

THE DAILY

Date: 19 March 2021



DOMESTIC INDICES

	Close	Points	% Change
SENSEX	49217	-585	-1.17
NIFTY	14558	-163	-1.11
MIDCAP	19777	-267	-1.33
SMALL CAP	20386	-327	-1.58

SECTORAL INDICES

	Close	Points	% Change
AUTO	22910	-37	-0.16
CD	32362	-100	-0.31
METAL	13627	-43	-0.32
POWER	2451	-19	-0.75
Finance	7426	-66	-0.88
BANKEK	38136	-466	-1.21
OIL & GAS	15011	-201	-1.32
CG	21099	-303	-1.42
REALTY	2635	-44	-1.65
Healthcare	20313	-378	-1.83
TECK	11695	-305	-2.54
IT	25788	-802	-3.02

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
ADANIPOWER	4.94	IDBI	-7.24
DALBHARAT	2.37	BHEL	-7.05
BAYERCROP	1.29	LTTTS	-6.79
ITC	1.20	TATAPOWER	-5.70
INDIGO	0.97	ONGC	-4.95

ADVANCE/DECLINES

	BSE	%
ADVANCES	821	26
DECLINES	2160	69
UNCHANGED	140	4

INSTITUTIONAL ACTIVITY

Rs Cr	18/03/21	17/03/21	March Total
FII	1258	2656	-1240 (prov.)
DII	-1116	-562	-2713 (prov.)

Indian markets could open lower, following negative Asian markets and lower US markets on Thursday.....

US stocks finished sharply lower Thursday as another jump in U.S. Treasury yields reflected expectations for faster economic recovery and inflation, fueling more rotation into sectors likely to benefit from the reopening, rather than technology stocks that benefited from last year's work-from-home trend. Meanwhile, energy sector stocks also slumped as crude oil futures fell 7% (the retreat wiped out four weeks of gains in a single session and might mark the end of a five-month bull run), suffering the biggest one day loss since September as some European countries battle a third wave of the coronavirus pandemic and a slow vaccine rollout, implying less travel and lower energy demand this summer.

Initial claims for the week came in at 770,000, higher than the expected 700,000 and worse than last week's reading of 712,000. The Philadelphia Fed's March manufacturing index unexpectedly jumped to 51.8 from a reading of 23.1 in February.

The 10-year Treasury note yield was up nearly 10 basis points to around 1.74%, around its highest level since January 2020. Meanwhile, the 30-year bond yield was knocking on the door of 2.5%, near its loftiest level since mid-2019. One of the most important factors is that the real yield—the yield minus expected inflation—on the 10-year Treasury note is negative 0.6%. That means it loses value against inflation, so investors are likely to keep selling it, lowering the price and lifting the yield.

The BOJ's has taken measures would allow the 10-year Japanese government bond yield to move in a range between 0.25% and negative 0.25%, compared with the current range of 0.20% and negative 0.20%. This tweak would allow further back-end steepening of the [Japanese government bond] curve, alleviating some of the pressure on financial institutions, and making the BoJ's easing program more sustainable in the long run. As an anchor of bond yields across the world, rising rates in Japan can be amplified into broader weakness in Europe and U.S. bonds as Japanese investors reassess the gains from holding domestic debt over their overseas peers.

Turkey's central bank raised interest rates by 200 bps and Brazil's central bank raised rates by 75 bps (and said it will probably do so again in May).

Asian share markets eased on Friday as a spike in global bond yields soured sentiment toward richly priced tech stocks, while a stampede out of crowded positions in crude oil caused the sharpest setback in months.

Indian benchmark equity indices ended lower in the fifth straight session on March 18. At close, the Nifty was down 163.40 points or 1.11% at 14,557.90. Highest spike to new Covid-19 cases in the past 102 days, rise in U.S. bond yields and weekly options related volatility kept sentiment risk-off.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	32862	-153.07	-0.46
S & P 500	3915	-58.66	-1.48
NASDAQ	13116	-409.03	-3.02
FTSE	6780	17.01	0.25
CAC	6063	7.97	0.13
DAX	14776	178.91	1.23
NIKKEI	29941	-275.75	-0.91
SHNAGAI	3424	-39.19	-1.13
HANG SENG	29406	371.60	1.28
BOVESPA	114835	-1714.01	-1.47

EXCHANGE RATES

	Value	% Change
USD/INR	72.7	0.20
EURO/USD	1.190	-0.09
USD/GBP	1.389	-0.19
USD/JPY	109.1	0.20

COMMODITIES

	Value	%
Gold (\$ / Oz)	1727.8	-0.27
Silver (\$ / Oz)	26.0	-1.45
Crude Oil Futures	60.1	0.18
Brent Oil (\$ / Barrel)	63.4	1.05

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.202	+0.017

ADR

	Value \$	%
Dr Reddys Labs	58.0	-2.95
HDFC Bank	77.8	-2.38
ICICI Bank	15.9	-3.23
Tata Motors	20.7	-2.91
Wipro	6.29	-3.08
Vedanta Ltd	12.02	-3.45
INFOSYS	18.38	-3.77

Nifty has closed at the lowest since Feb 26, though in terms of intra-day low it has gone below even that. Indian markets continue to perform the worst in the region as resurgence of Covid-19 has led to fears of the momentum in the economy slowing down. A close below 14529 would mean that the Nifty is in the midst of an intermediate correction. 14281-14478 could be the support band for the Nifty while 14639-14696 could provide resistance.

Rajya Sabha passes bill to hike FDI in insurance sector to 74 pc

Rajya Sabha on Thursday approved a bill to raise the foreign investment limit in the insurance sector to 74 per cent with Finance Minister Nirmala Sitharaman saying while control will go to foreign companies, the majority of directors and key management persons will be resident Indians who will be covered by law of the land.

Registration fee waiver for new cars, 25% rebate on road tax: Gadkari unveils vehicle scrapping policy

Vehicle owners scrapping their old vehicles, could get "strong incentives" including a 25 per cent rebate on road-tax for personal vehicles, and 15 per cent for commercial vehicles, a 5 per cent discount on purchase of new vehicle against the scrapping certificate, among others, Union transport minister Nitin Gadkari said on Thursday. Consumers will also get scrap value for the old vehicle given by the scrapping centre, which is approximately 4-6 per cent of ex-showroom price of a new vehicle.

Shuchi to set up EV charging points at HPCL's retail outlets

Shuchi Anant Virya, a joint venture between Lithium Urban Technologies and Fourth Partner Energy will set up a pan-India network of public EV charging points at state-run Hindustan Petroleum Corporation Ltd's retail outlets. Shuchi currently owns and operates EV charging hubs in Gurugram and Pune. Shuchi Anant Virya plans to create a network in tier-I cities to begin with followed by an expansion into tier-II cities and national highways.

The Rise Fund to invest \$200 million in Airtel Africa's mobile money biz

TPG-owned The Rise Fund will invest \$200 million in the mobile money business of Bharti Airtel Ltd's Africa unit. The development is part of Bharti Airtel's strategic asset monetisation plan. The investment in Airtel Mobile Commerce BV (AMC), a wholly-owned subsidiary of the Africa unit, values the company at \$2.65 billion on a cash and debt-free basis.

Future-RIL deal: Delhi HC restrains Rs 24,713-cr acquisition, upholds SIAC order

Delhi High Court maintained its position in the Amazon versus Future Group case and told Future Retail not to take further action on its Rs 24,713-crore Reliance deal. The single-judge bench held that Future Retail "wilfully violated Singapore Arbitrator's order (Singapore International Arbitration Centre).

Airtel joins Jio, Vodafone Idea in making upfront payments to DoT for spectrum

Bharti Airtel became the latest telco to make its upfront payment of Rs 6,323.98 crore to the Department of Telecommunications (DoT) for the spectrum bought in the just-ended auctions. Earlier in the day, Reliance Jio Infocomm and Vodafone Idea had made upfront payments of Rs 15,019.84 crore and Rs 574.65 crore, respectively.

Welspun Corp bags orders worth Rs 777 crore

Welspun Corp Ltd bagged multiple orders worth about Rs 777 crore in the overseas and domestic markets. The company received multiple orders of approximately 93 KMT (kilometric tonnes) valuing close to Rs 777 crore. This includes a single order of approximately 50 KMT received from a large client in the Middle East which would be executed from our facility in Saudi Arabia. Welspun Corp Ltd said most of the other orders received will be executed from our facilities in India for the domestic market. With these orders, the company's book stands at 586 KMT, valued at Rs 5,300 crore after considering execution up to February 2021

PG Electroplast to expand Ahmednagar plant capacity, add new products

Electronics manufacturing service provider PG Electroplast (PGEL) has acquired a 10-acre plot adjacent to its existing Ahmednagar plant in Maharashtra. The company aims to expand its current manufacturing facility into a 20-acre integrated manufacturing campus by the end of September 2021, with a total investment of more than Rs 100 crore spread over two years. The development will enable the company to significantly improve both its capabilities and capacities for manufacturing air conditioners and other appliances.

Piramal Capital plans record bond sale to partly pay for acquisition of DHFL

Indian billionaire Ajay Piramal's conglomerate is poised to sell its biggest-ever bond, and will use the money to partly fund the takeover of failed shadow bank Dewan Housing Finance Corp. Piramal Capital & Housing Finance Ltd. will seek bids for as much as 30 billion rupees.

Colgate-Palmolive launches ayurvedic toothpaste for people with diabetes

Colgate-Palmolive (India) launched first ever ayurvedic toothpaste specifically targeting people with diabetes. The tooth paste that will be sold under brand name 'Colgate for Diabetics' was researched and developed in India through a collaboration with local dentists and diabetes experts.

Radico Khaitan launches 'Triple Eight' whisky

Radico Khaitan, has launched its whisky brand 'Triple Eight' in an iconic pack imbibing the foil stamping feature manufactured by UFlex-Asepto. The new-age packaging works in more ways than one by curbing adulteration in the segment, creating great choice for customers on retail shelves and retaining the quality flavours. Triple Eight is a premium whisky and to cater to the growing demand in Karnataka it is now made available in 90-ml and 180-ml sizes.

Marico hikes the prices due to sharp increase in raw material cost

A sharp increase in raw material costs, primarily copra and other edible oil prices, has seen home-grown FMCG major Marico Ltd cut back on consumer offers, translating to an effective price increase of 5-6 per cent in its coconut oil portfolio. It has also initiated a 15-20 per cent price increase across the Saffola Oils portfolio.

Important news/developments to influence markets

- Foreign investors turned net buyers of Japanese equities in the week ended March 12, for the first time in a month, as risk appetite improved on hopes that low interest rates and massive fiscal support would quicken the global economic recovery. Overseas investors were net buyers of stocks worth 193.84 billion yen (\$1.78 billion).
- The Bank of England has voted unanimously to leave UK interest rates unchanged at 0.1.
- The number of Americans filing first-time unemployment claims rose 45,000 to 770,000 last week as the labor market tries to recover from the Covid-19 pandemic that sent more than 22 million Americans to the unemployment line a year ago.
- The Philadelphia Federal Reserve's business activity index jumped to 51.8 in March from 23.1 in the prior month. The barometer on new orders rose to 50.9 in March from 23.4 in the prior month. The shipments index rose to 30.2 from 21.5 in February.

Daily Technical View on Nifty

Nifty Breaches 50 Days EMA Support

Nifty fell for the fifth consecutive session, to close at 14721.

This is the lowest close since 26th Feb 2021 for Nifty.

Nifty and BankNifty violated the crucial support of its 50 days EMA

Daily ADX value has risen for the second consecutive day with indices maintaining their down trend. This indicates that momentum is back in to the markets and prevailing price trend could see follow up selling.

Short Term Market trend has been bearish and rising ADX value along with the price fall indicates the chances of momentum selling in the Index

RSI and MACD indicators have been moving down with negative crossovers.

8 days EMA has shown negative crossover on 13 and 21 days EMA on Nifty, BankNifty and Fin Nifty Charts

There is an upside unfilled gap between 14336 and 14469. This range could act a immediate support. Failing to sustain above this support would be considered bearish breakdown on medium term Nifty charts

Resistance for the Nifty is seen at 14875.

Nifty	View for 1-2 days	Reversal	7-Day View	Reversal
14557	Bearish	14875	Bearish	14875
	14467		14300	





SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	18-MAR-21	SELL	BANK NIFTY MAR FUT	33800-34050	33959.8	34125.0	33000.0	3	29-MAR-21
2	18-MAR-21	SELL	FIN NIFTY MAR FUT	15888.35-16030	15883.2	16070.0	15630.0	2	23-MAR-21
3	18-MAR-21	BUY	BANK NIFTY 33600 MAR PUT OPTION (25TH MAR EXPIRY)	497.3	452.7	350.0	800.0	77	23-MAR-21
4	18-MAR-21	SELL	COLGATE PALMOLIVE MAR FUT	1576.55	1575.3	1597.6	1542.0	2	19-MAR-21
5	16-MAR-21	BUY	ASIAN PAINTS	2459-2385	2404.6	2340.0	2607.0	8	25-MAR-21

OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	7-JAN-21	BUY	NESCO*	563.0	542.7	516.0	610.0	675.0	24	7-APR-21
2	28-JAN-21	BUY	BIOCON*	384.3	389.2	352.0	415.0	450.0	16	28-APR-21
3	11-FEB-21	BUY	SUN TV	522.0	464.5	390.0	640.0	735.0	58	10-AUG-21
4	11-FEB-21	BUY	SADBHAV ENGINEERING*	70.2	66.3	60.0	80.0	100.0	51	10-AUG-21
5	15-FEB-21	BUY	MUNJAL SHOWA	160.4	148.6	144.5	181.0	210.0	41	16-MAY-21
6	16-FEB-21	BUY	PNB HOUSING FINANCE*	402.1	383.3	325.0	475.0	523.0	36	15-AUG-21
7	2-MAR-21	BUY	JAI CORP*	94.2	89.0	86.5	104.0	118.0	33	31-MAY-21
8	2-MAR-21	BUY	TRENT	875.0	823.2	785.0	1015.0	1095.0	33	29-AUG-21
9	3-MAR-21	BUY	TRIVENI ENGINEERING	90.4	84.6	79.0	104.0	104.0	23	1-JUN-21
10	3-MAR-21	BUY	FLURO CHEMICALS	607.7	581.8	530.0	682.0	682.0	17	1-JUN-21
11	9-MAR-21	BUY	RAMCO INDUSTRIES	264.5	261.0	240.0	296.0	330.0	26	7-JUN-21

*= 1st Target Achieved

OPEN DERI POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	26-FEB-21	SELL	BAJAJ FINANCE MAR FUT	5394.0	5397.2	5760.0	5020.0	4820.0	11	TILL 25TH MAR 21
2	9-MAR-21	SELL	AMARA RAJA BATTERIES APR FUT	896.0	868.8	930.0	862.0	828.0	5	TILL 29TH APR 21
3	15-MAR-21	SELL	BANDHAN BANK MAR FUT	333.3	339.5	350.0	312.0	-	8	TILL 25TH MAR 21

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	23-NOV-20	BUY	BATA INDIA*	1464.0	1470.9	1330.0	1630.0	1850.0	26	23-MAY-21
2	5-JAN-21	BUY	FINOLEX CABLE*	358.8	385.4	320.0	402.0	450.0	17	5-APR-21
3	24-FEB-21	BUY	RAIN INDUSTRIES	165.1	146.9	140.0	190.0	215.0	46	24-AUG-21
4	2-MAR-21	BUY	MARUTI	7199.0	7113.8	6820.0	7580.0	7960.0	12	2-JUN-21

*= 1st Target Achieved

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