

WEEKLY COMPASS

Weekly Alerts You Can Use!

CORPORATE ACTIONS

Stocks	Ex-Date	Purpose	Amount (Rs)	Record Date
Angel One Ltd	24 Jan 2022	Interim Dividend	7.00	24 Jan 2022
CESC LTD.	24 Jan 2022	Interim Dividend	4.50	24 Jan 2022
DCM Shriram Limited	24 Jan 2022	Interim Dividend	5.20	24 Jan 2022
K.P. Energy Ltd	24 Jan 2022	Interim Dividend	0.25	24 Jan 2022
K.P.I. Global Infrastructure Ltd	24 Jan 2022	Interim Dividend	0.40	24 Jan 2022
L&T Technology Services Ltd	25 Jan 2022	Interim Dividend	10.00	25 Jan 2022
BHANSALI ENGINEERING POLYMERS LTD.	27 Jan 2022	Interim Dividend	1.00	27 Jan 2022
Chothani Foods Ltd	27 Jan 2022	E.G.M.	-	27 Jan 2022
Growington Ventures India Ltd	27 Jan 2022	E.G.M.	-	27 Jan 2022
PUNJAB ALKALIES & CHEMICALS LTD.	27 Jan 2022	Stock Split From Rs.10/- to Rs.2/-	-	27 Jan 2022
PERSISTENT SYSTEMS LTD.	27 Jan 2022	Interim Dividend	20.00	27 Jan 2022
Superior Finlease Ltd	27 Jan 2022	Stock Split From Rs.10/- to Rs.1/-	-	27 Jan 2022
RAMKRISHNA FORGINGS LTD.	28 Jan 2022	Interim Dividend	0.5	28 Jan 2022

OFFER TO BUY

Company name	Start Date	Close Date	Offer Price (Rs.)	Proposed Acquisition (No. of shares)	CMP (Rs.)
LYKA LABS LTD	27-Jan-22	09-Feb-22	130.50	74,59,000	221.9
HOTEL RUGBY LTD	25-Jan-22	08-Feb-22	3.75	37,23,928	-
SUPREME SHINE STEELS LTD	21-Jan-22	04-Feb-22	1.65	85,00,000	6.34
KERNEX MICROSYSTEMS (INDIA) LTD	17-Jan-22	31-Jan-22	74.50	32,50,000	128.00
APM FINVEST LTD	14-Jan-22	28-Jan-22	47.50	56,18,954	69.50
ONESOURCE IDEAS VENTURE LTD	13-Jan-22	27-Jan-22	10.00	8,00,000	-
WEIZMANN LTD	13-Jan-22	27-Jan-22	60.00	14,12,515	60.25

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	17617	17354	18056	17505	16591	17354-17901	Sell between 17735-171 zone. Targets at 17401/17201/16851. Stop at 18151.
BANK NIFTY	37574	36501	38651	36855	35999	36575-38401	Sell between 37751-37835 zone. Targets at 36501/35901/35201. Stop at 38701.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
DR REDDY'S LAB	4496	4251	4849	4729	4934	Negative	DR REDDYS LAB has been a major underperformer from the Pharma space. A probable double top pattern on the weekly charts followed by bearish candles on the monthly charts plus a bearish engulfing pattern on the daily charts and most importantly, the momentum oscillators signaling major weakness. Establishing short positions at CMP should be the preferred trading strategy, targeting 4251/4149 and then aggressive targets seen at 3771 zone. Stop above 4849. Holding Period: 1-2 Months.

Incorporated in the year 1984, **Dr. Reddy's Laboratories Ltd (DRL)** is an Indian pharmaceutical manufacturer with a portfolio including pharmaceutical generics, 60+ APIs, custom pharmaceutical services, biosimilar, diagnostic kits and differentiated formulations. DRL has 13 formulation facilities, nine API manufacturing facilities, one biologics facility and several R&D centres across the globe.

Dr Reddy's (DRL) revenue consists of US (37%), India (18%), Russia and CIS (12%), Europe (8%), RoW (6%) and API (16.8%).

Revenues from Emerging Markets at Rs. 1,300cr (+50% YoY and +42% QoQ) particularly from Russia, Romania, CIS countries.

DRL delivered a miss on earnings for the quarter ending Sept 2021, Sales of Pharmaceutical Services segment has gone down 1.62% to Rs 1,018.70 crore

Pricing pressure witnessed on some key products – Atrovastatin, Metoprolol, Liposomal Doxorubicin, Buprenorphine and Naloxone

DRL's COVID-19 products launched until now, including Sputnik V vaccine, Remdesivir, Avigan (Favipiravir), 2-deoxy-D-glucose (2-DG) in India as well as overseas. Currently, the company is conducting clinical trials for Sputnik Light, Molnupiravir and is also developing several other COVID drugs for treatment ranging from mild to severe conditions.

The street will also spy with one big eye on the uncertainty evolving around Indian economy amidst general concerns about a new strain of COVID-19 – B.1.1.529, which is assigned the Greek letter "Omicron" by the World Health Organization (WHO) – possesses several deadly mutations and was identified recently in Africa, with cases detected in Hong Kong and Europe as well. Risk likely to prevail amidst slower than anticipated production of Sputnik V and most importantly, adverse development on the pricing and regulatory front can impact earnings prospects, heavy cold storage requirements, pending WHO approval, and low demand at private hospitals have put brakes on the complete rollout of the Russian vaccine in India.

Media report suggests that many of India's private hospitals have cancelled orders for Russia's Sputnik V vaccine as they struggle to sell COVID-19 shots amid surging supplies of free doses of other vaccines offered by the government.

Technically, Dr. Reddy's Laboratories Ltd (DRL) stock price pattern appears ugly at current levels.

Technically speaking, the biggest negative catalyst is prevailing overbought technical conditions as the recent down trend in the stock price could trigger some more corrective declines and also on backdrop ugly looking charts, there is limited room for upside. The 200-DMA of the stock is around 4899 levels.

Firstly, overbought technical conditions prevail on the daily charts on backdrop of a probable dark cloud cover pattern on the monthly charts. The momentum oscillators are seen shifting in sell mode signaling further sharp corrective down move. The stock price has already signaled a break down from a "lower consolidation zone" on the daily — confirmation of the same below 4441 mark. Immediate downside risk below a 4441 close is at 4135-4150 zone and then aggressive targets at 3771 mark.

Establishing short positions at CMP should be the preferred trading strategy, targeting 4251/4149 and then aggressive targets seen at 3771 zone. Stop above 4849. Holding Period: 1-2 Months.

Daily Chart of Dr. REDDY'S LAB:



Mehta Equities

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