

Morning Notes

27 July 2020

CORPORATE AND ECONOMY NEWS

- **ICICI Bank Q1FY21 Result(YoY):** Net Interest Income up 19.9% to Rs 9,279 crore. Net profit up 36.3% to Rs 2,600 crore. Provisions up 27% to Rs 7,594 crore sequentially. Gross NPA at 5.46% from 5.53% in the previous quarter. Net NPA at 1.23% from 1.41% in the previous quarter. Made additional Covid-19 related provisions worth Rs 5,550 crore this quarter. Total provisions against Covid-19 now at Rs 8,275 crore. Loans under moratorium down to 17.5% of total loans by June 30 from 30% in March.
- **Zee Entertainment Q4FY20 Result(YoY):** Revenue down 3.4% to Rs 1,951.1 crore. Net loss of Rs 766.7 crore from net profit of Rs 291.7 crore. Ebitda loss of Rs 562.5 crore from Ebitda gain of Rs 577.7 crore. Higher operational cost and exceptional items impact profit. Cost increase led by higher movie amortisation, new channel and investments in Zee5. Exceptional loss on account of impairment of goodwill pertaining to digital publishing business at Rs 113.7 crore.
- **ITC Q1FY21 Result(YoY):** Net sales down 17.4% to Rs 9,501 crore. Net profit down 26% to Rs 2,343 crore. Ebitda down 42% to Rs 2,646 crore. Ebitda margin at 27.8% from 39.7%. Cigarette segment revenue down 29.1% to Rs 3,853 crore; margins down to 61.1% from 70.8%. FMCG - other segment revenue up 10.3% to Rs 3,375 crore; margins at 3.7% from 2.5%. Agri business revenue up 3.7% to Rs 3,746 crore; margins at 4.8% from 5.6%. Paperboards revenue down 32.8% to Rs 1,026 crore; margins at 15.6% from 21.6%.
- **JSW Steel Q1FY21 Result(YoY):** Revenue down 41% to Rs 11,782 crore. Net loss of Rs 561 crore from net profit of Rs 1,028 crore. Ebitda down 64% to Rs 1,341 crore. Ebitda margin down to 11.4% from 18.7% last year. Output down 30% to 2.96 million tonnes. Domestic steel prices declined in May and June. Have seen modest increase in domestic steel prices in July and expect some more hike in August.
- **Other Results:** Ambuja Cements(Mix), Coromandel International(Good), GHCL(Weak), Aarti Drugs(Good), MCX(Mix), Persistent Systems(Good), Supreme Industries(Weak).
- **HDFC Bank:** Chief executive and managing director Aditya Puri has sold shares worth Rs 842.87 crore of the private lender last week, according to regulatory filings. The share sale, which was executed between July 21 and 23, brought down Puri's holding in the most valued Indian lender to just 0.01 per cent from the earlier 0.14 per cent.
- **Lupin, Granules India:** Drug makers Lupin and Granules India are recalling close to 9.71 lakh bottles of generic diabetes drug in the US due to possibility of the affected lot containing cancer causing nitrosodimethylamine (NDMA) above the acceptable intake limit.
- **Bharti Airtel, Vodafone Idea:** Mobile operators lost 5.26 million and 4.51 million subscribers respectively in April, while Reliance Jio added 1.57 million users during the same period, according to latest Trai data.
- **Adani Power:** Adani Power said it has received shareholders' approval for its Rs 3,264-crore delisting proposal. Last month, Adani Power had issued a notice for voluntary delisting of equity shares of the company from BSE Limited and National Stock Exchange of India Limited.
- **Spencer's Retail:** Sets rights issue price at Rs 75 per share. Rights entitlement ratio at 2 shares for every 15 shares held. Issue opens from August 4 till August 18, with record date set at July 29. Issue price at discount of 13% to Friday's closing. On February 11, Board approved raising Rs 80 crore via rights issue.
- **Reliance Home Finance:** Defaulted in payment of principle and interest worth Rs 50.38 crore to Bank of India which was due on June 30 and Rs 80.54 crore to Dena Bank (now merged with Bank of Baroda) which was due on June 30.
- **Cipla:** Company received DCGI approval to launch Favipiravir in India for COVID-19.

Source: Bloomberg, Economic Times, Business Standard, Business Line, Times of India, Mint, Indian Express, Business Today, Indian Express, Money Control.

MARKET SCAN

INDIAN INDICES

Index	Clsg	Chg
Sensex	38129	-0.03%
Nifty	11194	-0.19%
Bank Nifty	22662	-1.83%
IND VIX	24.54	-0.43%

GLOBAL INDICES

DJIA	26,470	-0.68%
Nasdaq	10,363	-0.94%
FTSE	6,124	-1.41%
CAC	4,956	-1.54%
DAX	12,838	-2.02%
Nikkei	22,636	-0.51%
Hang Seng	24,750	0.18%

Source: in.investing.com; As on 8.00 am IST

SECTOR INDEX (NSE)

IT	17286	1.41%
Infra	3176	-0.12%
Energy	15896	0.59%
FMCG	31019	-0.27%
Pharma	10238	-0.82%
Auto	7219	-1.13%
Metals	2088	-2.06%
Midcap	15529	-0.28%
Nifty 500	9086	-0.31%

DII/FII INVESTMENT (IN.CR.)

FII/FPI	409.88
DII	-1002.98

FOREX MARKET

USDINR	74.76	0.00%
EURINR	87.41	0.40%

COMMODITY MARKET

Gold (\$/OZ)	1917	1.04%
Copper(\$/lb)	2.901	0.22%
Brent (\$/Bbl)	43.59	-0.43%
Silver(\$/OZ)	23.32	2.06%

Source: in.investing.com; As on 8.00 am IST

GLOBAL MARKETS

DJIA and NASDAQ Composite

Wall Street retreated on Friday, heading into the weekend with a broad sell-off due to weak earnings, surging coronavirus cases and geopolitical uncertainties. The Dow Jones Industrial Average fell 182.44 points, or 0.68%, to 26,469.89, the S&P 500 lost 20.03 points, or 0.62%, to 3,215.63 and the Nasdaq Composite dropped 98.24 points, or 0.94%, to 10,363.18.

Crude Oil

Oil prices edged down on Monday as rising coronavirus cases and tensions between the United States and China pushed investors toward safe-haven assets. Brent crude dipped 10 cents, or 0.2%, to \$43.24 a barrel by 0041 GMT while U.S. West Texas Intermediate (WTI) crude was at \$41.24 a barrel, down 5 cents.

SGX Nifty: Trends on SGX Nifty indicate a positive opening for the index in India with a 53 points gains. The Nifty futures were trading at 11,221 on the Singaporean Exchange around 08:15 hours IST.

TECHNICAL VIEW

Nifty Outlook:

Nifty opened gap down on Friday at 11150, made a high of 11225, made a low of 11090, and closed on a negative note at 11194 levels. For the day, support for the Nifty exists at 11100 and 11000 levels, whereas resistance for Nifty stands at 11270 and 11350 levels.

Bank Nifty Outlook:

Bank Nifty opened gap down on Friday at 22853, made a high of 22854, made a low of 22417, and closed on a negative note at 22662 levels. For the day, support for Bank Nifty exists at 22400 and 22000 levels, whereas resistance for Bank Nifty stands at 23000 and 23200 levels.

DERIVATIVES INDICATORS

		NIFTY OPTIONS ACTIVITY (30-JUL SERIES)	
NIFTY	11194.15 (-21.30) (-0.19%)	CALL	11200 CE +6.87 lac Shares
NIFTY JUL FUT	11170.25 (23.90 Points Discount)	CALL	11300 CE +6.44 lac Shares
NIFTY PCR - OI	1.74 (-0.16)	PUT	11100 PE +6.19 lac Shares
NIFTY OI (Total)	1.34 Cr. (-1.22%)	PUT	11000 PE +5.63 lac Shares
INDIA VIX	24.54 (-0.43%)		
BANKNIFTY	22662.05 (-1.83%)		
BANKNIFTY JUL FUT	22611.30 (-50.75 Points Discount)		
BANKNIFTY OI (Total)	18.05 Lakh (-2.96%)		

FII DERIVATIVES STATISTICS (In Cr.)

INDEX FUTURES	-1196.47
INDEX OPTIONS	-690.93
STOCK FUTURES	-1209.92
STOCK OPTIONS	145.69

Securities in Ban for Trade Date 27-JULY-2020: **ADANIEN, BHEL, GLENMARK, GMRINFRA, IBULHSGFIN, IDEA, NATIONALUM, RBLBANK, SAIL, SUNTV.**

Key Results Today: Kotak Mahindra Bank, Tech Mahindra, Bharti Infratel, V-Guard, Marico, Escorts, Bharat Electronics, Havells, India Cements, Orient Electric, Tejas Networks, United Spirits.

Retail Research Technical & Fundamental Calls for the month of July-2020

Positional Calls (For 1-3 Months)

Date	Company	Rec	Rec Price	Stop Loss	Target	Status	Net Returns%
29-Jun	BATAINDIA	Buy	1295-1305	1235	1400-1450	Part Book	2.74%
2-Jul	LT	Buy	935-945	874	1030-1070	Open	
6-Jul	CADILAHC	Buy	365-368	344	400-410	Part Book	3.70%
6-Jul	AKZOINDIA	Buy	1800-1820	1670	2000-2100	Part Book	2.79%
6-Jul	VINATIORGA	Buy	995-1005	935	1080-1120	Part Book	3.20%
6-Jul	TORNTPHARM	Buy	2340-2350	2210	2550-2600	Part Book	3.68%
8-Jul	AARTIIND	Buy	935-943	880	1020-1050	Open	
8-Jul	SUPREMEIND	Buy	1130-1140	1065	1250-1270	Part Book	3.83%
10-Jul	CUMMINSIND	Buy	394-398	370	440-450	Open	
13-Jul	TATACHEM	Sell	300-304	323	265	Part Book	3.17%
14-Jul	ENGINERSIN	Buy	70.5	64.50	80-84	Part Book	4.16%
17-Jul	BALKRISIND	Buy	1250-1260	1190	1350-1370	Open	
22-Jul	NESTLEIND	Buy	17000-17060	15950	18500-19000	Open	

Investment Idea (For Long Term)

Date	Company	Rec	Rec Price	Target	Status	Returns%
30 Aug 19	INDHOTEL	Accu	135-140	190.00	Open	
15 Oct 19	JKPAPER	Accu	111	141.00	Open	
16 Oct 19	MOLDTKPAC	Accu	298-302	344.00	Open	
2 Jan 20	PSPPROJECT	Accu	490-500	590.00	Open	
23 Jul 20	RITES	Accu	244-249	296.00	Open	

Asit C. Mehta

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