



Muthoot Securities

MARKET MANTHRA

03-SEP-2020

Domestic Indices

Index	Close	Prv close	%Chg
NIFTY 50	11,535.0	11,470.3	0.56
NIFTY SMALLCAP 50	2764.3	2712.55	1.91
NIFTY MIDCAP 50	4,753.9	4,683.3	1.51
NIFTY SMALLCAP 250	4918.65	4843.5	1.55
NIFTY BANK	23,874.6	23,812.0	0.26
NIFTY NEXT 50	27448	27142.9	1.12
NIFTY METAL	2,541.4	2,496.8	1.79
INDIA VIX	20.93	21.8	-3.99

Global indices

Indices	Close	Prv close	%Chg
NASDAQ	10,503.0	10,473.0	0.28
FTSE	6,252.7	6,290.0	-0.61
CAC 40	5,068.0	5,069.0	-0.50
DAX	12,983.0	12,919.0	0.30
NIKKIEI	12,380.0	12,319.0	-0.47
HANGSENG	31,549.0	31,563.0	0.11
KOSPI	2,485.0	2,504.0	0.42
SHANGHAI	3,290.0	3,305.0	0.34

As on 8.00 IST

Nifty Watch



Nifty Spot intraday 5 Min

Market wrap up

The improvement in global risk appetite and encouraging signs of an economic recovery allayed some concerns among equity investors that stock valuations have extended to the point that they warrant a meaningful correction, helping domestic equities end higher for the second straight session. Mid-cap and small-cap stocks stole the limelight by outperforming several blue-chips as investors grew confident that the world economy was on the mend and that abundant global liquidity would continue to support asset prices.

Global Market

Equities rallied globally as investors pinned their hopes on another fiscal stimulus from the US government and development of a COVID-19 vaccine earlier than expected. The US Centers for Disease Control and Prevention reportedly asked states to be ready with a COVID-19 vaccine by Nov 1, an aggressive goal that suggests availability just before the presidential election kicks off. Risk appetite was also buoyed after US Treasury Secretary Steven Mnuchin urged Congress to appropriate more money to combat the impact of the pandemic, saying that he was ready to sit down with Democratic leaders to resume negotiations at any time.

Market preview

Domestic equities are likely to gain today on hopes of a COVID-19 vaccine by November and strength in global markets due to improving signs of economic recovery in major countries but concerns over India-China tensions may limit the rise. The September futures of the SGX Nifty 50 were up 0.2%, suggesting a higher opening for domestic shares. That business activity has picked up in India is evident from the recovery in automobile sales and upbeat commentary from these companies, and also from rise in production and sales of Coal India and NMDC in August.

News corner**Corporate****BSE Ltd at 1-month high as investment value in CDSL surges**

Shares of BSE Ltd hit a one-month high of 548 rupees as a surge in shares of Central Depository Services lifted the value of its investment in the company to 9.7 bln rupees. This investment is now equivalent to 40% of the exchange's market capitalisation. BSE holds 20% stake in CDSL, whose shares jumped 14% today as analysts believe the growth outlook for the company has improved in recent months with the traction seen in domestic equities. The high participation of retail investors and opening of new accounts is beneficial for earnings of both BSE and CDSL.

Bharti Airtel up as SC AGR verdict favourable for company

Shares of Bharti Airtel rose after Supreme Court's verdict in the adjusted gross revenue relief case is favourable for the company in many ways. Market believe the company has the cash flows and ability to raise funds to meet the apex court's timeline of 10 years to repay the government dues.

Domestic**Export heavy companies down as government may cap benefits**

Shares of companies with heavy exposure to exports declined today as the government has reportedly decided to limit benefits to firms under the Merchandise Export from India Scheme at 50 bln rupees during Sep-Dec. As per the report, benefits under the incentive scheme to each exporter will be limited to 20 bln rupees for outbound shipments made during the December quarter. IIFL Securities reportedly said earnings-per-share of Bajaj Auto, Bharat Forge and Balkrishna Industries will be lowered to 4-7%. Analysts believe many genuine companies will suffer from this move and their profits could be hit by 3-5%. Going forward, announcement on any new scheme replacing this one will be monitored.

International**COMMODITY**

CRUDE OIL: Futures settled over 2% lower on Wednesday as data showed demand for petrol fell in the US in the latest week, an indication that economic recovery from the pandemic may be slower than expected. Demand for petrol fell to 8.78 mln barrels in the week ended Friday from 9.16 mln bbl a week ago. Crude oil prices were weighed after Russia's energy minister proposed that the Organization of the Petroleum Exporting Countries and its allies should react to the recovery in demand.

PRECIOUS METALS: Gold futures ended lower on Wednesday as equities rose globally and the US dollar recovered from its two-year low. A weaker US currency makes gold more attractive to overseas buyers on a relative basis and vice versa.

Stock to watch

- **ALLCARGO LOGISTICS:** To review due diligence report on share delisting proposal on Saturday.
- **BOMBAY RAYON FASHIONS:** Will sell its textile unit in Tarapur, Maharashtra, to its wholly-owned subsidiary BRFL Textiles for 6.3 bln rupees.
- **CAPITAL INDIA FINANCE:** The board of the company will meet on Sep 28 to consider raising up to 10 bln rupees by issuing non-convertible debentures, medium term notes and other debt instruments
- **CENTRAL DEPOSITORY SERVICES (INDIA):** The net number of active demat accounts opened with the company has crossed a new milestone of 25 mln.
- **DEWAN HOUSING FINANCE CORP:** Transaction auditors appointed by the administrator of the company, in its initial report, have found certain transactions were fraudulent in nature. According to the report, the monetary impact of the fraudulent transaction in the books of the company is to the tune of 140.46 bln rupees and the notional loss is 33.48 bln rupees, because of charging lower rate of interest to certain entities fraudulently
- **DISH TV INDIA:** Expects the start of the cricket season, primarily the Indian Premier League, to keep consumer sentiment strong through Oct-Dec
- **EDELWEISS FINANCIAL SERVICES:** Ontario Teachers' Pension Plan Board has entered into a pact with Edelweiss Group to invest \$350 mln, or 26 bln rupees, in Edelweiss Alternative Asset Advisors.
- **ENGINEERS INDIA:** Got 4.5-bln-rupee order from GAIL INDIA for the execution of propane dehydrogenation, polypropylene project at Usar, Maharashtra.
- **ELGI EQUIPMENTS:** Wholly-owned subsidiary Elgi Compressors USA Inc has formed a 50:50 joint venture PLA Holding Co, LLC along with Jeffery Brandon Todd, which will also be the manager of the JV
- **HINDUSTAN COPPER:** Has raised the prices of its products by nearly 2% in September, trade sources told

Data Alert

Overseas

- US MORTGAGE APPLICATIONS SURVEY for week ended Fri. 1630 IST
- US ADP NATIONAL EMPLOYMENT REPORT for Aug. 1745 IST.

Domestic

- SERVICES AND COMPOSITE PMI for Aug, by IHS Markit. 1030 IST.

Actions watch

SPLIT

Company	Ratio	Ex.date
LAURUSLAB	1:5	29-SEP

Major Dividends

Company	Div/Share	Ex.date
CDSL	Rs.4.50	07-SEP
KKCL	Rs.1.00	07-SEP
HERCULES	Rs 1.80	08-SEP
GSPL	Rs. 2.00	09-SEP

DERIVATIVES IN BAN PERIOD

IDEA	IBULHSGFIN
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RESULTS TODAY

ADARSH	COALINDIA
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DISHTV

NMDC

Thought of the day

“Wide diversification is only required when investors do not understand what they are doing.”
Warren Buffett



Previous Tracker

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