

THE DAILY VIEWPOINT

Date: 24 April, 2020





DOMESTIC INDICES

	Close	Points	% Change
SENSEX	31863	484	1.54
NIFTY	9314	127	1.38
MIDCAP	11671	104	0.90
SMALL CAP	10785	143	1.35

SECTORAL INDICES

	Close	Points	% Change
IT	13319	616	4.85
TECK	6729	254	3.93
BANKEX	23236	763	3.39
Finance	4548	103	2.31
METAL	6106	61	1.00
AUTO	12451	93	0.75
OIL & GAS	11195	61	0.55
REALTY	1427	7	0.51
Healthcare	15202	75	0.50
CG	11618	-61	-0.52
POWER	1469	-18	-1.22
CD	19616	-285	-1.43

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
IDEA	9.34	AUBANK	-4.52
LICHSGFIN	9.05	VBL	-4.37
KOTAKBANK	8.59	TITAN	-4.18
MUTHOOTFIN	7.47	NBCC	-3.67
GLENMARK	6.93	MFSL	-3.65

ADVANCE/DECLINES

	BSE	%
ADVANCES	1457	56
DECLINES	953	37
UNCHANGED	179	7

INSTITUTIONAL ACTIVITY

Rs Cr	23/04/20	22/04/20	Apr Total
FII	-115	-1326	-13708(prov.)
MF	338	864	356(prov.)

Disappointing results from Gilead's experimental drug to treat coronavirus leads sentiments lower despite passage of relief bill by US House of Representatives ...

Indian markets could open in the negative on Friday following mildly negative Asian markets today and flat US markets on Thursday.

U.S. stocks finished little changed on Thursday, as a strong rally for all three benchmarks hit a snag in afternoon trade, amid reports that suggested that a closely followed experimental drug intended to be used to treat coronavirus delivered disappointing results in an "inconclusive" trial.

Later, the U.S. House of Representatives overwhelmingly approved a \$484 billion coronavirus relief bill on Thursday, funding small businesses and hospitals and pushing the total spending response to the crisis to an unprecedented near \$3 trillion. Now Investors are anxious to see "how quickly EU policy-makers will move towards area-wide fiscal risk-sharing,".

In commodities, June crude futures for West Texas Intermediate oil rocketed 20% to settle at \$16.50 a barrel on the New York Mercantile Exchange.

A reading of U.S. service sector activity from Markit fell to its lowest on record in April, while its manufacturing purchasing manager's index was at an 11-year low. Domestically, another 4.4 million Americans filed for first-time jobless claims in the most recent week, taking the total to 25 million.

Stocks in Asia declined in Friday morning trade after an overnight report that raised doubts over a potential coronavirus treatment. The People's Bank of China (PBOC) said the one-year interest rate on the TMLF was lowered by 20 basis points to 2.95% from 3.15%.

Indian markets rallied further on Thursday after bouncing back from the lows of 8946 on Wednesday. The Nifty gained 126.6 points or 1.38% to close at 9,313.9.

Technically, with the Nifty moving up further, the short term trend remains up. However further upsides are likely only once the immediate resistance of 9343 is taken out. On falls support is expected between 9044-9170.

Short Term Technical Outlook

Nifty has been trading in the rising wedge on the daily chart. The pattern is contracting and therefore range of the Nifty is getting narrowed down as the time progresses. Upper band of the wedge is placed at 9500 odd levels, while lower band is placed at 9050 odd levels. Breakout or breakdown from this range would confirm the positional trend for the Nifty. For the day, level to watch out as a support in Nifty would be 9150-9170. Today, it would be better for traders to wait for first one hour to see how Indian markets react to the weak global cues. After gap down opening, If Nifty manages to sustain above 9150 in today's trade then there would be good chances of a pullback.



GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	23515	39.44	0.17
S & P 500	2798	-1.51	-0.05
NASDAQ	8495	-0.63	-0.01
FTSE	5827	55.98	0.97
CAC	4451	39.20	0.89
DAX	10514	98.76	0.95
NIKKEI 225	19278	-151.94	-0.78
SHANGHAI COMP.	2826	-12.22	-0.43
HANG SENG	23881	-96.82	-0.40
BOVESPA	79673	-1013.85	-1.26

EXCHANGE RATES

	Value	% Change
USD/INR	75.9	0.20
EURO/USD	1.077	-0.08
USD/GBP	1.235	0.04
USD/JPY	107.6	0.04

COMMODITIES

	Value	%
Gold (\$ / Oz)	1747.9	0.14
Silver (\$ / Oz)	15.4	-0.03
Crude Oil Futures	17.3	5.09
Brent Oil (\$ / Barrel)	22.0	3.14

BOND YIELD

	Value %	Chg bps
IND10 Yr Bond Yield	6.06	-2

ADR

	Value \$	%
Dr Reddys Labs	52.77	-0.13
HDFC Bank	40.88	0.25
ICICI Bank	9.04	0.44
Tata Motors	5.01	0.00
Wipro	3.00	2.04
Vedanta Ltd	4.19	0.00
INFOSYS	8.79	2.81

PM Modi to Meet FM Sitharaman today to Finalise Economic Stimulus

Amid the nationwide lockdown, Prime Minister Narendra Modi will today meet Finance Minister Nirmala Sitharaman. The meeting between the two leaders is expected to finalise a second stimulus package for industry, the poor and farmers at this time of coronavirus crisis.

The meeting of the two leaders comes after numerous deliberations within the government and with experts. Ahead of the meeting, senior officials from the PMO had on Wednesday held a video conference with officials from the finance ministry, Niti Aayog, members of the Economic Advisory Council to the Prime Minister, and independent experts.

Franklin Templeton shuts 6 yield oriented credit funds

Franklin Templeton Mutual Fund in India announced shutting down of six of its yield-oriented managed credit funds with total assets under management of ₹25,856 crore, owing to severe illiquidity and redemption pressures caused by the covid-19 pandemic.

The funds include Franklin India Low Duration Fund, Dynamic Accrual Fund, Credit Risk Fund, Short Term Income Plan, Ultra Short Term Bond Plan and Income Opportunities Fund.

Payments will be made in a staggered manner to investors, based on realization of funds from the bond issuers and through sale of portfolio. However, the first set of payments will be made to their borrowers and then investors.

Gilead antiviral drug remdesivir unsuccessful in first trial

A potential antiviral drug for the coronavirus has flopped in its first randomised clinical trial, disappointing scientists and investors who had high hopes for remdesivir, according to draft documents published accidentally by the World Health Organization and seen by the Financial Times.

The Chinese trial showed remdesivir — developed by California-based Gilead Sciences — did not improve patients' condition or reduce the pathogen's presence in the bloodstream. Researchers studied 237 patients, giving the drug to 158 and comparing their progress with the remaining 79. The drug also showed significant side effects in some, which meant 18 patients were taken off it.

Reliance Industries cuts crude processing at Jamnagar SEZ refinery by 24%

Reliance Industries has cut crude oil processing at its exports-only refinery at Jamnagar in Gujarat in March by close to one-fourth as it joins public sector oil firms in cutting run-rate to align production with a coronavirus-induced slump in fuel consumption.



RIL's 35.2 million tonnes (MT) a year SEZ refinery processed 2.51MT of crude oil into fuel in March, a drop of 24 percent YoY. However, the company's older refinery at the same site processed 5.7 percent more crude at 3.01MT.

The data showed that RIL's SEZ refinery operated at 83.98 percent capacity in March, as compared to 110.51 percent capacity utilisation in the same month a year back.

Bharti Infratel Q4 FY20 results

Bharti Infratel reported numbers which were lower than market expectation in Q4 FY20.

Consolidated net profit grew 6.9 percent yoy to Rs 649.5cr in Q4FY20, because of increase in other income, and reduction in tax expenses. Consolidated revenue increased 0.7 percent yoy to Rs 3,624cr in Q4 FY20.

The company has declared the third interim dividend of Rs. 4.1 per share, along with the two interim dividends of Rs 3.65 and Rs 2.75 already paid would result in total dividend of Rs 10.5 per equity share for FY20.

The board of the company increased the deadline of its merger with Indus Towers to June 24, 2020.

Mahindra CIE PAT fell 86% to Rs 20.8 crore

Mahindra CIE reported 86.5 percent decline in consolidated profit after tax at Rs 20.79 crore in the first quarter ended March 31, 2020.

Consolidated revenue from operations stood at Rs 1,662.7 crore as compared with 2,174.39 crore in the year-ago period, said the company, which follows January-December financial year.

Sales dropped due to negative market evolution and additionally because of COVID-19 impact, as a result of which drop in volumes in Italy in the first quarter was internally estimated to be an extra 20 percent over and above the market drop.

Alembic Pharma Q4 FY20 PAT surged 81% to Rs 225cr

Alembic Pharma registered 30% revenue growth led by strong 84% yoy increase in revenues from US business. EBITDA margin surged 900bps to 28%. Net profit for the quarter grew 81% to Rs 225cr. Company recorded 17% growth in revenues and 42% in PAT for FY20.

Company said that it has cumulatively filed 183 ANDA and holds approval for 119 products. It plans to launch 10 products in the US in H1 FY21.

Mindtree Q4 FY20 PAT seen 3% yoy down at Rs 191cr

Revenues may grow 5% yoy to Rs 1960cr. Margin may grow 50bps yoy at 15.7%. PAT for the quarter may dip 3% to Rs 191cr.



Important Global news/developments to influence markets

- Foreigners sold Japanese equities during the week ended April 17, marking their tenth straight week of net selling, as economic damage from COVID-19 weighed on investor sentiment.
- Japan manufacturing sector continued to contract in April with a PMI score of 37.8. That's down from 41.1 in March and it moves further beneath the boom-or-bust line of 50 that separates expansion from contraction.
- Japan's services PMI collapsed to 22.8 from 33.8 in March, which is the lowest reading on record. The survey started in September 2007.
- Retail sales figures for the UK show a much-anticipated drop in consumer spending throughout March as lockdown took hold and forced to stay at home and non-essential shops to close. Falling at their fastest pace since records began, sales were down by 4.3%. Looking closer at the statistics, sales were showing a 12% growth in the first three months of March, followed by a sharp decline of 27% after the government-imposed lockdown on March 23.
- UK Composite Purchasing Managers' Index (PMI) showed the extent of the damage. It fell to record low of 12.9 from 36.0 in March.
- The UK manufacturing and services sector activities showed a deeper contraction in April. The seasonally adjusted IHS Markit/CIPS UK Manufacturing Purchasing Managers' Index (PMI) plunged to a record low of 32.9 in April versus 42.0 expected and 47.8 – March's final reading.
- The Flash UK Services Business Activity Index for April came in at a record low of 12.3 versus March's final readout of 34.5 and 29.0 expected.
- The latest CBI Industrial Trends Survey reported output volumes of -21% for the three months to April, compared to -8% in March.
- The GfK consumer confidence barometer for Europe's largest economy to a historic low of minus 23.4 points - down 25.7 from 2.3 points in March.
- The flash (provisional) eurozone composite PMI (purchasing managers' index), compiled by IHS Markit fell to a record low of 13.5 points, down from 29.7 in March.
- Eurozone Manufacturing PMI (Apr) decreased from 44.5 to 33.6.
- Eurozone Services PMI (Apr) decreased from 26.4 to 11.7
- Germany April flash manufacturing PMI fell to 34.4 (down from 45.4 in March);, while Services PMI hit 15.9 (down from 31.7 in March).
- US Weekly jobless claims totaled 4.4 million last week, slightly more than expected. The five-week total is now 26.4 million, more than all of the jobs added since the Great recession.
- US PMI Manufacturing dropped to 36.9 in April, down from 48.5, a 133-month low. PMI Services dropped to 27.0, down from 39.8, a record low. PMI Composite dropped to 27.4, down from 40.9, also a record low.
- Sales of new U.S. homes fell by more than 15% in March as the coronavirus pandemic weighed on buyer traffic. New home sales dropped to a seasonally adjusted annual rate of 627,000



DATA & EVENTS

OPEN TRADING CALLS

No.	Reco Date	Company Name	Reco	Cost	SL	Target
1	21-APR-20	SUN PHARMA	BUY	488.60-470	465	520
2	22-APR-20	BANDHAN BANK APR 220 CALL OPTION	BUY	6.15	2.8	12
3	23-APR-20	NIFTY APRIL FUT	BUY	9220-9278	9180	9390
4	23-APR-20	MARUTI APR FUT	BUY	5185-5050	5000	5380
5	23-APR-20	TATA POWER APR FUT	BUY	32.70-32	31.7	33.8
6	23-APR-20	JK CEMENT	BUY	1155-1120.40	1097.3	1235.9
7	23-APR-20	ICICI SECURITIES	BUY	330-336.80	327	350
8	23-APR-20	CENTURY PLY	BUY	120.50-122.70	119.8	126.5
9	23-APR-20	BAJAJ FIN SERV	BUY	4797.55-4650	4590	5080
10	23-APR-20	PEL	BUY	882-845	832	960

NOTE: ALL TRADING RECOMMENDATIONS GIVEN BY TEAM ARE ON REAL TIME BASIS. A TRADING RECOMMENDATION SHOULD BE CONSIDERED CLOSED OR SQUARED OFF AS AND WHEN A STOPLOSS OR TARGET IS TOUCHED IN INTRADAY TRADING. DO NOT WAIT FOR TARGET ACHIEVED OR STOPLOSS MESSAGE TO CLOSE THE POSITIONS. REFER JAMMOON FOR TIMELY ENTRY AND EXIT FROM RECOMMENDATIONS.

OPEN TECHNICAL POSITIONAL CALLS

No.	Reco Date	Company Name	Reco	Cost	SL	Target
1	13-APR-20	PFIZER LTD	BUY	4406-4000	3860	5066/5490
2	13-APR-20	GLAXO PHARMA (PARTAILLY BOOKED)	BUY	1300-1396	1250	1590/1730
3	15-APR-20	MINDTREE LTD	BUY	740-780	725	860
4	17-APR-20	EICHER MOTORS	BUY	14125-13300	12700	15700/16500

OPEN DERIVATIVE POSITIONAL CALLS

No.	Reco Date	Company Name	Reco	Cost	SL	Target
1	17-APR-20	TECH MAHINDRA MAY FUT	SELL	503-525	549	457/420
2	20-APR-20	EXIDE INDS MAY FUT	BUY	142-150	136	163
3	21-APR-20	TATA STEEL MAY FUT	SELL	263-273	290	240/220
4	22-APR-20	MGL APR FUT	SELL	900-950	978	835



DATA & EVENTS

RESULTS ANNOUNCED AFTER MARKET HOURS

COMPANY	Q4FY20		YoY (%)		QoQ (%)		Remarks
	Sales (Rs Cr)	NP (Rs Cr)	Sales	NP	Sales	NP	
Bharti Infratel	3624	649.5	0.7	6.9	-1.3	-18.7	Below Estimates
PL: Profit to Loss, LP: Loss to Profit, LL: Loss to Loss							

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