



# HIGHLIGHT INVESTMENT RESEARCH

Weekly Equity Report

27<sup>th</sup> JAN\_ 01<sup>th</sup> FEB 2020



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## Market Commentary:

The Nifty has taken reversal from support zone 12094.10 , which is formed connecting its highs of 12272 and 12160 Breakout of this nature and sustain is grossly positive for the market and should take it higher to levels of 12300 and 12450, Seeing the recent run-up, the probability of a new high is also huge. Our strategy is very simple and clear, which is to buy on dips supports levels where Nifty should be bought are 12050 and 12100 .On the upside. The upcoming event coming in next week in budget, from FII and DII have lifted the sentiments heavily and this should help the index in positive closing. Nifty FMCG space has been a consistent outperformer and one should be a buyer in this space, Hindunilvr and nestle is our top-pick here, nifty bank also outperformer and one should buy in this sector kotak bank and sbi is our best pick. The top performers on the BSE Sensex 30 were UltraTech Cement Ltd which rose 2.47% to 4641.05, Tech Mahindra Ltd which was up 2.43% to settle at 787.50 and Larsen & Toubro Ltd which gained 2.03% to close at 1359.80. The worst performers were Power Grid Corporation of India Ltd which was down 2.16% to 196.90 in late trade, IndusInd Bank Ltd. which lost 1.21% to settle at 1316 and Sun Pharmaceutical Industries Ltd. which was down 0.49% to 447.70 at the close. Advancing stocks outnumbered falling ones by 879 to 652 and 95 ended unchanged.



### Key levels

**Support 1: 12,080**

**Support 2: 11,912**

**Resistances 1: 12,423**

**Resistances 2: 12,598**

**TOP GAINERS:-**

Symbol	%	Open	High	Low	Prev.
	Change				Close
YESBANK	3.91	41.20	45.00	41.10	40.95
ULTRACEMCO	2.58	4,554.00	4,679.70	4,452.65	4,526.40
BRITANNIA	2.44	3,113.15	3,212.95	3,112.05	3,112.95
TECHM	2.33	765.10	788.75	763.30	768.95
AXISBANK	2.21	723.40	741.70	720.40	723.00
TITAN	2.02	1,208.90	1,230.00	1,206.05	1,204.10
KOTAKBANK	2.01	1,605.45	1,649.00	1,587.00	1,605.85
COALINDIA	1.91	193.00	196.30	192.15	190.75
HCLTECH	1.75	599.00	609.00	595.50	598.95
JSWSTEEL	1.73	266.70	273.90	265.30	266.65

**TOP LOSERS:-**

Symbol	%	Open	High	Low	Prev.
	Change				Close
POWERGRID	-2.45	196.45	198.15	194.25	201.95
CIPLA	-1.38	465.00	467.75	456.85	465.15
INDUSINDBK	-1.06	1,334.00	1,345.00	1,307.65	1,331.80
TATAMOTORS	-0.80	188.00	191.00	185.00	188.40
BPCL	-0.64	469.25	473.20	464.70	469.00
SUNPHARMA	-0.54	450.00	452.85	446.80	449.85
ADANI PORTS	-0.29	383.00	387.40	380.30	385.85
DRREDDY	-0.29	3,044.00	3,047.05	3,025.20	3,038.15
TCS	-0.27	2,190.95	2,190.95	2,170.00	2,190.95
MARUTI	-0.24	7,148.80	7,210.00	7,111.25	7,147.10

**WEEKLY REVIEW OF FIIs AND DIIs:**

FII RS CRORES			DII RS CRORES			
Date	Gross Purchase	Gross Sales	Net Purchase/Sales	Gross Purchase	Gross Sales	Net Purchase/Sales
24-Jan-2020	4,884.53	4,225.42	659.11	3,748.79	3,330.83	417.96
23-Jan-2020	7,969.55	6,617.42	1,352.13	6,729.56	7,714.12	-984.56
22-Jan-2020	5,254.68	5,431.11	-176.43	4,286.22	4,612.44	-326.22
21-Jan-2020	6,095.57	6,145.65	-50.08	3,255.07	3,562.88	-307.81
20-Jan-2020	5,050.19	5,044.32	5.87	3,332.28	4,752.13	-1,419.85

## NEWS ROOM

- Budget 2020 may spell out steps to implement the next phase of DBT The agricultural sector is currently in a tough phase and this has impacted agri-incomes. With the Union Budget just around the corner, expectations are high that the government will address agrarian distress, which will better farm incomes. Towards this end, it may increase budgetary support for farm credit, irrigation infrastructure development schemes and the income support scheme - PM-KISAN. the government may combine the Agricultural Product Market Committee (APMC) with the e-National Agricultural Market (e-NAM) platform into one entity. The revamping of crop insurance schemes with a view to improving the income of farmers could also get attention. The government is not expected to provide any supplementary grants to meet the subsidy requirement in the current fiscal year, FY2020 as it too is facing limitations on the fiscal front. Though a Special Banking Arrangement (SBA) to provide some financial succour to the fertiliser industry for the remaining fiscal is not ruled out. The budgetary allocation for the fertiliser subsidy for FY2021 is not expected to be materially different from FY2020 as the government's emphasis is on reducing the subsidy outgo. It has taken many steps such as reducing the bag size of urea from 50 kg to 45 kg, tightening energy norms for plants, etc. Given the reduced raw material and finished fertiliser prices for P&K fertilizers, There are several operational issues such as heterogeneity in the cost structure of urea plants and a separate policy dispensation in place governing greenfield urea plants.
- ICICI Bank likely to report triple digit growth in Q3, with substantial decline in provisions -Country's largest private sector lender ICICI Bank on January 25 is expected to register solid triple-digit growth in profit in Q3FY20 on account of Essar Steel recovery and lower tax rate. Also, there could be a substantial decline in provisions during the quarter. Net interest income (NII) and pre-provision operating profit (PPoP) may grow around 30 percent each year-on-year (YoY), with loan growth of around 13 percent YoY driven by retail and SMEs. Highlight for the quarter will be strong recovery from Essar steel NPA leading to asset quality improvement and provision write-back and also build in only Rs 2,200 crore of slippages.
- Agro Tech Foods reports 25% fall in profit-Agro Tech Foods has registered a 25 percent degrowth year-on-year (YoY) in consolidated profit during the quarter ended December 2019 despite fall in tax expenses, dented by lower operating income. Profit declined to Rs 7.5 crore during the quarter, from Rs 10 crore in same period last year. Revenue from operations increased 6.17 percent YoY to Rs 228.72 crore in Q3FY20. The management expects the category to grow in a range of 20-30 percent and is taking strategic measures to achieve the same. Spreads including peanut butter grew by 19/21 percent in value and volume terms driven by measures undertaken by the company to regain its market share.
- Drug firm Strides Pharma Science on Friday said the US health regulator has completed inspection of its Alathur facility in Tamil Nadu with zero observations. "This is the second consecutive Zero 483 inspection for the site, The company's formulation facility at Alathur underwent a United States Food and Drug Administration (USFDA) inspection which concluded with 'Zero 483 observations The current inspection was a pre-approval inspection for sustained release class of drugs which is a new dosage format for the facility and is one of the focus areas for the company in the global market,

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