimate: ₹ 295 crore) in revenues. The decline was mainly led by an 11.3% drop in volumes YoY to 0.84 MT YoY (I-direct est: 0.84 MT). Realisations also dropped 6.4% YoY to ₹ 3,627/t (I-direct estimate: 3,682/t). EBITDA/t declined 18.5% YoY to ₹ 533/t led by drop in realisations. Absolute EBITDA dropped 27% YoY to ₹ 44.7 crore while PAT shrunk 94% YoY owing to lower operating profits and higher tax expenses	While the company reported a better-than-expected set of revenues and operating profits, the results were weak. Demand improvement in AP & Telangana would be an important catalyst. Further, the management's commentary on the ongoing capex would be key	
Jubilant Life	Q4FY20 revenues were flat YoY at ₹ 2391.4 crore. Revenues in pharma business grew 6.0% YoY to ₹1483.4 crore on the back of strong growth in specialty pharma and generics segment partially offset by decline in CDMO. Life science ingredients (LSI) revenues fell 9.8% YoY to ₹ 823.0 crore due to decline in life science chemicals and specialty intermediates business. EBITDA margins expanded 743 bps YoY to 22.4% mainly due to higher gross margins and lower other expenditure. EBITDA grew 49.9% YoY to ₹ 536.6 crore. Adjusted net profit grew 92.3% to ₹ 260.5 crore mainly due to a better operational performance	Despite challenges in some revenue streams, (especially in LSI segment) on an overall basis FY20 saw a significant reduction in net debt, capex moderation and margin expansion. While the LSI performance continues to be lumpy (ex-Nutraceuticals), we expect pharma segment to maintain growth momentum thanks to consistency and visibility in all three segments - specialty, CDMO and generics	

P&G Health (erstwhile Merck)	Q4FY20 revenues declined 1.3% YoY to ₹ 228.1 crore (Q4FY19: ₹ 231 crore) due to temporary disruption of operations in second fortnight of March. EBITDA margins expanded 406 bps YoY to 25.8% due to lower employee and other expenditure. EBITDA grew 17% YoY to ₹ 58.7 crore. Net profit grew 14.1% YoY to 46.5 crore in line with operational performance	While Q4FY20 revenues remained flat due to Covid related challenges, the company posted one of the best margin performances in the recent past resulting in good growth at EBITDA and PAT level. The stock remains a play on the vitamin, mineral & supplement (VMS) category in the domestic market with four to five power brands	
Amber Enterprise	Amber Enterprise's performance in Q4FY20 was impacted by Covid-19 related plant shutdown and lower volume offtake by its key customers in the peak season. While consolidated revenue in Q4FY20 increased by 10% on account of lower base and pre-buying activities, the EBITDA margin decreased by 170 bps YoY at 7.7% due to higher fixed cost. The PAT during the period declined by 6% YoY at ₹ 63 crore	While we like Amber for its leadership position in the RAC OEM/ODM industry in India, however the lower offtake in peak season by key clients and high inventory at channel likely to impact Amber Enterprise profitability in the near future	
GE Shipping	GE Shipping reported revenue growth of 3% yoy to ₹ 1010 crore. Adjusted EBITDA (excluding foreign exchange expense/income impact) came in at ₹ 404 crore with ebitda margin of 40% vs 33% in Q4FY19. The company reported a net loss of ₹ 51 crore v/s profit if ₹ 148 crore in Q4FY19	Inspite of lower operating days (down by 7%) , Company reported increase in revenues owing to higher freight rates for the tanker segment which led to 13% increase in shipping revenues to ₹ 892 crore. However lower day rates of offshore fleet led to offshore revenues declining by 22% to ₹ 165 crore which negatively impacted the overall growth. The company has a total revenue visibility for FY21 around 35% of overall fleet operating days. The tanker rates are ruling at its near term peak and is currently driven more by storage of crude rather than actual demand and hence the tanker rates can soften going ahead. Currently of GE's tanker fleet only 25% is contracted while the rest is available on spot market which can lead to lower earnings over next few quarters	
Auto sector	Auto OEMs would be announcing their wholesale dispatch volumes for the month of May 2020 today.	With retail sales at ~25% of pre Covid levels at present (as per Vahan data), wholesale volumes are expected to have declined by 70-80% YoY on average. CV slide, however, could be higher amid severely limited freight movement	
FMCG	As per media reports, over 600,000 kirana outlets may have closed during the lockdown, hurt by a liquidity crunch or the return of owners to villages, and fear that most of them may not reopen	Small outlets are feeling the pinch because distributors are dealing in cash and not offering 7-21 days of credit as before. These closures may further delay the recovery of discretionary category	

Consumer Discretionary	According to media sources, paint manufacturers such as JSW Paints and Indigo Paints has increased dealer & distribution margins to push sales amid lower paint demand	The dealers and distribution margin of paints companies remained in the range of ~3%-5% (depends on the brand). We believe, this is a temporary push to improve sales which is marred by lockdown since March'20. The extra discounts to dealers and distributors would be partially offset by saving in lower input cost (sharp decline in crude prices) and advertisement expenditure (~4%-5% of sales)	
Hotel Industry	As per the recent guidelines, MHA stated that hotels would be allowed to operate from 8th June as part of Phase 1 of Unlock 1.0	Restarting of the aviation sector and now hotels being allowed to resume normal operations augur well for the hotel sector. This move will improve the sentiments. However return to pre-COVID levels would take a longer period as people would exercise caution	
Infosys	As per media sources, Infosys plans to cut roles and flatten company for speedy decision making. As a part of this the company will trim workforce level (JL) 7 and above. The plan is to reduce ~1300 employees	This if implemented, could happen gradually through performance based involuntary attrition. We expect this could lead to ~50-60 bps improvement in margins over a period of time	
Wabco India	ZF Friedrichshafen has completed the acquisition of Wabco India's global parent i.e. Wabco Holdings Inc. Wabco Holdings would now be integrated into ZF as its CV Control Systems Division, and would cease to be listed	With acquisition now complete, we expect an open offer to be triggered for Wabco India's 26% public holding shortly at price of ~7,000/share	
Indian bicycle segment	The Maharashtra government while announcing extension of lockdown till June 30 in the state has encouraged public at large to adopt cycling for short distance travel	The domestic cycling sector's affordability quotient (industry ASP ~₹ 3,300/unit) along with enhanced concerns around public transit and social distancing needs leave it well placed to capture rising preference for private transport, as seen already in some Western countries. Tube Investments of India (second largest player with ~23% market share, popular brands - BSA, Hercules, Ladybird) is the only credible player in the listed space and would benefit from this trend	
Bharat Forge	As per media articles, Bharat Forge is among the three Indian companies selected by US based space agency NASA to manufacture ventilator (VITAL) for Covid-19 patients. The improvised ventilator uses substantial less parts compared to traditional products	Business opportunity consequent to this accreditation is difficult to ascertain at this point in time. However, selection at the global platform depicts frugal engineering capabilities at Bharat Forge	

Key developments (Continued...)

- NCC reported mixed set of numbers in Q4FY20 as it reported steep decline in revenues (~35% YoY) impacted by lockdown as well as slower execution. However, superior margins (up 110 bps YoY at 12.9%) driven by segmental mix and some claims led to better than expected PAT. Another positive takeaway was sharp reduction in debt by ~₹450 crore QoQ to ₹ 1910 crore, aided by collections for certain projects
- Metropolis Q4FY20 revenues grew 2.5% to ₹ 207 crore with the impact of Covid in the second half of March. EBITDA margins declined 328 bps YoY to 24.8% mainly due to lower gross margins. EBITDA de-grew 9.4% to ₹ 51.4 crore. Adjusted Net profit declined 3.9% YoY to ₹ 33.2 crore. The muted numbers are in sync with other diagnostic players basically undone by logistical issues and other costs pressure besides lower voluntary testing. However, as per management, pre-Covid monthly volume growth stood at a healthy ~15%. Q1FY21 is likely to remain challenging as well
- Kanpur Plastipack reported revenue growth of 13% YoY to ₹ 86 crore, largely driven by volume growth (+18% YoY). The domestic revenue was up by 16% YoY, while exports were up by 18% YoY during the quarter. OPM improved by 400bps YoY to 7% due to absorption of fixed overheads resulting into EBITDA growth of 200% YoY to ₹ 6 crore. Lower other income owing to FX loss impacted bottom line which remained ₹ 47.9 lakh against ₹ 1.4 crore in Q4FY19
- Sanofi India has closed the transaction relating to the sale of its Ankaleshwar, Gujarat facility to Zentiva Pvt Ltd. on 29 May, 2020 after receiving all requisite regulatory approvals. The total consideration for the transaction after working capital adjustments came in at ₹ 320.7 crore out of which the company has already received ₹ 293.3 crore. The -balance is expected to be received shortly after full transfer of products which is expected to be completed by September 2021
- Dr Reddy's API Plant at Srikakulam (SEZ), Andhra Pradesh has received establishment inspection report from USFDA indicating inspection closure. The facility had received four observations post the inspection completed on October 25, 2019
- The Banks Board Bureau (BBB) has recommended elevation of Ashwani Bhatia as the Managing Director of SBI. In addition, the board has also recommended the appointment of Matam Venkat Rao and PP Sengupta as the MD & CEO of Central Bank of India and Indian Overseas Bank respectively
- Sun Pharma has received drug controller general of India's (DCGI) approval to conduct a clinical trial for Nafamostat Mesilate in Covid-19 patients. The drug is approved in Japan for treatment of pancreatitis and DIC. Currently, it is being tested by countries like Japan, South Korea and Europe to treat Covid-19. Additionally, the company has already started manufacturing both the API and finished product for the drug in India.
- HCL Technologies, (HCL), announced its intent to acquire Cisco's Self-Optimizing Network (SON) technology. This acquisition will help company to cater to telecommunication vertical and cater to emerging 5G business. As part of the deal, some employees who work on Cisco's SON technology will move from Cisco to HCL. The company will pay US\$49 million (~₹ 367 crore) in cash for the acquisition
- Securities Exchange Board of India (SEBI) has warned Tata Consultancy Services (TCS) to be careful in dealing with material information. SEBI has found that the company did not disclose a penalty of US\$940 million in a US court verdict related to an intellectual property right case with Epic System in a disclosure made by the company on 16 April 2016
- As per the recent guidelines, MHA stated that shopping malls would be allowed to operate from 8th June as part of Phase 1 of Unlock 1.0
- The US Citizenship and Immigration (USCIS) announced that it will resume premium processing of H1B visa application from next month. In another news, as per media sources the USCIS plans to increase H1B fees by 22% to US\$560 and I1 fees by 77% to US\$815
- Lemon Tree's board has given approval for raising of Equity capital via Rights issue or QIP to the tune of ₹ 150 crore and has also considered the approval for issuing Compulsorily Convertible Preference Shares (CCPS) by Fleur Hotels (Lemon Tree Hotels' subsidiary) to APG worth ₹ 300 crore
- Yes Bank Ltd acquired a 24.19% stake in direct-to-home service provider, Dish TV India Ltd, by invoking pledges against 44.53 equity shares kept as collateral for promoters' loan
- Vodafone Idea has denied that there was no proposal by Google to pick up a 5% stake in the beleaguered telco
- Indian Hotels (IHCL) has raised ₹ 300 crore by issuing NCDs having a tenor of three years, to ICICI Bank
- Crisil has retained AAA rating for M&M's bank loan facilities and debt instruments
- Crisil has assigned Corporate Credit Rating of AAA/Stable to SBI Life while simultaneously withdrawn its Financial Strength Rating of AAA/Stable assigned to the company
- AROI has requested the government for bailout package in terms of waiver of annual fees, restoring of government ad on radio and clearance of dues by DAVP

Key developments (Continued...)

- Maharashtra government has allowed to resume shooting of film and TV serials
- CARE has rated DB Corp's both fund and non fund based facilities as CARE AA+/ Stable
- Oil minister has said that government is looking to start home delivery of Petrol and CNG. Also, government is thinking of unveiling a new model where all fuels would be available at one place. He added gas exchange will be created in India
- Following the increase in international LPG prices, RSP of LPG is increased by ₹ 11.5 per cylinder in India
- In accordance with RBI's guidelines to appoint a Chief Risk Officer (CRO), SBI has appointed Shri Sureddi Srinivasa Rao as the deputy Managing Director and CRO of the bank for tenor up to October 31, 2023
- Indian Bank has informed exchanges regarding the reduction of MCLR by 30 bps points with effect from 3rd June 2020. Accordingly, one year MCLR stands revised at 7.50% vs 7.80% earlier
- As per media reports, NHAI is planning to develop 57 stretches of national highway (1735 km) near each state capital to exhibit the model stretches of National Highways and also use it as a platform to educate the highway engineers, including state PWD engineers
- As per media reports, the DoT has called a meeting of telecom equipment makers on June 3 to discuss a product linked incentive scheme for the sector. The intention of the government is to push manufacturing of products in the 5G space and curb the imports. The report states that the draft proposes 4-6% incentives of about ₹ 10,000 crore on incremental sales of goods manufactured in India over a period of five years

Nifty Weekly Charts



Technical Outlook

Equity benchmarks concluded the truncated week on a buoyant note tracking positive global cues. The Nifty ended the week at 9580, up 542 points or 6%. In the coming session Nifty futures is likely to open with a positive gap tracking from global cues. We expect index to trade with a positive bias while maintaining higher high-low. Hence, post gap up opening intraday dip towards 9595-9617 should be used to create long position for 9709. During the ongoing up move is that, Nifty has witnessed the longest pullback in the past four weeks (as index rallied ~800 points vs. mid-May pullback of 541 points). Elongated up move supported by improving market breadth, indicates broad based participation, boding well for durability of ongoing up trend. This makes us confident, the index would resolve higher and eventually challenge the psychological mark of 10000 in coming weeks. We expect rallies to get elongated amid shallow price corrections. Thereby we have revised support base upward at 9200

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	32424.1	32005	31586	32662	32900
Nifty 50	Positive	9580.3	9439	9297	9661	9741
ACC Ltd	Positive	1270.2	1254	1239	1291	1313
Axis Bank Ltd	Negative	385.0	377	369	391	397
HINDALCO INDS	Positive	138.9	135	131	141	145
SBI	Negative	161.3	156	152	163	166
HINDUSTAN PETRO	Positive	194.6	186	178	200	206
MUTHOOT FINANCE	Positive	862.7	843	823	881	899
Tata Motors	Neutral	87.0	85	83	87	89
MRF LTD	Positive	59113.1	58526	57938	59526	59938
BAJAJ AUTO LTD	Positive	2710.5	2621	2531	2771	2831
TCS	Negative	1972.4	1955	1939	1996	2019
ITC LTD	Positive	197.4	192	186	201	204
CIPLA LTD	Positive	648.2	635	623	655	663
PIRAMAL ENTERPRI	Neutral	967.7	939	909	992	1015
Reliance Industries	Neutral	1464.4	1454	1444	1473	1482
BHARTI AIRTEL	Negative	552.6	542	533	562	573
EQUITAS HOLDINGS	Negative	42.4	40	40	43	44

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	9600-9540	9200
Resistance	9700-9760	10000
20 day EMA	0	9216.0
200 day EMA	0	10610.0

Advances/Declines

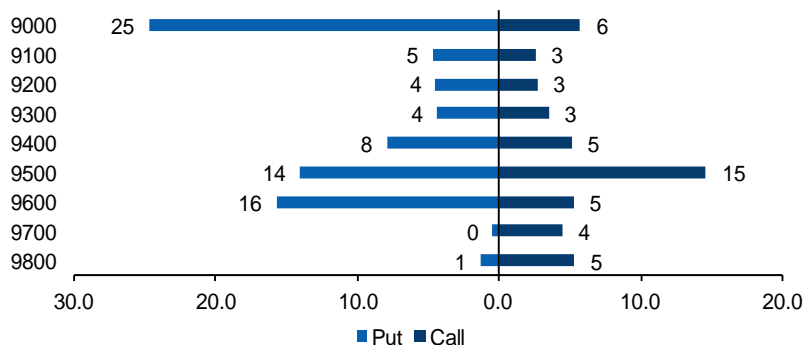
	Advances	Declines	Unchanged
BSE	1158	629	112
NSE	1412	938	161

Daily Technical Calls

- Daily Technical Calls**
- Buy Hindustan Unilever in the range of 2042.00-2048.00
 - Buy Maruti in the range of 5548.00-5554.00
- All recommendations of May Future

[See Momentum Pick for more details](#)

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



Intraday Derivative Strategy

i) United Spirits

Buy UNISPI JUN Fut at |595.00 - |596.00
 CMP: 590
 Target 1: 600.3 Target 2: 607.5
 Stop Loss : 590.7

ii) Havells India

Sell HAVIND JUN Fut at |486.00 - |487.00
 CMP : 490
 Target 1: 480.5 Target 2: 471.5
 Stop Loss: 492.5

[See Derivatives view for more details](#)

Results/Events Calendar

18	May Monday	19	May Tuesday	20	May Wednesday	21	May Thursday	22	May Friday	23	May Saturday
Bharti Airtel Delta Corp Ltd. Bajaj Finance AstraZeneca Ltd. Dr.Lal Path Labs	Bajaj Finance Ltd. Larsen & Turbo Info. Ltd. Gabriel India, Nesco Sanofi India,MPS Apollo Tyres, LTI	Dr.Reddy's,Kalpataru (KPTL) UltraTech Cem,Grindwell Ajanta Pharma,Chennai Petro. Mahindra Logis.,Bajaj Auto GHCL,JK Lakshmi Cement	Bajaj Finserv,HawkinCook. Tata Metaliks VST Indus. Colgate,Apcotex Hindustan Zinc	Supreme Industries,BASF Essel Propack,IDFC First Bosch,Bayer CropScience Wabco,Trent,Birla Corp Orient Cement,JSW Steel	Avenue Supermart Chambal Fertilisers DCB Bank Nucleus Software						
25	May Monday	26	May Tuesday	27	May Wednesday	28	May Thursday	29	May Friday	30	May Saturday
Music Broadcast JSPL Astral Poly Bata	Firstsource Solutions Deepak Nitrite Torrent Pharma Wonderla Holidays Blue Dart,VIP Industries	Dabur,Quess Corp Sun Pharma KPIT ,Adity Birla Fashion Tube Investments United Spirits	Lupin,Heidelberg Cement Radico,Ceat Prism Johnson TVS Motors Federal Bank	Jagran Prakashan,NCC Symphony,Majesco Sagar Cement, Voltas Lemon Tree, Metropolis KEC Inter.,Jubilant Life	Kanpur Plastipack Amara Raja Affle,Amber Enterprise Polycab India, MCX CH Non-Manufacturing PMI						
01	June Monday	02	June Tuesday	03	June Wednesday	04	June Thursday	05	June Friday	06	June Saturday
V-Guard,Orient Electric Srikalahasthi Pipes Ltd.x Vidhya Telenik Ltd. Welspun , Universal Cables Capital India Finance Ltd.	Granules India TCI,Zydus Welness Motherson Sumi Dhampur Sugar Interglobe Aviation	Oriental Hotels Aurobindo Pharma BPCL IN Nikkei Services PMI UK Services PMI	PI Industries SRF UK Construction PMI EU Retail Sales US Trade Balance	Larsen & Toubro Greaves Cotton Gujarat Gas,SBI Timken,Exide Industries US Unemployment Rate	Divis Lab Jindal Stainless Limited CH Exports CH Imports CH Trade Balance						
08	June Monday	09	June Tuesday	10	June Wednesday	11	June Thursday	12	June Friday	13	June Saturday
Abbot India EIH Associated Hotels JP M3 Money Supply	Hero MotoCorp EU GDP YoY Gujarat Pipavav CH CPI YoY CH PPI YoY	EIH Limited US CPI MoM US Fed Int Rate Decision	US PPI MoM US PPI MoM	Eicher Motors Castrol UK Trade Balance IN CPI YoY IN Industrial Production	CH Industrial Production CH Retail Sales						
15	June Monday	16	June Tuesday	17	June Wednesday	18	June Thursday	19	June Friday	20	June Saturday
TATA Motors IN WPI Inflation (YoY) EU Trade Balance IN WPI Manuf. Inflation EU Reserve Assets Total	US Retail Sales (MoM) US Industrial Prod (MoM) JP Exports,JP Imports JP Trade Balance	UK CPI (YoY) EU CPI (YoY)	JP Natl CPI YoY	UK Retail Sales (MoM) EU Current Account							

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
Date	Event	Country	Period	Expected	Previous
01-Jun	Manufacturing PMI	EU	May	39.50	33.40
01-Jun	Manufacturing PMI	UK	Jun	40.70	40.60
02-Jun	Services PMI	JP	May	25.30	21.50
03-Jun	Composite PMI	UK	May	28.90	28.90
03-Jun	Services PMI	UK	May	28.00	27.80
03-Jun	Unemployment Rate	EU	Apr	8.2%	7.4%
04-Jun	Retail Sales(MoM)	EU	Apr	-15.0%	-11.2%
04-Jun	Exports	US	Apr	--	187.80B
04-Jun	Imports	US	May	--	232.20B
04-Jun	Intial Jobless Claims	US	May	1,800K	2,123K
04-Jun	Trade Balance	US	Apr	-44.30B	-44.40B
05-Jun	FX, Reserves, USD	IN	Apr	--	490.04B
05-Jun	Unemployment Rate	US	May	19.7%	14.7%

Bulk Deals

Company	Client Name	Type	No. of shares	Price (₹)
BSE*				
NSE*				
Biocon Limited	Blackrock Advisors.	Buy	1,17,49,167	354.8
M&M Finance	Wishbone Fund Ltd.	Buy	82,50,000	139.6
Torrent Pharma	Blackrock Advisors.	Buy	20,40,623	2367.2
Tata Consumer.	Integrated Core Strategies (Asia) PTE. Ltd.	Sell	80,16,876	366.7

Recent Releases

Date	Report
May 29, 2020	Direct Instinct – Tube Investments of India
May 29, 2020	Company Update – Kewal Kiran Clothing
May 29, 2020	Company Update – Radico Khaitan
May 29, 2020	Result Update – Federal Bank.
May 29, 2020	Company Update – Heidelberg Cement.



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