



NEWSLETTER

11/23/2020

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Khoshal J
Research Analyst
SEBI Registration -No- INH200006789
Email - research@bfsi.co.in

Market Outlook

Sensex ends firm as bank stocks surge

- ✚ Equity indices resumed their upward trajectory on Friday after a day's pause as banking, finance and telecom counters saw robust demand amid mixed global cues. A recovering rupee and unabated foreign fund inflows added to the momentum, traders said. Bajaj Finserv was the top gainer in the Sensex pack, rallying 9.13 per cent, followed by Titan, Bajaj Finance, Kotak Bank, Bharti Airtel, Nestle India, NTPC and HDFC Bank.
- ✚ The 30-share benchmark index ended at 43882.25 up by 282.29 points or by 0.65 % and then NSE Nifty was at 12859.05 up by 87.35 points or by 0.68 %. Sensex touched intraday high of 44013.02 and intraday low of 43453.75 The NSE Nifty touched intraday high of 12892.45 and intraday low of 12730.25 The top gainers of the BSE Sensex pack were Bajaj Finserv Ltd. (Rs. 8536.50,+9.13%), Titan Company Ltd. (Rs. 1364.95,+5.61%), Bajaj Finance Ltd. (Rs. 4717.75,+4.05%), Kotak Mahindra Bank Ltd. (Rs. 1889.20,+3.52%), Bharti Airtel Ltd. (Rs. 483.50,+3.18%), among others.
- ✚ The top losers of the BSE Sensex pack were Reliance Industries Ltd. (Rs. 1899.20,-3.72%), IndusInd Bank Ltd. (Rs. 810.05,-0.94%), Sun Pharmaceutical Industries Ltd. (Rs. 503.00,-0.87%), Oil And Natural Gas Corporation Ltd. (Rs. 71.60,-0.69%), Axis Bank Ltd. (Rs. 607.70,-0.57%), among others.
- ✚ Among the sectors, Power index was at 1962.62 up by 35.36 points or by 1.83%. ABB India Ltd. (Rs. 1122.00,+7.39%), Adani Green Energy Ltd. (Rs. 1135.55,+4.77%), NTPC Ltd. (Rs. 91.85,+2.34%), Adani Transmission Ltd. (Rs. 383.90,+2.16%), KEC International Ltd. (Rs. 348.80,+1.41%), CDS index was at 27288.96 down by -104.13 points or by -0.38%. VIP Industries Ltd. (Rs. 339.85,-2.00%), Sheela Foam Ltd. (Rs. 1340.55,-1.34%), Rajesh Exports Ltd. (Rs. 452.15,-1.00%), Whirlpool of India Ltd. (Rs. 2131.00,-0.55%), Voltas Ltd. (Rs. 770.00,-0.45%),.
- ✚ The Market breadth, indicating the overall strength of the market, was weak. On BSE out of total shares traded 3279 , shares advanced were 1698 while 1354 shares declined and 227 were unchanged..

RBI announces Special Open Market Operations Of Government of India Securities

- ✚ The Reserve Bank of India, on a review of current liquidity and financial conditions, has decided to conduct simultaneous purchase and sale of government securities under Open Market Operations (OMO) for an aggregate amount of Rs 10,000 crores each on November 26, 2020. The Reserve Bank will purchase and will simultaneously sell the securities using the multiple price auction method.
- ✚ The Reserve Bank reserves the right to decide on the quantum of purchase/sale of individual securities, accept bids/offers for less than the aggregate amount, purchase/sell marginally higher/lower than the aggregate amount due to rounding-off, accept or reject any or all the bid/offers either wholly or partially without assigning any reasons.

Two entities start testing products under RBI's regulatory sandbox News Details

- ✚ Testing of products under the RBI's regulatory sandbox, which was delayed on account of COVID-19 pandemic, has commenced, with two entities starting the "test phase" with their products. "Two entities...have started testing of their products from November 16, 2020. The remaining four are expected to start the test phase shortly which will be communicated as and when they do so," the Reserve Bank said in a statement on Tuesday.
- ✚ Live testing of innovative products is done under the regulatory sandbox approach. The central bank had announced opening of the first cohort under regulatory sandbox, with "Retail Payments" as its theme, in November last year. It had received applications from 32 entities, of which six were selected for the "test phase". The commencement of testing was delayed on account of the COVID-19 situation, it said. Natural Support Consultancy Services, Jaipur is testing the product "eRupaya".
- ✚ It is a set of Near-Field Communication (NFC) based prepaid card and NFC-enabled Point of Sale (PoS) device to facilitate offline Person-to-Merchant (P2M) transactions and offline digital payments in remote locations. New Delhi-based Nucleus Software Exports is testing the offline digital cash product "PaySe". The product proposes to help in digitisation of payments in rural areas, starting with self help groups (SHG), through an offline payment solution and a digitised SHG-centered ecosystem.
- ✚ Regulatory sandbox usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may (or may not) permit certain relaxations for the limited purpose of the testing. The regulatory sandbox allows the regulator, innovators, financial service providers and customers to conduct field tests to collect evidence on the benefits and risks of new financial innovations. The objective of the regulatory sandbox is to foster responsible innovation in financial services, promote efficiency and bring benefit to consumers.

Economy News

WPI inflation rises 1.48% in October as manufactured products turned costlier

- ✚ The wholesale price-based inflation rose to an eight-month high of 1.48 per cent in October, as manufactured products turned costlier. The WPI inflation was 1.32 per cent in September and zero per cent in October last year. This is the highest level of Wholesale price index-based (WPI) inflation since February when it was 2.26 per cent. While food article prices softened in October, manufactured items witnessed hardening of prices, according to data released by the Commerce and Industry Ministry on Monday. Food inflation in October stood at 6.37 per cent, as against 8.17 per cent in the previous month.
- ✚ The rate of price rise in vegetables and potato remained high at 25.23 per cent and 107.70 per cent, respectively, during the month. Inflation in non-food articles and minerals was higher at 2.85 per cent and 9.11 per cent, respectively. In the manufactured products category, inflation stood at 2.12 per cent in October, compared to 1.61 per cent in September. Prices in fuel and power basket softened to (-) 10.95 per cent in October. The retail inflation, based on the consumer price index, was 7.61 per cent in October, data released last week showed.

CPI Surges Near Six Year High, Food Prices Up 11.07%

- ✚ India's Consumer Price Index (CPI) extended upward momentum and rose to 7.61% in the month of October. This is around six year high for the index. The CPI for the month of September was revised to 7.27% from 7.34%. The Consumer Food Price Index (CFPI) jumped to 11.07% in the month of October, up from 10.68% in September.

Index Of Industrial Production Rises For First Time In Seven Months

- ✚ India's industrial production saw 0.2% growth in September, rising for first time in seven months. According to the Index of Industrial Production (IIP) data, manufacturing sector production registered a decline of 0.6% while output of mining and power segments grew at 1.4% and 4.9%, respectively. The IIP had contracted by 4.6% in September 2019.

Economy News

FM announces Rs 900 crore grant for COVID-19 vaccine research

- Finance Minister Nirmala Sitharman on Thursday announced a Rs 900 crore grant to the Department of Biotechnology for COVID-19 vaccine research. "We are providing Rs 900 crore for research and development of COVID-19 vaccine. This is being provided for covid suraksha mission, purely for R&D but this money goes to Department of Biotechnology for research purposes," she said. Sitharaman said the grant does not cover the actual cost of vaccine and distribution expenses, which will be made separately as and when the vaccine is available.
- "The actual cost of the vaccine or logistics required for distributing the vaccine is totally different and whatever is required for that, as and when it is required will be provided. But this is totally a different purpose and this is for research for vaccine development which goes towards department of biotechnology," she added. Sitharaman also said that Rs 10,200 crore additional budget outlay will be provided towards capital and industrial expenditure for domestic defence equipment, industrial incentives and infrastructure and green energy.

FM announces Rs 18,000 cr additional outlay for urban housing scheme

- Finance Minister Nirmala Sitharaman on Thursday announced a Rs 18,000 crore additional outlay for the urban housing scheme to help complete real estate projects that would create jobs and boost the economy. She said the Rs 18,000 crore would be provided over and above the Budget Estimates for 2020-21 for the Prime Minister Awas Yojana (Urban) through additional allocation and extra budgetary resources.
- This is over and above Rs 8,000 crore already provided this year. She said the move would help start work on 12 lakh houses as well as complete 18 lakh houses. This would create 78 lakh new jobs as well as demand for steel and cement. Announcing support for construction and infrastructure, she said Earnest Money Deposit (EMO) and performance security requirements will be relaxed for government tenders. Performance security on contracts will be reduced to 3 per cent instead of 5 to 10 per cent.
- This would be extended to ongoing contracts which are free of disputes. It would also be extended to public sector enterprises, she said, adding states will also be encouraged to adopt the same. Earnest money deposit (EMD) will not be required for tenders and will be replaced by bid security declaration. These relaxations will be given till December 31, 2021, she said, adding the move would give relief to contractors by reducing locking up of capital and cost of bank guarantees.

Economy News

52 WEEK HIGH AND LOWS

TICKER NAME	LTP(RS.)	52-WEEK HIGH(RS.)	52-WEEK LOW(RS.)
ADANI GAS	345.30	361.50	76.70
ADANI GREEN	1,135.55	1,138.00	95.45
AMARRAJABATT	859.30	863.00	350.25
INDIA CEMENT	147.60	155.45	69.45
INFO EDGE	3,993.80	4,057.80	1,580.00
INOX WIND	57.75	57.75	16.00
INTERGLO.AVI	1,679.60	1,743.80	765.05
JAMNAAUTOIND	57.55	59.40	21.00
JINDAL STAIN	65.80	67.30	22.30
JINDALSTLPW	236.60	244.95	62.10

TOP GAINERS

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
JAMMU & KASHMIR	20.52	17.10	3.42	20.00↑	20.52	18.20	36/11	3803240	753.95
WOCKHARDT LTD.	393.20	327.70	65.50	19.99↑	393.20	329.35	412/147	359330	1324.42
INOX WIND LTD.	57.75	48.15	9.60	19.94↑	57.75	47.45	58/16	231914	126.84
BHARTI INFRA TEL	218.50	185.60	32.90	17.73↑	222.70	188.25	296/121	2764325	5698.50
QUESS CORP	466.20	407.05	59.15	14.53↑	473.90	407.70	639/165	127915	587.36
GRAPHITE INDIA	237.00	211.35	25.65	12.14↑	244.25	211.00	337/103	982822	2276.34
JAMNA AUTO INDS	57.55	52.00	5.55	10.67↑	59.40	51.35	59/21	472605	262.75
JAGRAN PRAKASHA	41.00	37.50	3.50	9.33↑	43.10	37.70	74/30	368985	150.40
BAJAJ FINSERV L	8536.50	7822.40	714.10	9.13↑	8585.00	7850.00	10297/3986	247158	20259.82
VODAFONE IDEA L	10.04	9.27	0.77	8.31↑	10.13	9.50	13/3	138280569	13544.40

TOP LOSERS

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
LAKSHMI VILAS B	9.00	9.95	-0.95	-9.55↓	9.00	9.00	25/9	186807	16.81
LEMON TREE HOTE	33.05	35.10	-2.05	-5.84↓	35.35	32.75	66/14	547443	183.20
HIMADRI SPECIAL	39.45	41.70	-2.25	-5.40↓	42.65	38.70	75/27	1214805	489.90
CITY UNION BANK	182.90	191.60	-8.70	-4.54↓	193.85	180.60	249/110	88445	163.53
PVR LTD.	1228.50	1286.75	-58.25	-4.53↓	1300.00	1213.00	2028/724	69545	863.26
ASHOK LEYLAND	90.80	94.75	-3.95	-4.17↓	96.00	88.65	98/34	2484474	2277.08
SUZLON ENERGY L	3.46	3.60	-0.14	-3.89↓	3.65	3.42	6/2	3728848	128.53
RELIANCE INDS.	1899.20	1972.65	-73.45	-3.72↓	1984.10	1894.60	2369/900	863183	16610.83
TV18 BROADCAST	30.10	31.10	-1.00	-3.22↓	31.70	29.70	42/12	927329	287.01
MEGHMANI ORGANI	73.85	76.30	-2.45	-3.21↓	77.20	73.55	85/32	69195	51.99

MARKET PERFORMANCE

SUPER STOCK MOVERS

COMPANYNAME	NOV20	NOV19	NOV18	NOV17	NOV14
3M INDIA	21757.15	21373.15	21360.00	21187.85	20520.00
ABSHEK INDS	8.08	7.71	7.56	7.48	7.47
ADANI GREEN	1135.55	1083.85	1079.15	1058.75	1008.70
AKZO NOBEL	2109.75	2091.75	2044.45	2031.45	2001.30
ALSTOM PROJ	318.30	303.15	288.75	275.00	261.95
AMARRAJABATT	859.30	838.95	833.90	832.65	824.85
ASHOKA BUILD	74.05	73.70	71.95	71.30	68.90
ATUL	6526.95	6521.30	6504.05	6458.60	6376.10
BAJAJ FINSER	8536.50	7822.40	7778.25	7364.70	7327.10
BAJAJ HOLDIN	3004.20	2878.55	2752.05	2713.75	2703.45

TOP QUANTITY TRADED

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
VODAFONE IDEA L	10.04	9.27	0.77	8.31↑	10.13	9.50	13/3	138280569	13544.40
YES BANK LTD.	14.54	14.27	0.27	1.89↑	14.64	14.11	88/6	36781205	5311.51
SPICEJET LTD.	72.75	74.35	-1.60	-2.15↓	79.75	71.05	120/31	6641916	5001.98
JAMMU & KASHMIR	20.52	17.10	3.42	20.00↑	20.52	18.20	36/11	3803240	753.95
SBI	242.80	239.75	3.05	1.27↑	245.40	234.00	351/150	3775748	9049.09
SUZLON ENERGY L	3.46	3.60	-0.14	-3.89↓	3.65	3.42	6/2	3728848	128.53
TRIDENT LTD.	8.08	7.71	0.37	4.80↑	8.23	7.65	9/3	3242033	256.85
BHARAT HEAVY EL	29.20	29.15	0.05	0.17↑	29.70	28.65	57/19	3195759	932.31
FUTURE CONSUMER	7.88	7.64	0.24	3.14↑	8.02	7.74	29/5	3160370	249.62
TATA MOTORS LTD	169.00	167.75	1.25	0.75↑	171.55	165.55	202/64	3049951	5150.94

TOP VALUE TRADED

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
BAJAJ FINSERV L	8536.50	7822.40	714.10	9.13↑	8585.00	7850.00	10297/3986	247158	20259.82
RELIANCE INDS.	1899.20	1972.65	-73.45	-3.72↓	1984.10	1894.60	2369/900	863183	16610.83
BAJAJ FINANCE L	4717.75	4534.10	183.65	4.05↑	4761.40	4516.60	4923/1783	296182	13736.25
VODAFONE IDEA L	10.04	9.27	0.77	8.31↑	10.13	9.50	13/3	138280569	13544.40
SBI	242.80	239.75	3.05	1.27↑	245.40	234.00	351/150	3775748	9049.09
INDUSIND BANK	810.05	817.70	-7.65	-0.94↓	830.00	788.80	1596/236	1034670	8344.43
BHARTI INFRA TEL	218.50	185.60	32.90	17.73↑	222.70	188.25	296/121	2764325	5698.50
YES BANK LTD.	14.54	14.27	0.27	1.89↑	14.64	14.11	88/6	36781205	5311.51
ICICI BANK	480.20	478.35	1.85	0.39↑	483.25	468.30	552/269	1097187	5215.23
TATA MOTORS LTD	169.00	167.75	1.25	0.75↑	171.55	165.55	202/64	3049951	5150.94

**MARKET
PERFORMANCE**

CALLS GIVEN ON 09TH October 2020						
SL.NO	SCRIP	BUY ABOVE	TARGET	SL	TIME FRAME	STATUS
2	SBI	CMP	221-246-274	177	1-2MONTH	2nd TARGET ACHIEVED
CALLS GIVEN ON 09TH November 2020						
SL.NO	SCRIP	BUY ABOVE	TARGET	SL	TIME FRAME	STATUS
1	Reliance	CMP	2166-2325	1961	1-2MONTH	SL TRIGGERED

- 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 9th October 2020

State Bank of India

State Bank of India is a Public Limited Listed company incorporated on 31/12/1955 and registered in the State of Maharashtra, India. Company presently involved in the business activities of Banking Business.

Buy	Target	Stop loss	Time Frame
Sbin	221-246-274	202	1-3Months

- State bank of india is the largest public sector bank in india,the bank maintains high level of transparency as compared to some private banks ,it has good brand value this directly reflects its share price.
- The banks NPA levels has been decreasing from 7.53% in June 19 to 5.44% in June 20 .This means bank is able to recover its loans and the interest which is a positive,this is nothing but revenue for banks and in the case of SBI its maintaining consistency
- The changing interest rates in the Economy is one of the factor which effects the share price and with the current Pandemic Banking has taken a hit and one can see the share price tumbling down from 300 to 200 .Fundamentally this bank holds high value for its shares held so a investor must take this opportunity to accumulate at such levels ,once the stock gains momentum it will add value to its shareholders
- Technically the stock is trading rangebound between 185-200 ,if it breaks the level of 200 and maintains momentum the stock will climb back to its previous highs .The stock is trading just above the EMA ,which indicates further momentum if it breaks forward or can subject to selling if it fails to do so.Investors can buy with a short to long term horizon .Once the market settles after the pandemic and the Elections expect the stock to trade in its former Glory
- Investors can still buy the stock at levels ranging between 221-230 with revised stop loss of 202,existing shareholders of this stock can book current profits or wait till the next target.
- NOTE- First target & second target of 221 & 246 has been achieved,investors can hold for further targets or exit at revised stop loss**

ACTIVE STOCK

OVERWEIGHT



Quarterly Trends - Consolidated				
PARTICULARS	JUN 20	MAR 20	DEC 19	
Total Sales	87984.33	94218.82	95384.28	
Operating Profit	18407.94	17735.21	20178.06	
Net P/L After Minority Interest & Share Of Associates	4776.50	6909.95	6531.95	
Equity Share Capital	892.46	892.46	892.46	
ANALYTICAL RATIOS				

LATEST INFORMATION - CONSOLIDATED	
Current Equity (Rs. in Cr.)	892.46
Current Book Value (Rs.)	263.59
Current EPS (Rs.)	22.15
Current P/E (X)	8.85
Trailing Sales (Rs. in Cr.)	274197.21
Trailing NP (Rs. in Cr.)	21593.80
Trailing EPS (Rs.)	24.20
Trailing P/E (X)	8.09

Annual Results - Consolidated			
PARTICULARS	MAR 20	MAR 19	MAR 18
Total Sales	362229.09	330220.88	301491.31
Operating Profit	69323.73	59553.11	58733.96
Net P/L After Minority Interest & Share Of Associates	19767.80	2299.64	-4556.29
Equity Share Capital	892.46	892.46	892.46
ANALYTICAL RATIOS			
(%) of Share by Govt.	56.92	57.13	58.03

SHARE HOLDING PATTERN AS ON 30/09/2020		
MAJOR HOLDER	NUMBER OF SHARE	PERCENTAGE
Promoters	5079775288	56.92
Institutional Investors	2912390333	32.63
Government	17514571	0.20
Other Investors	214980299	2.41
Public	699951043	7.84
Total	8924611534	100.00



INDUSTRY NEWS

Rupee gains 11 paise to end at over 1-week high on foreign fund inflows

- ✚ The rupee appreciated by 11 paise to settle at over one-week high of 74.16 against the US dollar on Friday, supported by positive domestic equities and sustained foreign fund inflows. At the interbank forex market, the domestic unit opened at 74.15 against the US dollar and touched a high of 74.09 and a low of 74.21 in the day trade. It finally settled at 74.16 against the greenback, registering an increase of 11 paise over its previous close. The rupee had settled at 74.27 against US dollar on Thursday.

Essel Group sells cruise biz to Sant Chatwal co

- ✚ The Zee Group has exited its fledgeling cruise business and sold the cruise line brand Jalesh Cruises to Waterways Leisure for an undisclosed sum. Zee was running the business under Zen Cruises, which in fact was the India's general sales agent for Jalesh Cruises of Mauritius, according to a statement. Like hotels, airlines and cinemas, cruise shipping has also been shut since the coronavirus pandemic hit the world early February. On top of that, the Zee group has been facing liquidity problems at some of the group entities. Waterways Leisure is part of the US-based NRI Sant Chatwal-promoted Dreams Hotel Group.
- ✚ The deal also includes the sale of Jalesh's entire digital interface and technology backend, the software developed for customer acquisition, and the database of customers, travel agents and partner network. Waterways has also hired existing executives and employees of Zen and Jurgen Bailom will continue as the president & chief executive. Vijay Kher, country head of Dream Hotel Group and the spokesperson for Waterways Leisure, said they are excited to capitalise on the Jalesh brand, which was India's first premium cruise brand. The Zee Group in September 2018 announced its entry into the cruise business with a potential investment of USD 100 million. The shipping line made its maiden sail to Goa in April 2019.

INDUSTRY NEWS

P-notes investment swell to 14-month high in October on enhanced global liquidity

- ✚ Investments through participatory notes (P-notes) in the Indian capital market surged to Rs 78,686 crore at October-end, making it the highest level in 14 months, on enhanced global liquidity and measures taken by the government back home. P-notes are issued by registered foreign portfolio investors (FPIs) to overseas investors who wish to be part of the Indian stock market without registering themselves directly. They, however, need to go through a due diligence process. According to Sebi data, the value of P-note investments in Indian markets-- equity, debt and hybrid securities -- increased to Rs 78,686 crore at October-end from Rs 69,821 crore as on September 30.
- ✚ This was the highest level of investment since August 2019, when fund inflow through such route stood at Rs 79,088 crore. The investment through the route declined in September 2020 after witnessing growth since March. Prior to that, the investment level was at Rs 74,027 crore, Rs 63,228 crore, Rs 62,138 crore, Rs 60,027 crore and Rs 57,100 crore at the end of August, July, June, May and April, respectively.
- ✚ The investment level had fallen to an over 15-year-low of Rs 48,006 crore at the end of March amid significant volatility in broader markets on concerns over the coronavirus-triggered crisis. Of the total Rs 78,686 crore invested through the route till October, Rs 68,415 crore was invested in equities, Rs 10,047 crore in debt and Rs 224 crore in hybrid securities. Divam Sharma, co-founder of Green Portfolio said P-notes continued the positive momentum in October with equity inflows showing a significant jump.
- ✚ The numbers will significantly rise hereon with high interest levels from foreign capital to participate in Indian markets. According to him, foreign fund flows till date have been robust in November post the virtual meeting of Prime Minister Narendra Modi with the global fund managers. "Continued government efforts to increase inflows from foreign institutions, enhanced global liquidity, and efforts from PLI (production-linked incentive) scheme Aatmanirbhar Bharat, and import substitution are creating positive momentum for funds to flow to Indian markets," he added.
- ✚ The assets under the custody of FPIs shot up to Rs 34.36 lakh crore at October-end from Rs 33.22 lakh crore at the end of September. Meanwhile, FPIs infused over Rs 21,800 crore in the capital markets last month after pulling out Rs 1,196 crore in September.



TECHNICAL ANALYSIS

INVESTMENT SUGGESTIONS

- ✚ The week after the festival season saw a huge gap-up start on the back of positive global clues. But the optimism faded soon after and fears of a resurgence in coronavirus cases, power tussle in the US and high stocks valuations eroded much of the value and Nifty could end only with a mild gain.
- ✚ Massive FPI buying led to the biggest gap up rally in the past two weeks, which wasn't visible during the entire lockdown period rally since April. This shows that optimism has reached its peak, at least from an intermediate point of view. Further, more than 10 stocks are getting included in the F&O ban list on a daily basis, and this suggests the market is hovering around its overbought levels. There is too much optimism and it is time for a healthy correction to cool down the charging bulls.
- ✚ It would also be worth noting that even good news has not been able to lift stock prices of late. For instance, Hero MotoCorp NSE 0.34 % saw the best Diwali sales in a decade and ended with all-time post-festive low inventory of less than four weeks at dealership levels. Yet, the stock could not sustain at higher levels. When positive news cannot take stock prices higher, it is an indication that the markets are in the overbought territory.
- ✚ As soon as FPIs slow down their buying intensity before Christmas, the market may witness a healthy correction.
- ✚ Nifty 50 ended the week gone by with a mild gain after making an all-time high of 12,963. But now the benchmark index has formed a bullish reversal pattern, which opened with a gap near the high point of the week and then gave up all the gains. The velocity of the rally has declined along with the volume participation. In fact, Nifty has been facing resistance at the rising channel, which is visible on the weekly chart, and might continue to struggle going ahead, as it lacks participation from the top index movers such as RIL, HDFC and banking stocks, who have become a bit stretched for the short term. We advise traders to keep an eye on the benchmark and go short unless Nifty breaks the rising channel on the upside.
- ✚ Market is likely to see some buying in the lower-order stocks, implying some sort of catch-up rally there. Industry laggards are now trying to catch up with the industry leaders in terms of price action. This process may continue as Nifty has formed an intermediate top and is likely to witness a correction in the frontline stocks. Further, smallcaps and midcaps may see a catch-up bounce. However, they may eventually imitate the frontline players and see a correction.
- ✚ India Inc's quarterly earnings season has largely concluded and the bourses are likely to keep an eye on global clues and/or look for any major updates related to the vaccine for future direction.
- ✚ Investors may look to book profit at current higher levels and wait for a correction before starting fresh buying. In addition to this, investors can look to accumulate quality IT and pharma names at current levels.

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BgSE FINANCIALS LIMITED

CIN-U67120KA1999PLC025860 Tel: 080-4157 5234/35; Email- research@bfsl.co.in

Stock Exchange Towers, 51, 1st Cross J.C Road, Bangalore-560027

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