

Dated: 5 February 2021

Indices	CMP	%1D
Sensex	50614	0.71
Nifty	14896	0.71
BSE-Midcap	19595	1.45
BSE-Smallcap	19149	1.21
SGX Nifty	14973	0.52

Index	FY21	FY22E	FY23E
Sensex EPS	1550	1736	2031
P/E	33	29	25
Nifty EPS	501	551	645
P/E	30	27	23

Global Indices	Current Value	%1D
DowJones	31056	1.08
Nasdaq	13778	1.23
DAX	14060	0.91
Nikkei 225	28731	1.37
FTSE 100	6504	-0.06
Hang Seng	29439	1.12
Shanghai	3524	0.64
Straits Times	2914	0.28

Trading activity in cash Rs Cr				
Date	4 Feb	Net	MTD	FY21
FII	1937	12134	74035	
DII	-769	-3294	10938	

Forex Rate		
USD/INR	73.13	-0.01%
EUR/INR	87.53	-0.27%
GBP/INR	99.09	-0.50%
JPY/INR	69.31	-0.18%

Corporate Action		
Stock Name	Purpose	Ex Date
NAM IND	Interim Div Rs 3	5-Feb
NALTIONAL ALUM	Buy Back	5-Feb

G-Sec Yield	Price	Change%
1yr Bond Yield	3.71	0.45%
10yr Bond Yield	5.94	1.02%

### Market Outlook

Indian markets are expected to continue positive trading range following stable global markets. All eyes would be on the next big trigger is the Reserve Bank of India (RBI) policy outcome due today. Technically Nifty has formed a bullish candle on the daily charts. A sustainable move above this hurdle could open the next upside. The next upside target to be watched at 15,475, which is 1.618 percent Fibonacci extension (taken from the swing high of January 2020 and March 2020 low). Immediate support is placed at 14,750. We assume Budget is fuelling a rally in all economy driven sectors along with banking. The uptick in global markets, resumption of FII flows and strong earnings trend coming from Q3 results are other factors are keeping market sentiments healthy. On daily charts the key support levels for the Nifty are placed at 14,769, followed by 14,642. If the index moves up, the key resistance levels to watch out for are 14,968 and 15,040.

### Top Domestic News

- **State Bank of India:** Reported a 6.9% year-on-year decline in its December quarter net profit to Rs5,1996 crore, as it made higher provisions for bad loans. Profit, however, topped the ₹4,850.5 crore average estimate of 15 analysts polled by Bloomberg. The lender lowered the guidance for FY21 credit growth to 7% from 8-9% announced in November.
- **Reliance Industries:** Has agreed to sell its entire stake in certain upstream assets in the Marcellus shale gas asset in south-western Pennsylvania in the US for \$250 million amid a weakness in the global hydrocarbon market. The assets, controlled by RIL's wholly-owned unit Reliance Marcellus LLC and operated by affiliates of EQT Corporation, will be sold to Northern Oil and Gas Inc.
- **M&M:** Will likely report double-digit growth in revenue and net profit for the December quarter, on the back of a robust increase in demand for its tractors and gradual recovery in passenger and commercial vehicle segment. A rise in input cost though could impact operating margins on a sequential basis.
- **Bharti Airtel:** Will raise up to ₹7,500 crore through debt instruments such as debentures and bonds in one or more tranches. The fundraising has been announced as the telecom companies prepare for the upcoming spectrum auction in March and the proposed rollout of 5G wireless service later this year.
- **HCL Technologies:** Has signed a five-year digital workplace services agreement with Airbus. Financial details of the deal were not disclosed. As part of this, HCL will create a modernized digital workplace to enhance the user experience and service quality for a majority of Airbus employees globally.
- **HPCL:** State-run Hindustan Petroleum Corp. Ltd reported an over three-fold rise in net profit to ₹2,355 crore for the December quarter against a net profit of ₹747 crore in the year-ago period. Revenue from operations, however, declined 2% year-on-year from ₹70,042.2 crore, but beat estimates.
- **Biocon:** The company has signed an agreement with Clinton Health Access Initiative (CHAI) to expand access to lifesaving cancer biosimilars in over 30 countries in Africa and Asia.
- **Vedanta:** The company's board has approved expansion of the Lanjigarh alumina refinery from 2 MTPA to 5 MTPA at a cost of ₹3,779 crore.

### Global News

US stocks rose more than 1% on Thursday and the S&P 500 and Nasdaq posted record closing highs after another batch of upbeat earnings and data suggesting the labor market may be stabilizing. The Dow Jones Industrial Average rose 332.26 points, or 1.08%, to 31,055.86, the S&P 500 gained 41.57 points, or 1.09%, to 3,871.74 and the Nasdaq Composite added 167.20 points, or 1.23%, to 13,777.74. Asian futures were little changed in early trading after progress in vaccine distribution and a large U.S. stimulus program sent two major Wall Street indexes to record closing highs. E-mini futures for the S&P 500 and Hong Kong's Hang Seng index futures were essentially flat while Japan's Nikkei 225 futures inched 0.1% higher. The Australian S&P/ASX 200 index rose 0.9% in early trade.

### Results Calendar

5-Feb-21  
 ABCAP, ALKEM, AUTOAXLES, BRITANNIA, CADILA, CGPOWER, FCONSUMER, FORTIS, GUJGAS, JINDALSAW, KCP, KOLTEPATIL, M&M, PARAGMILK, PFIZER, PNB, RCF

### F&O Ban List

PNB, SAIL



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## MORNING NEWSLETTER

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Mehta Equities Limited, 903, 9th floor, Lodha Supremus, Dr.E. Moses Road, Worli Naka, Worli, Mumbai 400 018, India  
Tel: +91 22 6150 7101, Fax: +91 22 6150 7102  
Email:[info@mehtagroup.in](mailto:info@mehtagroup.in) Website:[www.mehtagroup.in](http://www.mehtagroup.in)