



## NEWSLETTER

1/18/2021

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## Market Outlook

### Sensex plunges 549 pts; Nifty drops below 14,450

- ✚ Equity benchmark Sensex plunged 549 points on Friday, dragged by losses in index majors Infosys, HDFC and ICICI Bank amid a largely negative trend in global markets. As per traders, profit-booking at higher levels kept benchmark indices volatile. Tech Mahindra was the top loser in the Sensex pack, shedding over 4 per cent, followed by HCL Tech, ONGC, Asian Paints, UltraTech Cement and HDFC. On the other hand, Bharti Airtel, ITC, Bajaj Auto and Bajaj Finance were the gainers.
- ✚ The 30-share benchmark index ended at 49034.67 down by -549.49 points or by -1.11 % and then NSE Nifty was at 14433.7 down by -161.9 points or by -1.11 %. Sensex touched intraday high of 49656.71 and intraday low of 48795.79 The NSE Nifty touched intraday high of 14617.45 and intraday low of 14357.85
- ✚ The top gainers of the BSE Sensex pack were Bharti Airtel Ltd. (Rs. 602.50,+3.84%), ITC Ltd. (Rs. 217.90,+1.77%), Bajaj Auto Ltd. (Rs. 3580.00,+0.16%), Bajaj Finance Ltd. (Rs. 4881.55,+0.11%), among others.
- ✚ The top losers of the BSE Sensex pack were Mahindra & Mahindra Ltd. (Rs. 1007.10,-4.35%), HCL Technologies Ltd. (Rs. 989.40,-3.73%), Oil And Natural Gas Corporation Ltd. (Rs. 101.35,-3.48%), Asian Paints Ltd. (Rs. 2590.00,-2.76%), UltraTech Cement Ltd. (Rs. 5449.20,-2.39%), among others.
- ✚ Among the sectors, IT index was at 16465.01 up by 84.67 points or by 0.52%. Aptech Ltd. (Rs. 167.40,+8.03%), Majesco Ltd. (Rs. 26.05,+4.83%), Brightcom Group Ltd. (Rs. 8.22,+4.45%), Intellect Design Arena Ltd. (Rs. 335.85,+3.45%), Tanla Platforms Ltd. (Rs. 749.10,+3.27%), Oil&Gas index was at 14955.78 down by -372.46 points or by -2.43%. GAIL (India) Ltd. (Rs. 138.50,-3.82%), Indraprastha Gas Ltd. (Rs. 548.00,-3.54%), Oil And Natural Gas Corporation Ltd. (Rs. 101.35,-3.48%), Bharat Petroleum Corporation Ltd. (Rs. 414.55,-2.73%), Hindustan Petroleum Corporation Ltd. (Rs. 228.75,-2.01%),.
- ✚ The Market breadth, indicating the overall strength of the market, was weak. On BSE out of total shares traded 3475 , shares advanced were 1237 while 2074 shares declined and 164 were unchanged.

**December wholesale inflation slows to 1.22%**

- ✚ The wholesale price-based inflation slowed to 1.22 per cent in December on easing food prices, as per government data released on Thursday. The inflation based on Wholesale Price Index (WPI) was 1.55 per cent in November 2020, and 2.76 per cent in December 2019. The rate of inflation based on WPI Food Index decreased from 4.27 per cent in November 2020, to 0.92 per cent in December 2020, as per the data released by the Department for Promotion of Industry and Internal Trade. It is to be noted here that retail inflation had also dropped sharply to 4.59 per cent in December, mainly due to declining food prices.

**RBI constitutes Working Group on Digital Lending**

- ✚ Reserve Bank of India (RBI) has constituted a Working Group on digital lending including lending through online platforms and mobile apps. Digital lending has the potential to make access to financial products and services more fair, efficient and inclusive. From a peripheral supporting role a few years ago, FinTech led innovation is now at the core of the design, pricing and delivery of financial products and services. While penetration of digital methods in the financial sector is a welcome development, the benefits and certain downside risks are often interwoven in such endeavours.
- ✚ A balanced approach needs to be followed so that the regulatory framework supports innovation while ensuring data security, privacy, confidentiality and consumer protection. RBI noted that recent spurt and popularity of online lending platforms/ mobile lending apps ('digital lending') has raised certain serious concerns which have wider systemic implications. Against this backdrop, a Working Group (WG) is being set up to study all aspects of digital lending activities in the regulated financial sector as well as by unregulated players so that an appropriate regulatory approach can be put in place.

**Cabinet approves MoU on scientific and technical cooperation between India, UAE**

- ✚ The Union Cabinet on Wednesday approved a memorandum of understanding (MoU) on scientific and technical cooperation between the Ministry of Earth Sciences and the National Centre of Meteorology of the UAE, according to a statement. The MoU provides for sharing of knowledge, data and operational products for meteorological, seismological and oceanic services such as radar, satellite, tide gauges, seismic and meteorological stations.
- ✚ The pact will pave the way for deployment of meteorological observation networks on mutual agreement over ocean waters, cooperation in the development of special capacities of tsunami models researches for their faster and more reliable forecasts propagating through the Oman Sea and the Arabian Sea which affect the coastal areas of India and the United Arab Emirates (UAE). The MoU will also enable cooperation to support the Tsunami Early Warning Centre (TEWC) in the form of forecast modelling software, specifically designed to support tsunami forecasting operations.

- ✚ It further specifies sharing the real-time seismic data of some of the seismic stations situated in south and west of India and north of the UAE for monitoring the seismic activities which may generate tsunami in the Arabian Sea and the Sea of Oman. Cooperation in early warnings of sand and dust storms through the exchange of knowledge is also envisaged under the MoU, according to the statement. This will also enable exchange of visits in terms of scientists, research scholars and specialists for the purpose of research, training, consultation, focused on climatic information services, satellite data utilisation for now casting and tropical cyclones forecasting.
- ✚ The MoU will facilitate exchange of scientific and technical information related to common interest activities and organise bilateral seminars, workshops, conferences and training courses on problems related to the fields of cooperation mentioned in the MoU and of interest to both countries. Collaborative participation within the Ministry of Earth Sciences (MoES) and the National Centre of Meteorology (NCM) of the UAE in terms of activities related to multi-hazard early warning systems and climate resilience can significantly contribute to economic growth in the region, the statement added. Various scientific activities being carried out by institutes in India and the UAE were discussed during a UAE delegation's visit to the MoES on November 8, 2019 and many common areas of research were found. Both sides showed interest in the scientific and technical collaborations faster and more reliable forecasts of tsunamis.

### **Retail inflation drops to 4.59% in Dec: Govt data**





- ✚ Retail inflation fell sharply to 4.59 per cent in December, mainly due to declining food prices, government data showed. Retail inflation based on the Consumer Price Index (CPI) was 6.93 per cent in November. Food inflation declined to 3.41 per cent in December in 2020, compared to 9.5 per cent in the previous month, according to the data released by the Ministry of Statistics and Programme Implementation. The Reserve Bank of India (RBI) factors in retail inflation while arriving at its monetary policy.

### **GoI announces sale four dated securities for notified amount of Rs 22000 cr**

- ✚ Government of India (GoI) has announced the Sale (Re-issue) of (i) 4.48% Government Security, 2023? for a notified amount of ' 6,000 crore (nominal) through price based auction, (ii) GoI Floating Rate Bonds, 2033? for a notified amount of ' 2,000 crore (nominal) through price based auction, (iii) 6.22% Government Security, 2035? for a notified amount of ' 9,000 crore (nominal) through price based auction, and (iv) 6.67% Government Security, 2050? for a notified amount of ' 5,000 crore (nominal) through price based auction. GoI will have the option to retain additional subscription up to ' 2,000 crore against each of the above securities.
- ✚ The auctions will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on January 15, 2021 (Friday) using multiple price method. Up to 5% of the notified amount of the sale of the securities will be allotted to eligible individuals and Institutions as per the Scheme for Non-Competitive Bidding Facility in the Auction of Government Securities.

## Economy News

**India's real GDP to expand by 10.1% in FY2022: Icra**

-  Domestic rating agency Icra Ratings on Monday said it expects the country's real gross domestic product (GDP) to grow by 10.1 per cent in FY2022. It, however, said the value of GDP in the next financial year will only mildly surpass the level that had been recorded in FY2020. "After a 7.8 per cent pandemic-driven shrinkage in the ongoing fiscal (FY2021), India's real GDP is projected to record a growth of 10.1 per cent in FY2022. The seemingly-sharp expansion will be led by the continued normalisation in economic activities as the roll-out of COVID-19 vaccines gathers traction, as well as the low base," the agency principal economist Aditi Nayar said in a report.
-  The agency's principal economist expects a multi-speed recovery in FY2022, with the contact-intensive sectors, discretionary consumption and investment by the private sector trailing the rest of the economy, in the arduous march back to attaining, and sustaining, pre-COVID levels. "On a sobering note, we project the aggregate value of the Indian GDP in real terms in FY2022, to be only mildly higher than the level recorded in FY2020," Nayar added. The agency expects the headline CPI inflation to decline to 4.6 per cent in FY2022 from 6.4 per cent in FY2021, while exceeding the mid-point of the Monetary Policy Committee's (MPC's) medium target of 4 per cent, for the third consecutive year.
-  A favourable base would moderate the retail food inflation to an average of 4.7 per cent in FY2022 from 8 per cent in FY2021, despite the pressures from edible oils, and protein items such as pulses, it said. With the CPI inflation expected to remain above the MPC's 4 per cent target during FY2022, the agency expects an extended pause for the repo rate. It expects the "stance of monetary policy to be changed to neutral from accommodative in the August 2021 policy review or later, only after there is greater certainty on the durability of the awaited economic revival."
-  The report said RBI may initiate steps, in a calibrated manner, to reduce the magnitude of the systemic liquidity surplus. Nayar said the government security yields will take a cue from the size of the borrowing programme of the central and the state governments for FY2022, as well as the outlook for inflation. The agency expects the twin deficits to display a divergent trend in FY2022. "As the revenue shock ebbs, we project India's general government (centre + states) fiscal deficit to moderate to 8.5 per cent of GDP in FY2022 from the 12-12.5 per cent of the GDP expected in the current year," Nayar said. However, with imports expected to revive in tune with the anticipated recovery in domestic demand, the current account balance is forecast to slip back into a modest deficit of USD 15-20 billion (or 0.6 per cent of GDP) in FY2022 from a surplus of USD 35-40 billion in FY2021, she said.

**Economy News**

**52 WEEK HIGH AND LOWS**

TICKER NAME	LTP(RS.)	52-WEEK HIGH(RS.)	52-WEEK LOW(RS.)
ADANI PORTS	527.90	545.00	203.40
AMARRAJABATT	1,006.70	1,025.00	350.25
AMULYA LEASI	734.35	799.00	220.00
APOLLO HSPT	2,591.55	2,614.50	1,047.45
CADILAHEALTH	488.00	509.35	212.70
CEAT	1,255.05	1,272.70	601.50
CG CONS.ELEC	385.25	417.50	177.90
ECLERX SERVI	1,010.95	1,033.00	323.15
GAIL	138.50	146.20	65.70
GODREJCONSUM	780.00	793.00	425.10

**TOP GAINERS**

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
TATA STEEL LONG	859.85	716.55	143.30	20.00↑	859.85	766.00	860/161	238830	1958.01
TATA METALIKS	866.15	721.90	144.25	19.98↑	866.25	753.20	866/311	331972	2749.18
MSTC LTD.	257.15	220.35	36.80	16.70↑	263.65	218.45	264/73	603772	1445.91
VODAFONE IDEA L	13.62	12.30	1.32	10.73↑	13.80	12.30	14/3	301409134	39707.72
PRATAAP SNACKS	721.75	664.90	56.85	8.55↑	734.40	700.00	844/435	11789	85.17
APTCH LTD.	167.40	154.95	12.45	8.03↑	168.70	154.50	191/66	170906	278.49
IFB INDUSTRIES	1377.20	1288.15	89.05	6.91↑	1392.00	1257.05	1392/232	16434	220.82
INSECTICIDES (I	508.75	477.40	31.35	6.57↑	515.30	478.00	589/207	15249	75.88
NIPPON LIFE AMC	332.30	312.40	19.90	6.37↑	341.20	312.30	453/201	521026	1721.75
TATA MOTORS LTD	260.40	245.15	15.25	6.22↑	264.60	242.50	265/64	17370425	44176.88

**TOP LOSERS**

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
L&T TECHNOLOGY	2520.40	2685.05	-164.65	-6.13↓	2780.00	2492.00	2780/995	22582	585.12
DISHMAN CARBOGE	147.90	157.45	-9.55	-6.07↓	157.40	146.05	217/46	111478	169.48
INDIAMART INTER	7767.05	8197.80	-430.75	-5.25↓	8297.95	7661.00	8370/1641	18269	1456.94
FIRSTSOURCE SOL	90.65	95.25	-4.60	-4.83↓	96.35	90.35	115/21	467409	430.71
TATA ELXSI LTD.	2367.65	2485.90	-118.25	-4.76↓	2529.00	2285.00	2576/501	149922	3674.29
YAARII DIGITAL	103.70	108.70	-5.00	-4.60↓	109.45	103.30	147/31	55977	59.28
HINDUJA GLOBAL	1163.75	1219.10	-55.35	-4.54↓	1245.15	1154.30	1300/412	7741	92.91
TECH MAHINDRA	1007.10	1052.95	-45.85	-4.35↓	1062.85	1003.00	1081/470	183019	1872.62
MOIL LTD.	144.90	151.45	-6.55	-4.32↓	151.05	144.15	170/87	41875	62.02
HINDUSTAN AERON	965.70	1009.00	-43.30	-4.29↓	1020.00	950.55	1424/448	111405	1099.25

**MARKET  
PERFORMANCE**

**SUPER STOCK MOVERS**

COMPANYNAME	JAN15	JAN14	JAN13	JAN12	JAN11
APTECH LTD.	167.40	154.95	152.30	147.20	146.50
BHARTI AIRTE	602.50	580.20	578.25	565.75	547.10
ECLERX SERVI	1010.95	1003.95	969.45	934.65	923.05
IDEA	13.62	12.30	12.24	12.11	11.49
IFB INDS	1377.20	1288.15	1268.85	1221.60	1181.10
INSECTICIDES	508.75	477.40	473.95	473.90	470.65
ITC LTD	217.90	214.10	211.25	206.40	202.45
JK TYRE	90.70	88.75	83.25	82.50	81.25
MAJESCO	26.05	24.85	23.70	22.60	21.55
MSTC LTD	257.15	220.35	195.85	190.65	178.75

**TOP QUANTITY TRADED**

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
VODAFONE IDEA L	13.62	12.30	1.32	10.73↑	13.80	12.30	14/3	301409134	39707.72
STEEL AUTHORITY	70.20	67.25	2.95	4.39↑	72.15	68.05	80/20	20563499	14451.99
YES BANK LTD.	17.65	17.85	-0.20	-1.12↓	17.85	17.30	88/6	20555058	3622.73
TATA MOTORS LTD	260.40	245.15	15.25	6.22↑	264.60	242.50	265/64	17370425	44176.88
PUNJ. NATIONLBA	35.95	37.00	-1.05	-2.84↓	37.50	35.50	64/26	9966664	3638.66
IDFC FIRST BANK	48.45	46.25	2.20	4.76↑	49.50	45.80	50/18	9668835	4638.46
TRIDENT LTD.	14.71	14.38	0.33	2.29↑	14.95	14.38	17/3	6525032	960.12
HFCL	31.85	33.25	-1.40	-4.21↓	34.75	30.40	35/8	4823791	1611.91
SOUTH INDIAN BA	9.28	9.52	-0.24	-2.52↓	9.60	9.05	11/5	4338011	407.32
BHARAT HEAVY EL	39.40	40.20	-0.80	-1.99↓	40.50	38.85	48/19	4143031	1645.93

**TOP VALUE TRADED**

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
TATA MOTORS LTD	260.40	245.15	15.25	6.22↑	264.60	242.50	265/64	17370425	44176.88
VODAFONE IDEA L	13.62	12.30	1.32	10.73↑	13.80	12.30	14/3	301409134	39707.72
RELIANCE INDS.	1937.60	1960.60	-23.00	-1.17↓	1973.15	1920.15	2369/900	1266407	24758.00
INFOSYS	1345.10	1370.60	-25.50	-1.86↓	1370.00	1341.75	1393/511	1650161	22275.18
STEEL AUTHORITY	70.20	67.25	2.95	4.39↑	72.15	68.05	80/20	20563499	14451.99
HCL TECHNOLOGIE	989.40	1027.75	-38.35	-3.73↓	1052.00	984.20	1074/376	904980	9137.12
BHARTI AIRTEL	602.50	580.20	22.30	3.84↑	610.00	594.30	612/381	1249744	7517.05
TATA STEEL	705.55	706.15	-0.60	-0.08↓	721.45	698.00	731/251	921414	6551.89
WIPRO LTD	438.40	454.45	-16.05	-3.53↓	459.50	436.25	467/160	1367951	6106.87
SBI	303.80	307.20	-3.40	-1.11↓	310.80	301.50	332/150	1961492	6015.10



SL NO	STOCK NAME	BUY	TARGET	SL	TIME FRAME	STATUS	Date achieved	Days	Previous High	% Return
1	Bharti Airtel Ltd	485	533-583	435	1-2MONTH	All targets achieved	13-01-2021	23	610.65	20.21
2	Canara bank	120-128	155-167	102	1-3 months	Active stock	Active		147.2	

- 1. Positional Calls- Positional Calls identifies stocks on basis of technical analysis and derivative. Calls are released during market hours or weekends as an when opportunities are available. Each calls includes a target price and stop loss**
- We provide short term and long term position equity trading calls with entry, exit and stop-loss levels. These equity positional calls are continuously monitored by our technical analyst expert. The stop-losses and targets of our equity tips are revised based on market condition.
- We provide positional call in stocks, bank nifty, or nifty. Our services are to give tracking of the market for substantial returns. We provide only 1 to 3 calls in a month with the high level preciseness of 80 to 90%.
- Our positional call service provides you stock tips for best returns. You will get a good time to enter in the calls. Following our services is the best way to maximize your profit. Our positional calls are for traders of Indian share market. We carry out timely follow ups of all the calls and also give you important news and market updates. Our team provides calls through convenient ways like SMS and chat apps.
- 5. Positional trading is best for those who want to generate more income from stock market but do not want regular income. In a positional way, the Positional Trader follows the weekly chart. The holding period for the shares ranges from one month to 6 months. You need to select the type of trading as per your profit expectation. If you are looking for regular income, day trading is best. Positional trading is specifically to create wealth from share market long term**

*“We are a team of seasoned stock market analysts providing tips for intraday, nifty, call options and positional call. Clients appreciate our calls for greater effectiveness and accuracy. Our team of analysts works round the clock to track the movements in the market. We continuously track scripts for possible movements and provide the most efficient tips and recommendations.”*

**Positional call  
status for the  
past 2 months**



**Positional call given on 4<sup>th</sup> January 2021**
**Canara Bank**

Canara Bank is a Public Limited Listed company incorporated on 01/07/1906 and registered in the State of Maharashtra, India. Company presently involved in the business activities of Banking Business.

Scrip	Buy	Target	Stop loss	Time Frame
Canara Bank	120-128	155-167	102	1-3 Months

✚ State-owned Canara Bank has raised Rs 1,635 crore through issuance of additional tier-I bonds. “Canara Bank has raised capital by issuing additional tier-1 (AT-1) bonds to the tune of Rs 1,635 crore at 8.50 per cent coupon on December 31, 2020,” This will help the lender increase its capital adequacy ratio.

✚ The bank's capital to risk-weighted assets ratio (CRAR) stood at 12.77 per cent. Out of this, tier-I was 9.54 per cent and tier-II was 3.23 per cent.

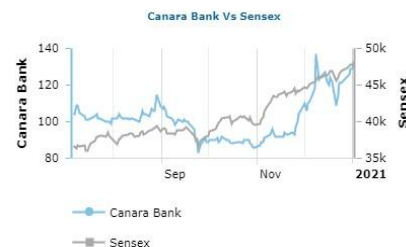
✚ In the second quarter ended September 2020, the bank reported 28 per cent dip in profit after tax at Rs 444 crore compared to Rs 616 crore in the same quarter of the previous fiscal.

✚ Stock with bad financial performance and weak balance sheet. However, strong price momentum & technical indicators is driving this stock

✚ Fundamentally the company is performing Below average with net profit from June to September quarter has increased to 9.39%. The EPS has gone up from 2.79% to 3.06%. The Net NPA has reduced from 24355.23 crore to 21063.28 crore that is 0.53% reduction in NPA from June to September

✚ Technically the stock has bullish momentum, the stock has given a return of 21.29% in the last month compared to 6.94% of Nifty 50. The stock was range bound but it has broken a strong resistance of 130 which can indicate further momentum.

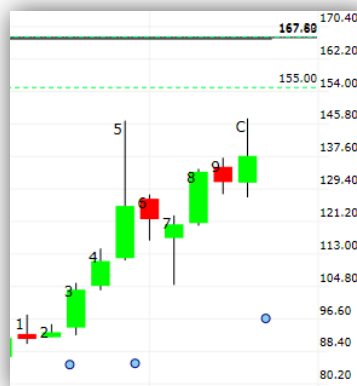
✚ This stock's momentum is very positive if it follows the same expect the stock to reach its previous Highs, if not watch for lower levels and exit at the above mentioned stop loss

**Active stock  
OVERWEIGHT**


Quarterly Trends - Consolidated			
PARTICULARS	SEP 20	JUN 20	MAR 20
Total Sales	22681.05	22713.92	15285.27
Operating Profit	4669.84	4313.52	2097.52
Net P/L After Minority Interest & Share Of Associates	466.41	478.68	-3209.98
Equity Share Capital	1453.50	1453.50	1030.23
ANALYTICAL RATIOS			
(%) of Share by Govt.	78.55	78.55	78.52

Annual Results - Consolidated			
PARTICULARS	MAR 20	MAR 19	MAR 18
Total Sales	61558.15	54269.13	48743.32
Operating Profit	9674.00	10824.03	9792.61
Net P/L After Minority Interest & Share Of Associates	-1986.43	601.85	-3951.39
MAJOR HOLDER			PERCENTAGE
Promoters	1141709678		78.55
Institutional Investors	162574750		11.19
Government	0		0.00
Other Investors	19009065		1.31
Public	130208013		8.96
Total	1453501506		100.01

LATEST INFORMATION - CONSOLIDATED	
Current Equity (Rs. in Cr.)	1646.74
Current Book Value (Rs.)	230.92
Current EPS (Rs.)	-12.06
Current P/E (X)	-
Trailing Sales (Rs. in Cr.)	60927.47
Trailing NP (Rs. in Cr.)	-1867.24
Trailing EPS (Rs.)	-11.34
Trailing P/E (X)	-



## INDUSTRY NEWS

**Passenger Car Sales Jump 8.36% On Year In December 2020**

- ✚ Society of Indian Automobile Manufacturers (SIAM) stated in a latest update yesterday that a growth of 8.36% has been registered in the sales of Passenger Cars in December'20, as compared to December'19. Sales of Utility Vehicles increased by 19.75% in December'20, as compared to December'19. Sales of Vans grew by 41.06% in December'20, as compared to December'19. Sales of Passenger Vehicles witnessed an increase of 13.59% in December'20, as compared to December'19. Three-wheelers saw a dip in sales by 58.87% in December'20, as compared to December'19. Sales of Two-wheelers grew by 7.42% in December'20, as compared to December'19.
- ✚ Total exports of Passenger Vehicles & Three-wheelers witnessed a decrease of 13.49% & 5.69% respectively in December'20, as compared to December'19. The total production of Passenger Vehicles, Three-Wheelers, Two-Wheelers and Quadricycle in the month of December'20 was 1,907,811 units, as against 1,750,347 units in December'19, witnessing a growth of 9%

**M-cap of BSE-listed companies at all-time high of Rs 197.46 lakh cr**

- ✚ The market capitalisation of all BSE-listed companies jumped to a fresh all-time high of Rs 197.46 lakh crore on Tuesday, driven by bullish market sentiment. At close of trade, the market capitalisation of BSE-listed companies stood at Rs 1,97,46,939.57 crore (USD 2.6 trillion). The 30-share BSE Sensex closed at a record 49,517.11, up 247.79 points. "Domestic equities remained resilient and firm as it recovered sharply from day"s low and recorded fresh highs.
- ✚ We continue to believe that fundamentals of market remain intact considering sustained rebound in economic activities and government"s continuous endeavour to bolster economic activities," said Binod Modi, Head - Strategy at Reliance Securities. SBI was the top gainer among the frontline companies, gaining 3.65 per cent, followed by Bharti Airtel, Reliance Industries and HDFC Bank. Sector-wise, BSE telecom, realty, energy, oil and gas, utilities, auto and finance indices gained as much as 2.85 per cent. In the broader market, the BSE midcap and smallcap indices climbed up to 0.44 per cent

## INDUSTRY NEWS

**NBFCs may see 7-9% growth in AUM next fiscal: Icra**

- ✚ Non-banking finance companies (NBFCs) are likely to see a 7-9 per cent growth in their asset under management (AUM) in FY2022 but access to funding would be crucial for them to have a sustained improvement, says a report. Icra Ratings in a report said NBFCs would require an additional funding lines of about Rs 1.9-2.2 lakh crore, apart from the refinance of the existing lines, to achieve a 7-9 per cent growth in AUM in FY2022. The agency did a survey across non-banks, involving about 60 entities, which together account for over 50 per cent of the sectoral AUM and about 23 investors. "Non-banks (NBFC [excluding infra NBFCs] and housing finance companies (HFCs)) AUM growth would revive in FY2022 to about 7-9 per cent vis a vis a flattish performance in the current fiscal," the agency said in the report.
- ✚ The segment's AUM had registered a growth at a CAGR of 16 per cent over the period March 2016-March 2020. The agency's vice-president, sector head (financial sector ratings) A M Karthik said, "Growth in FY2022 is envisaged to be driven by the improvement in demand from all the key target segments vis a vis current fiscal, which was impacted by the COVID-19 lockdown. Some of the key segments which would bolster growth include gold loans, home loans, personal credit, rural finance and microfinance. Growth in the vehicle finance (commercial vehicle, passenger vehicle), business loans including loan against property and other commercial lending segments, which are closely linked to the economic activities are expected to take longer to register a reasonable revival, he said. NBFCs exposures to the commercial real estate and other large corporate/wholesales exposures are expected to register a decline even in FY2022 after the decline of about 15 per cent in FY2020 and about 10 per cent expected contraction in FY2021.
- ✚ As per the survey, majority (around 70 per cent) of issuers and investors do not expect co-lending to account for less than 10 per cent of non-bank AUM over the next 2-3 years, he said. "Access to adequate funding, therefore, would remain critical for the sector to register a sustained improvement in growth," according to Karthik. It expects the slippages from the restructured book (estimated at 4-6 per cent of the AUM) to keep non-bank NPAs/GS3 (gross stage 3) assets at elevated levels even in FY2022 after an increase of up to 200 bps in FY2021. "As per the survey, around 90 per cent of the investors expect the NPAs to increase by about 100-200 bps by March 2021 vis a vis 40 per cent of the issuers," the agency said.
- ✚ Further, another 40 per cent of the issuers expect the NPAs to remain stable vis a vis March 2020 levels, the report said. It said as per the survey, about 60-65 per cent of the issuers and investors expect the provisions to go up further from current levels in FY2021. Majority of NBFCs vis a vis HFCs expect provisions to go up because of the nature of the asset financed. The agency expects "profitability indicators to be impacted in the current fiscal as the provision and credit cost increased sharply in view of the expected portfolio stress; it would continue to remain at similar levels even in FY2022".



## TECHNICAL ANALYSIS

### INVESTMENT SUGGESTIONS

- ✚ Nifty tanked over 1 per cent on Friday and formed a bearish candle on the daily chart and an indecisive Gravestone Doji on the weekly scale.
- ✚ The fact that Nifty could not defend its immediate support at 14,450 level has stopped the positive momentum of this rally. This is especially after a couple of Hanging Man formations on the daily charts in recent days, which signalled a trend reversal.
- ✚ The index has to close above 14500 on Monday to maintain the positive momentum or expect some volatility
- ✚ Friday's loss erased almost all the intra-week gains, which led to the formation of Gravestone Doji on the weekly scale
- ✚ On Monday, a close below the 14,350 level may confirm the trend reversal in favour of the bears. In that scenario, Nifty50 may initially fall towards the 14,050 – 13,950 zone. If the recent high of 14,653 level proves to be a multi-week top, eventually a bigger correction of 10-15 per cent can't be ruled out,”
- ✚ Investment suggestions would be to buy at the support levels for new investors, existing investors can either book profit or average their positions .Mr market is going to go through a volatile phase in the coming sessions.

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