

# The Daily

January 28, 2022





## DOMESTIC INDICES

	CLOSE	POINTS	% CHANGE
SENSEX	57277	-581	-1.00
NIFTY	17110	-168	-0.97
MIDCAP	23942	-303	-1.25
SMALL CAP	28634	-236	-0.82

## SECTORAL INDICES

	CLOSE	POINTS	% CHANGE
BANKEX	43584	420	0.97
AUTO	26118	112	0.43
Finance	8256	6	0.07
METAL	18935	-73	-0.38
OIL & GAS	18293	-100	-0.54
CG	28920	-231	-0.79
POWER	3903	-32	-0.82
REALTY	3667	-63	-1.70
Healthcare	23578	-432	-1.80
CD	40942	-1084	-2.58
TECK	14979	-423	-2.75
IT	33528	-1074	-3.10

## BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
UNIONBANK	8.91	TORNTPHARM	-14.92
CANBK	8.77	COFORGE	-8.00
SRTRANSFIN	6.31	ABB	-7.14
BANKINDIA	5.35	DALBHARAT	-6.89
BANKBARODA	5.08	MINDTREE	-6.30

## ADVANCE/DECLINES

	BSE	%
ADVANCES	1480	43
DECLINES	1884	55
UNCHANGED	91	3

## INSTITUTIONAL ACTIVITY

Rs Cr	27-01-2022	25-01-2022	JAN TOTAL
FII	-6267	-7094	-31922
DII	2881	4535	16087

**Indian markets could open flat in line with mixed Asian markets today and despite negative US markets on Thursday....**

U.S. stocks gave back sharp early gains to end lower Thursday, as investors weighted Federal Reserve Chairman Jerome Powell's plans for several interest-rate hikes this year and tighter financial conditions. Supply chain troubles persist, and profit forecasts are not providing any reasons to be optimistic.

The Russell 2000 index, which gauges the performance of small-capitalization stocks, ended Thursday down more than 20% from its recent high, meeting the commonly used definition of a bear market.

The U.S. economy sped up toward the end of 2021 before omicron's surge, growing at an annual rate of 6.9% in the fourth quarter (driven by inventory gains) as consumers spent more and businesses stocked back up. Economists polled by The Wall Street Journal had forecast gross domestic product to rise by 5.5% in the fourth quarter after a slower 2.3% annualized pace in the third quarter.

In other U.S. data, orders for durable goods fell a larger-than-expected 0.9% in December, while initial claims for U.S. unemployment benefits fell by 30,000 last week to 260,000, signaling that disruptions in the labor market tied to omicron are starting to fade. Pending home sales dropped 3.8% in December.

The yield on the 2-year Treasury surged 10.1 basis points Thursday to 1.190%, its biggest daily yield climb since March 10, 2020. The yield on the 10-year Treasury note fell 3.8 basis points to 1.807%.

Chile's central bank's surprise 150-basis-point hike to its key lending rate at 5.5% overnight, more than the 125 basis points expected by markets did not help its currency. Asian stocks Friday recovered some of the losses sparked by the Federal Reserve's pivot to tighter monetary policy.

Nifty ended lower on Jan 27 on the F&O monthly expiry day after a positive day on the previous trading session, though closing up from intra day lows. At close the Nifty was down 0.73% or 125.3 points at 17152.7.



## GLOBAL INDICES

	CLOSE	POINTS	% CHANGE
DOW JONES	34161	-7.31	-0.02
S & P 500	4327	-23.43	-0.54
NASDAQ	13353	-189.30	-1.40
FTSE	7554	84.53	1.13
CAC	7024	41.84	0.60
DAX	15524	64.88	0.42
NIKKEI	26781	610.70	2.33
SHANGHAI	3390	-3.95	-0.12
HANG SENG	23666	-141.50	-0.59
BOVESPA	112612	1322.00	1.19

## EXCHANGE RATES

	VALUE	% CHANGE
USD/INR	75.2	0.20
EURO/USD	1.115	0.07
USD/GBP	1.340	0.11
USD/JPY	115.4	0.09

## COMMODITIES

	VALUE	% CHANGE
GOLD (\$ / Oz)	1797.5	0.25
SILVER (\$ / Oz)	22.8	0.46
CRUDE OIL FUTURES	87.2	0.65
BRENT OIL (\$ / Barrel)	88.6	-0.12

## BOND YIELD

	VALUE	% CHANGE
IND10 YEAR BOND YIELD	6.746	+0.084

## ADR

	VALUE	% CHANGE
DR REDDY'S LAB	55.3	-4.75
HDFC BANK	64.8	-1.83
ICICI BANK	20.9	0.05
TATA MOTORS	32.7	2.99
WIPRO	7.08	-3.15
VEDANTA LTD	16.50	0.00
INFOSYS	21.81	-2.59

Cash volumes on a monthly expiry day touched an 8 expiry high suggesting heightened activity post the US Fed outcome and ahead of the Union Budget. Advance decline ratio was negative as broad market continued to witness profit taking post a volatile last week. Nifty has made a higher low compared to the previous day. In the near term 16998 could be a crucial support level, while 17278 could be a resistance.

### India's 2021-22 sugar production to rise 2.90% to 31.9 million tonne

Sugar production in India is estimated to increase by 2.90 per cent to 31.9 million tonnes in the ongoing 2021-22 marketing year, according to the first estimate released by the trade body AISTA on Thursday. With estimated production of 31.9 million tonnes plus opening stock of 8.3 million tonnes with mills, the total availability of sugar in the country is expected to be 40.2 million tonnes in the current marketing year, slightly lower than the previous year. However, the supply of sugar in the country would be sufficient to meet the domestic consumption, which is estimated to be at 27 million tonnes in the 2021-22 marketing year. In case of exports, the outbound shipments are estimated to be lower at 6 million tonnes in the current 2021-22 marketing year, as against 7.2 million tonnes in the previous year and would depend upon the level of domestic sugar prices vis-a-vis international sugar prices.

### Wine to be soon available in super markets and walk-in stores in Maharashtra

Based on the new liquor policy, the sale of wine bottles will be permitted through grocery shops and departmental stores in Maharashtra. Earlier sale of wine was allowed only through liquor stores. The wine industry has a turnover of around Rs 1,000 crore in India, of which 65% units are in Maharashtra. Most wineries are located in Nashik, which produces around 80% of India's wine, followed by Sangli, Pune, Solapur, Buldhana and Ahmednagar. The current sale of 70 lakh litres per year in the state is expected to go up to 1 crore litres under the new liberalised policy for retail sale.



## RBL Bank LTD Q3FY22 Result update

Q3FY22 Results were above estimates. Net Interest Income (NII) for Q3FY22 at Rs. 1,010 Cr up 11% YoY/10% QoQ vs expectation of Rs.990 Cr. PAT came at Rs. 156 Cr growth of 6% YoY/407% QoQ vs expectation of Rs. 170 Cr. Advances grew by 3% YoY and 4% QoQ (Retail: Wholesale mix at 53:47). Total Deposits grew by 10% YoY; retail deposit grew 14% YoY. NIM improved marginally at 4.34 % compared to 4.06 % in last quarter. Overall capital adequacy stood at 16.6% with Common Equity Tier 1 ratio of 15.8%. CASA ratio came at 34.4% vs. 31.1% in Q3FY21. Gross NPA ratio and Net NPA ratio came at 4.84% and 1.85% vs. 5.40% and 2.14%, respectively in Q2FY22. Gross Slippages were down 37% QoQ. Provision Coverage Ratio came at 62.9% vs 61.7% in Q2FY22, up 1.28% QoQ.

## PNB Q3FY22 Result update

Q3FY22 Results were above estimates. Net Interest Income (NII) for Q3FY22 was at Rs. 7803 Cr up 23% QoQ and down 6.5% YoY. Operating Profit increased by 26.24% on QoQ. PAT came at Rs. 506 Cr growth of 123% YoY/2% QoQ. Global Advances as well as deposits grew by 4% YoY. Total Retail, Agriculture & MSME (RAM) Credit recorded YoY growth of 9.1%. Cost to Income Ratio improved by 660 bps to 51.67% in Q3 FY22 from 58.27% in Q2 FY22. CRAR improved to 14.91% in December'21 from 13.88 % in December'20. CASA Ratio improved by 99bps YoY at 45.65%. GNPA ratio improved by 75 bps to 12.88% vs 13.63% QoQ, NNPA ratio improved by 59 bps to 4.90% from 5.49% QoQ. Provision Coverage Ratio (PCR) at 63.2 % improved by 200 bps QoQ.

## Nippon Life India Asset Management Ltd Q3FY22 Result update

Q3FY22 Overall Results are below estimates. Total revenue for Q3FY22 at Rs. 338.5 Cr up 26% YoY /3% QoQ vs expectation of Rs. 374 Cr. Core operating profit was up by 48% YoY and 10% QoQ. PAT at Rs. 174 Cr de-grew 18% YoY/19% QoQ vs estimate of Rs.168 Cr. As on December 31, 2021, NAM India's assets under management was Rs. 3,45,056 crore. MF QAAUM market share rose to 7.34% - an increase of 22 basis points as against the quarter ended March 31, 2021. Average AUM was at Rs. 2,80,601 crore, an increase of 32%. Share in Industry's B-30 folios rose from 10.4% to 11.6% in Dec-21. As on December 31, 2021, the company has 1.5 crore investor folios, with an annualised systematic book of over Rs. 8,200 crore. It has successfully completed NFO for Nippon India Taiwan Equity Fund and has garnered over 65,000 investors incl. 6,000+ HNIs.

## Motilal Oswal Financial Services Ltd. Q3FY22 Result update

Q3FY22 Overall Results are above estimates. Total revenue for Q3FY22 was at Rs. 11,223 mn up 47% YoY /16% QoQ vs expectation of Rs. 9,575 mn. Operating profit was up by 92% YoY and 25% QoQ. On account of lower MTM Profit from Fund based investments, PAT at Rs. 2,383 mn de-grew 29% YoY/56% QoQ vs estimate of Rs. 2,891 mn. Capital markets Businesses revenue grew by 19% QoQ / 68% YoY in Q3FY22. Asset Management business AUM across MF, PMS & AIF stood at Rs 507 bn, +20% YoY. Strong growth of 27% QoQ / 38% YoY was in PAT at Rs 528 mn in Q3FY22. Wealth AUM crossed Rs 500 bn for the 1st time and Wealth profit was at all-time high of Rs 223 mn QoQ in Q3FY22. For the housing finance business NII grew by 10% YoY and NIM expanded to 7.6% in Q3FY22. NPA rose sequentially, however the collection efficacies improved to 100%. The company has also declared an Interim Dividend of Rs.7/- per share for FY22.

## IIFL Finance Ltd Q3FY22 Result update

In Q3FY22, the company has reported strong performance. Net Interest Income (NII) for Q3FY22 at Rs. 639.2 Cr up 12% YoY/7% QoQ Operating Profit grew by 6% YoY and 12% QoQ. PAT came at Rs. 309.9 Cr growth of 15% YoY/6% QoQ. Loan AUM grows to Rs 46,780 Cr, up 11% YoY and up 6% QoQ. Home loan AUM grew by 5% QoQ, Gold loan AUM grew by 7% QoQ and Microfinance AUM grew by 14% QoQ, while Business loans AUM declined by 28% QoQ. NIM improved by 3 bps QoQ to 7.3%.

Total CAR stood at 25.4% including Tier I capital of 18.0% GNPA stood at 2.8% and NNPA stood at 1.5%, as at December 31, 2021. This includes the impact of RBI notification dated 12th November, 2021. The provision coverage on NPAs stands at 52%. The board has also recommended Interim dividend of Rs. 3.50/- per equity share for FY22. The Company has fixed February 04, 2022 as the record date for this purpose.



## Home First Finance Company India Ltd. Q3FY22 Result update

Q3FY22 Results were above estimates. Net Interest Income (NII) for Q3FY22 at Rs. 48.2 Cr up 37.6% YoY/3.8% QoQ. Operating Profit grew by 9.2% QoQ. PAT at Rs. 16 Cr growth of 189% YoY/6.6% QoQ. AUM portfolio grew by 26.7% YoY at Rs. 4994 Cr. The company has done highest ever disbursements of Rs. 570 Crs (+63.3% YoY) in Q3. Total CRAR stood at 59.0% with Tier I capital at 57.8% as on Dec'21. Cost to income ratio came down significantly at 33% vs 50% YoY and 35.2% QoQ. Gross Stage 3 (As per RBI Circular dated November 12, 2021) came at 2.6% (Prior to such classification, it stands at 1.7%) vs 1.7% QoQ. Stage 3 provision coverage ratio is at 46.2%. Collection efficiencies remained around 98% for the quarter.

## Canara Bank Q3FY22 Result update

Q3FY22 Results were above estimates. Net Interest Income (NII) for Q3FY22 at Rs. 6946 Cr up 14% YoY/11% QoQ. Operating profit grew by 10% YoY. PAT came at Rs. 1502 Cr growth of 116% YoY/13% QoQ. Advances grew by 8.8% YoY with strong growth in agri business by 12% YoY, retail Banking grew by 10%. Total Deposits grew by 6.5% YoY. Fee based income grew by 21.54% YoY. NIM improved marginally at 2.79% compared to 2.71% in last quarter. Total capital adequacy ratio is at 14.8%, out of which Tier-I is 11.58%. CASA Ratio remained largely stable at 36.68%. Gross NPA Ratio stood at 7.80% down by 62 bps QoQ, Net NPA Ratio stood at 2.86% down by 35 bps QoQ. Provision Coverage Ratio (PCR) at 83.26 % improved by 82 bps QoQ.

## HSIL Ltd Q3FY22 Result Update

Overall result was marginally better than our expectation. Revenue for the quarter stood at Rs 638.8cr, +18%/16.9% YoY/QoQ. EBITDA for the quarter stood at Rs. 89.6cr, -5.2%/26.5% YoY/QoQ. EBITDA Margin stood at 14% compared to 17.5% in Q3FY21, while it was 13% in the previous quarter. PAT for the quarter stood at Rs 28.5cr, -20.7%/-6.3% YoY/QoQ. EPS for the quarter stood at Rs 4.4. The stock is currently trading at 12.8x FY23E EPS.

The Packaging products division (glassware) reported decent revenue growth of 10.2%/29.2% YoY/QoQ at Rs 397.8cr, contributing 62% to the total revenue. Glass containers for alcoholic beverages such as beer and wine saw an increasing demand in the market. The division reported EBIT margin of 15.2% in Q3FY22 (vs 17.6% in Q3FY21). Building products division reported revenue growth of 35.5%/2.7% YoY/QoQ at Rs 243cr on the back of sectoral tailwinds. EBIT margin for the building products division was 3% (vs 5.4% in Q3FY21).

HSIL recently approved the divestment of its Building Products division to Brilloca Limited, a wholly owned subsidiary of Somany Home Innovation Limited (SHIL) in a slump sale transaction for a cash consideration of Rs 630cr. Building Products division's entire operating facilities will be transferred to Brilloca. HSIL will focus on the expansion of its packaging business.

## Laurus Labs Q3 FY22 result update

Laurus Labs reported lower than expected numbers in the quarter. Revenue declined 20.2% YoY at Rs 1028.8cr as against estimate of Rs 1182cr. EBITDA margin slipped 540bps YoY at 27.7% as against expectation of 28.3%. Gross margin improved 410bps YoY and 310bps QoQ at 58.8%. Net profit was down 43.2% YoY at Rs 155cr.

API revenue declined 42% YoY at Rs 424cr. Weakness in ARV API business was sharper than expected, it was down 64% YoY and 40% QoQ. Other APIs and Oncology revenue continued to normalize faster and saw good traction (+38% & +33% YoY).

Formulations sales declined 13% YoY at Rs 373cr. It was impacted by lower demand in ARV segment due to stocking at channel partners. Developed market sales were healthy supported by steady market share gain in existing portfolio.

Synthesis business registered 63% YoY rise at Rs 207cr. R&D expenditure stood at Rs 148cr or 4.2% of revenue in 9M FY22.

Company has filed for 8 products in the US during 9M FY22. As on Dec-2021, the company has filed 30 ANDAs and out of which 11 are pending for approval.

EPS for the quarter stood at Rs 2.85 and it stood at Rs 11.1 for 9M FY22. At CMP, the stock trades at ~19x FY24E EPS.



## **Lupin signs promotional agreement with Exeltis on SOLOSEC expanding access for Adult Women suffering with Bacterial Vaginosis and Adults with Trichomoniasis**

Lupin Pharmaceuticals Inc., (Lupin) and Exeltis USA Inc. announced a promotional agreement for Exeltis to promote SOLOSEC along with Exeltis' existing line of Women's Health products, further enhancing value to OBGYNs and their patients. SOLOSEC is indicated for the treatment of Bacterial Vaginosis in adult women (a common vaginal infection) and Trichomoniasis in adults (the most common non-viral, curable sexually transmitted infection in the US).

"This partnership will expand the reach of SOLOSEC, allowing more Healthcare Providers to be aware of the benefits of SOLOSEC, and increase access for adult women suffering with bacterial vaginosis and adults with trichomoniasis," said Vinita Gupta, Chief Executive Officer of Lupin.

## **TD Power Systems Q3 FY22 result update**

Revenue increased 6.5% YoY at Rs 180cr. EBITDA margin dipped 220bps YoY at 12.1%. Net profit declined 7.2% YoY at Rs 19.5cr. Company has order book of Rs 1021cr as on Dec-2021.

## **Taro Pharma Q3 FY22 result update**

Net sales stood at US\$ 139 million for the quarter. Gross profit margin came in at 54.7% as compared to 52.2%. R&D expenses were at \$14.2 million which was in line with the prior year quarter.

Operating income was at US\$ 37 million and that was in line with the prior year quarter, and as a percentage of net sales it was at 26.6% as compared to 25.9%.

Interest and other financial income came in at \$2.1 million as against \$4 million, reflecting the lower global interest rate environment.

Tax expenses were higher at \$13.2 million increased by \$7.1 million. Excluding the tax impact from certain items related to the settlement and loss contingencies charges taken in prior periods, tax expense increased \$0.2 million with a resulting effective tax rate of 15.8% compared to 15.6%.

Net profit was at US\$ 26.3 million as compared to US\$ 32.9 million.

Taro Pharma is Sun Pharmaceutical Industries' subsidiary and the company holds ~77% stake in Taro.

## **Simple Energy signs pact with Siemens to drive digital transformation in EV space**

Electric vehicle maker Simple Energy has teamed up with global technology leader Siemens to drive digital transformation in EV space. The Bengaluru-based EV maker said it has also roped in Siemens' technology partner Prolim to share its technologies to strengthen India's bid to become the EV capital of the world.

## **M&M records almost 1 lakh bookings of XUV700, bills 14,000 units**

Mahindra & Mahindra Ltd said it has clocked almost one lakh bookings of its latest sports utility vehicle XUV700 besides billing the first 14,000 units of the vehicle by January, despite global supply chain issues. The company in a statement also said that while the dynamic supply chain issues continue to be a challenge in streamlining and ramping up production, it is doing its best and focusing on meeting its committed delivery timelines to customers.

## **Future Enterprises to sell 25 pc stake in general insurance JV to partner Generali for Rs 1,253 Cr**

Debt-ridden Future Group has announced that it will sell its 25 per cent equity in Future Generali India Insurance Company Limited (FGIICL) to its JV partner Generali for a cash consideration of Rs 1,252.96 crore as part of its asset monetisation plans to pair debts. Besides, Generali has also acquired an option to buy out the Future Enterprises Limited's (FEL) remaining interest in FGIICL, which operates in the general insurance business.

## **Airtel Payments Bank customers' deposit surges 75% to Rs 1,000 crore in 2021**

Money deposited with Airtel Payments Bank surged 75 percent to Rs 1,000 crore in 2021 as compared to the previous year. The payments bank had recorded around Rs 570 crore worth of deposits in 2020. The company added close to 35 lakh customers during the year and crossed the 10-crore customer mark in 2021.



## **LTI, IIT Madras collaborate to innovate in 5G space**

Larsen and Toubro Infotech (LTI) has partnered with IIT Madras for collaborative research in the field of 5G. As part of this partnership, LTI and IIT Madras will promote research towards the development of a low-cost, low-frequency 5G network setup for better connectivity in rural India.

## **Trai directs telcos to have at least 1 plan allowing recharge validity of 30 days**

The Telecom Regulatory Authority of India (Trai) has mandated telcos to have at least one tariff plan which allows a recharge validity of 30 days, in a departure from its longstanding policy of forbearance on tariffs. As per the TRAI order, every telecom service provider shall offer at least one plan voucher, one special tariff voucher and one combo voucher having a validity of thirty days.

## **GHCL Ltd. Q3FY22 results key takeaways**

GHCL Ltd reported strong performance in Q3FY22, and reported healthy volume growth in both businesses (Inorganic Chemical and Home Textile) with positive realization gains supported by consistent demand in the key end user categories. Consolidated revenue grew by 42% YoY to Rs 1,005 crore in Q3FY22, led by healthy volume growth in Inorganic Chemical on strong demand recovery.

EBITDA grew 38% YoY to Rs 249 crore in Q3FY22, and EBITDA margin stood at 24.8% in Q3FY22 and 25.5% in Q3FY21. Net profit grew by 52% YoY to Rs 110 crore in Q3FY22.

Inorganics Chemicals division's revenue stood at Rs 765 crore in Q3FY22, grew by 45% YoY and 34% QoQ. The company reported solid performance with 12% volume growth in Soda Ash in Q3FY22 along with healthy realisation gains backed by strong demand from key end user industries. EBITDA margin declined from 23.8% in Q3FY21 to 28% in Q3FY22 due to substantial increase in the utility and raw material cost.

Home Textiles business revenue stood at Rs 241 crore in Q3FY22, up by 34% YoY, 3% QoQ. Growth driven by higher demand off take and firm yarn prices. EBITDA at Rs 69 crore in Q3FY22 vs. Rs 34 crore driven by persistent focus on value-added products. EBITDA margin increased from 18.8% in Q3FY21 to 28.4% in Q3FY22.

Divestment of Home Textiles Business by the Company and Sale of Identified Assets of US based wholly owned subsidiary, Grace Home Fashions LLC (GHF), to Indo Count Industries Limited and its US based Subsidiary for a consideration of Rs 596 crore.

GHCL's earlier scheme of demerger has been withdrawn post the sale of home textile business. The Board approved a scheme of demerger where Spinning business of GHCL will be demerged into a GHCL Textiles Ltd. Shareholders of GHCL will be allotted shares in GHCL textiles Limited in the swap ratio of 1:1, one share of Rs. 2 each for every share of Rs. 10 held in the GHCL. The resulting company will take over all the assets and liabilities of the Textile business and will be listed on NSE and BSE. No change in the shareholding pattern of the Demerged Company.

Earnings per share was at Rs 16 in Q3FY22, Rs 9.8 in Q2FY22 and 10.5 in Q1FY22. At a CMP of Rs 445, stock trades at 6.1x FY24E EPS.

## **TVS acquires 75% in Swiss E-Mobility Group**

TVS Motor Company has announced the acquisition of 75% stake in the Swiss E-Mobility Group (SEMG). The valuation of the company is at US\$ 100 million and TVS' acquisition cost right now is US\$ 75 million in an all-cash deal done through TVS Motor's Singapore subsidiary, TVS Motor (Singapore) Pte Ltd. The deal was funded through debt and internal accruals. TVS will acquire the remaining stake next year. In 2020, SEMG has reported revenue of CHF 69.87 million.



## **Colgate-Palmolive (India) Ltd. (CPIL) – Q3FY22 result update**

CPIL's revenue for the quarter stood at Rs 1280 cr, (+3.9%/-5.3% YoY/QoQ). EBITDA for the quarter stood at Rs 381 cr, (+2.7%/-5.0% YoY/QoQ) and EBITDA Margin for Q3FY22 were 29.73% (-35bps/-10bps YoY/QoQ) Reported PAT for the quarter stood at Rs 252cr, (+1.6%/-6.3% YoY/QoQ.) and EPS for the quarter stood at Rs 9.3. While sales growth was marginally below expectations, operating margins were broadly in-line with estimates as the sharp drop in gross margins (-316 bps YoY) was mitigated with curtailment of advertisement expenses (~-24% YoY). New Launches in Q3FY22 include Colgate Gum Expert (an advanced toothpaste), multiple face care products under Palmolive brand, ColgateRecyClean (a toothbrush).

## **Marico Ltd. Q3FY22 result preview**

Marico is expected to reported 11% YoY domestic revenue growth (+18% in Q3FY21 and +24% in Q2FY22), with flat domestic volume growth YoY (+15% in Q3FY21 and +8% in Q2FY22). PCNO val/vol growth of 10/3% YoY is expected while Saffola revenue is expected to grow by 24% YoY with volume decline of 6% YoY. VAHO is expected to report 5/4% val/vol growth. GM contraction of 339bps YoY to 43.5% (- 223bps in Q3FY21 and -556bps in Q2FY22) is likely and EBITDA margin is likely to contract by 179bps YoY to 17.7% (-99bps in Q3FY21 and -207bps in Q2FY22). Key monitorables include PCNO pricing strategy post copra deflation, commentary on CSD channel, NPD pipeline and improvement in international business.

## **Britannia Industries Ltd. Q3FY22 result preview**

It is expected to report 9% YoY revenue growth (+6% in Q3FY21 and +6% in Q2FY22) led by volume growth of 3% YoY (+4% in Q3FY21 and +2% in Q2FY22). It is likely to report 439bps YoY decline in GM (+224bps in Q3FY21 and -502bps in Q2FY22) and EBITDA margin contraction of 237bps YoY (+248bps in Q3FY21 and - 428bps in Q2FY22). Key monitorables include commentaries on downtrading trends, on new launches and on the completion of the plant.

## **Eris Lifesciences Q3 FY22 result preview**

Revenue may increase 12.5% YoY at Rs 348cr. Adj. EBITDA margin is expected to improve 230bps YoY at 36.8%. Net profit is expected to rise 18% YoY at Rs 107cr. Key things to watch out for would be update on key launches in the medium term.

## **Dr. Reddy's Laboratories Q3 FY22 result preview**

Revenue may increase 14% YoY at Rs 5511cr. EBITDA margin is expected to improve 50bps YoY at 21.9%. India revenue may grow 17% YoY on the back of better traction in the chronic segment. US revenue is expected to grow 8% YoY at US\$ 262mn. Adj. net profit is expected to grow 32% YoY at Rs 788cr.



## Important news/developments to influence markets

- China's industrial firms saw December profits grow at their slowest pace in more than a year and a half. Industrial profits rose 4.2% year-on-year, the slowest rate since April 2020.
- Spanish unemployment fell in the fourth quarter to its lowest since the onset of the financial crisis of 2008. The rate fell to 13.33% from 14.57% in the previous quarter.
- New orders for U.S.-made capital goods were unexpectedly unchanged in December. Non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, followed a 0.3% gain in November.
- Applications for U.S. state unemployment insurance fell for the first time in four weeks. Initial unemployment claims stood at 260,000 in the week ended Jan. 22, down 30,000 from the prior period.
- U.S. economic growth accelerated in the final three months of last year. Gross domestic product expanded at a 6.9% annualized rate following a 2.3% pace in the third quarter.



Index	CMP	View	R1	R2	S1	S2
<b>Nifty Feb Future</b>	<b>17180</b>	Bullish	17270	17355	17090	17010
<b>Bank Nifty Feb Future</b>	<b>38295</b>	Bullish	38720	39150	37880	37430

## Daily Technical View on Nifty

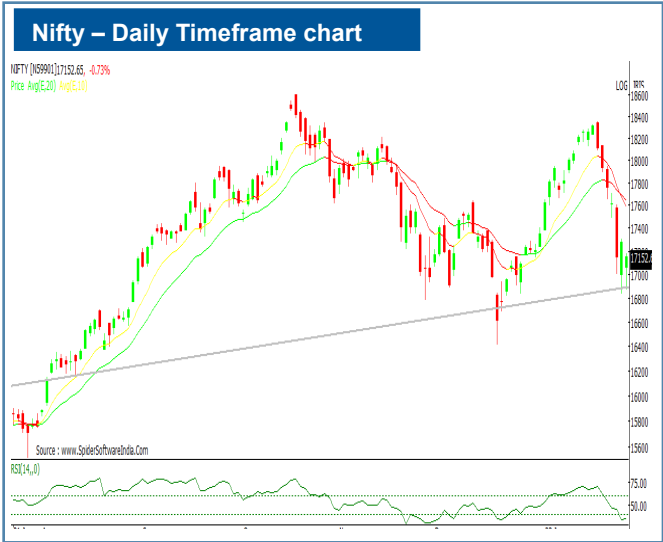
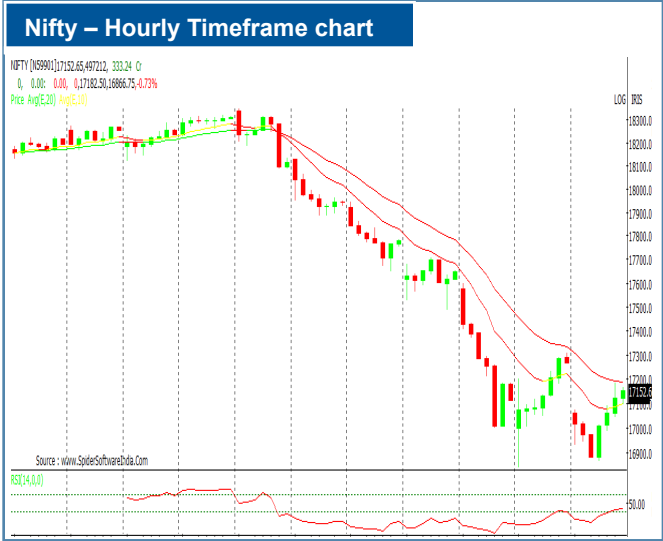
**Sustaining above crucial supports..**

**Observation:** After showing a sharp intraday upside recovery from the lows on Tuesday, Nifty displayed a deep cut with high volatility on Thursday and finally closed the day lower by 167 points.

A small body of positive candle was formed on the daily chart with upper and lower shadow. Technically, this pattern indicate a formation of high wave type candle pattern at the lows and this reflects a high volatility in the market. Normally, such high wave formation after a reasonable declines or near the important supports are considered as a bottom reversal post confirmations. Hence, a follow-through upmove from here could open a sustainable upside bounce for the short term.

The crucial lower support of ascending trend line as per change in polarity principle remains intact around 16800-16900 levels and the Nifty retested this support during Thursday's weakness and formed a higher low. The market has witnessed a decisive upside bounce from near this trend line support in the recent past. Hence, a sustainability of this support could be crucial to expect a reasonable upside bounce in the market.

**Conclusion:** The market is making an attempt to reverse its down trend and still there is no confirmation of any bottom reversal at the lows. The formation of candle pattern with long lower shadows and the presence of crucial support around 16800-16900 levels are indicating a chances of a sustainable upside bounce from here or from the lows. Immediate resistance is placed at 17300 levels.





## SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	27-JAN-22	BUY	BANK NIFTY 38500 FEB CALL OPTION (3RD FEB EXPIRY)	527.6	590.7	375.0	800.0	35.4	31-JAN-22
2	27-JAN-22	BUY	NIFTY 17150 FEB CALL OPTION (3RD FEB EXPIRY)	255	268.0	190.0	355.0	32.5	1-FEB-22
3	27-JAN-22	SELL	ASHOK LEYLAND FEB FUT	127.90-130	130.9	134.0	121.7	7.0	1-FEB-22
4	25-JAN-22	BUY	ICICI BANK	780-790	794.7	774.0	825.0	3.8	1-FEB-22
5	25-JAN-22	BUY	MHRIL	200-206.70	207.9	195.0	225.0	8.2	1-FEB-22
6	25-JAN-22	BUY	UPL	784.55-761	772.0	745.5	840.0	8.8	1-FEB-22

## OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	31-DEC-21	BUY	NATCO PHARMA	903.3	884.1	824.0	989.0	1065.0	20	31-MAR-22
2	5-JAN-22	BUY	BEML	1834.0	1786.6	1707.0	1964.0	2100.0	18	5-APR-22
3	17-JAN-22	BUY	VINYL CHEMICALS*	267.3	299.8	267.3	290.0	345.0	15	17-APR-22
4	27-JAN-22	BUY	GUJARAT ALKALIES	699.2	705.2	640.0	775.0	-	10	27-APR-22

## OPEN DERI POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	24-JAN-22	SELL	DLF FEB FUT*	385.8	377.1	385.8	370.0	354.0	6	TILL 24TH FEB 22

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	31-DEC-21	BUY	TATA COFFEE	213.2	213.2	195.0	240.0	257.0	21	31-MAR-22
2	31-DEC-21	BUY	JB CHEMICALS	1770.0	1809.7	1600.0	1985.0	2100.0	16	31-MAR-22
3	6-JAN-22	BUY	GAIL*	137.4	141.3	137.4	147.0	166.0	17	6-APR-22
4	17-JAN-22	BUY	NLC INDIA	69.5	65.1	63.4	73.0	80.0	23	17-APR-22

\*= 1st Target Achieved



## QUARTERLY RESULTS ANNOUNCED

COMPANY	Q3FY22		YOY (%)		QOQ (%)		REMARK
	SALES (RS CR)	NP (RS CR)	SALES	NP	SALES	NP	
Colgate-Palmolive (India) Ltd.	1,280	252	3.9	1.6	-5.3	-6.3	Below expectation
HSIL Ltd	638.75	28.49	18	-20.7	16.9	-6.3	Marginally Above Expectation
Canara Bank	6,946	1,502	14.0	11.0	16.0	13.0	Above Expectation
HFFC	48	16	37.6	189.0	3.8	6.6	Above Expectation
IIFL Fin	639	310	12.0	15.0	7.0	6.0	Above Expectation
MOFSL	1,122	238	47.0	-29.0	16.0	-56.0	Above Expectation
Nippon Life AMC	339	174	26.0	-18.0	3.0	-19.0	Below Expectation
PNB	7,803	506	-6.5	123.0	23.0	2.0	Above Expectation
RBL Bank	1,010	156	11.0	6.0	10.0	407.0	Above Expectation
Laurus Labs	1029	155	-20.2	-43.2	-14.5	-24.0	Lower than expectations
<b>GHCL Ltd</b>	<b>1004.8</b>	<b>153.0</b>	42.0	52.0	25.2	64.1	Above Expectations



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