



Muthoot Securities

# MARKET MANTHRA

22-SEP-2020

## Domestic Indices

index	Close	Prv close	%Chg
NIFTY 50	11,222.2	11,505.0	-2.46
NIFTY SMALLCAP 50	2831.85	2964.5	-4.47
NIFTY MIDCAP 50	4,548.1	4,767.8	-4.61
NIFTY SMALLCAP 250	4946.6	5151.5	-3.98
NIFTY BANK	21,290.1	22,031.1	-3.36
NIFTY NEXT 50	26547.65	27552.85	-3.65
NIFTY METAL	2,231.6	2,362.2	-5.53
INDIA VIX	22.66	20.05	13.02

## 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

Shares of banks took a beating after an international expose showed several Indian listed banks were involved in illicit transactions and alleged money laundering for many years. Given the heft of bank stocks on the benchmark indices, the Nifty 50 and the BSE Sensex sank over 2%, in line with the selling seen in equities from Hong Kong to London. Nifty 50 closed 2.2% lower at 11250.55 points, while the Sensex ended at 38034.14 points, down 2.1%. Shares of fast-moving consumer goods companies also saw steep selling.

## Global Market

US Treasury yields fell as fresh restrictions imposed in European countries to contain the spread of COVID-19 led to fears about the impact on global economic recovery. Restrictions have been imposed in major cities of Spain, Greece, Denmark and northern UK. UK's Chief Medical Officer Chris Witty said the country could see 50,000 fresh cases and 200 daily deaths every day by mid-October if actions were not taken to restrict the virus. Worries over delay in finalising fiscal support by the US government also dampened risk appetite. Market participants are worried that political fight over choosing a judge for a vacant US Supreme Court position could delay an agreement on fiscal stimulus.

## Market preview

The benchmark indices may see a subdued start today because of tepid cues from global markets as sentiment towards risky assets like equities remains muted. Sentiment will take a knock from a report by Mint that the tax body may now seek granular details of transaction in the stock market from taxpayers for the full assessment year. This may potentially hurt retail investors as it will make direct participation laborious and may reverse the recent surge in retail interest in the market over the long-term.

The Nifty 50 has broken the range it was moving in over the past few weeks and thus may trend even lower to 11000-11100 points

## News corner

## Corporate

### Tata Motors sinks on concerns over lockdown in UK

Shares of Tata Motors fell sharply today after media reports suggested that the UK was considering another round of COVID-19 restrictions to stem the resurgence of cases in the country. A reimposition of lockdown across the UK will severely hurt the operations of the company's arm Jaguar Land Rover, for whom the country is one of its biggest markets and where most of its production units are based.

### Bharti Airtel, Vodafone fall on worry over tariff hike

Shares of Bharti Airtel and Vodafone Idea fell today as investors grew concerned that these companies would find it difficult to hike tariffs, with Reliance Jio Infocomm reportedly cranking up the focus on postpaid plans to garner market share. Postpaid users for the two companies are crucial as their average revenue per user is nearly three times prepaid ones. Experts said if Reliance Jio increases competition in the postpaid market, then companies would try to hold on to as many customers as possible, which would mean even prepaid plans may not see hikes.

## Domestic

### Metal, steel companies fall as risk aversion sparks sell-off

Shares of several metal and steel companies fell on global risk aversion, sparked by worries that the relentless spread of the COVID-19 pandemic will cause more lockdown measures, as being seen in Europe. Investors were hoping that the strong recovery momentum seen in the global economy in July and August will sustain. However, the reimposition of lockdowns will thwart the recovery and prolong the economic crisis. The Nifty Metal index fell 5% to become the worst performing sectoral index on the NSE. International prices of various metals were lower. The metals sector was among the ones having seen a sharp rise in share prices with the reopening of the economy and bounceback in prices of products. Data pointing to improvement in industrial output and resumption of business activity around the world, especially China and the US, had also aided gains.

## International

### COMMODITY

**CRUDE OIL:** Futures ended sharply down on Monday because of fears of oversupply as Libyan crude oil is expected to return to the market. Rising coronavirus cases in Europe and fears of more lockdowns to contain its spread also weighed on crude prices. NYMEX Nov futures (per bbl): \$39.54 Monday vs \$41.32 Friday. ICE Brent Nov futures (per bbl): \$41.44 Monday vs \$43.15 Friday

**PRECIOUS METALS:** Gold futures ended 3% lower on Monday as fear of fresh lockdowns in many countries after coronavirus cases surged in Europe pushed market participants towards the dollar, which made purchasing the safe-haven metal expensive. COMEX Dec gold futures (ounce): \$1,910.6 Monday vs \$1,962.1 Friday

### Stock to watch

- **BHARTI AIRTEL:** Telecom operators, including the company and VODAFONE IDEA, which have pending adjusted gross revenue dues, will have to pay 10% of the total liability by Mar 31 irrespective of the part-payments made by them, sources said
- **BOMBAY BURMAH TRADING CORP:** The board of the company will meet on Thursday to consider raising up to 750 mln rupees by issuing non-convertible debentures
- **CAMLIN FINE SCIENCES:** Has started commercial production to manufacture hydroquinone and catechol at its newly set up diphenol manufacturing unit in Dahej special economic zone in Gujarat.
- **CANARA BANK:** Plans to raise up to 4.88 bln rupees through Basel-III compliant tier-I bonds, and has invited bids on Friday, sources told
- **CEAT:** The board will meet on Friday to consider raising funds via non-convertible debentures.
- **DEEPAK NITRITE:** The Vanguard Group Inc A/C Vanguard Emerging Markets Stock Index has bought around 1.20 mln shares, representing 0.88% stake, of the company at 839.18 rupees apiece through a bulk deal on the National Stock Exchange
- **GLANCE FINANCE:** Narendrakumar Sardarsingh Karnavat, promoter of the company, has proposed selling 35,878 equity shares or 1.59% stake in the company through an offer for sale on Wednesday and Thursday
- **GMM PFAUDLER:** Promoters Pfaudler Inc, Millars Machinery Co and Urmi Patel, will sell up to 17.59% stake or 2.57 mln shares in the company through an offer for sale. The floor price has been set at 3,500 rupees per share, a discount of 32.7% from Monday's closing price on the National Stock Exchange
- **HSIL:** Will buy back up to 6.67 mln shares at 105 rupees per unit through the open market.

### Data Alert

#### Overseas

- US WEEKLY CHAIN STORE SALES INDEX. 1715 IST.
- EU FLASH CONSUMER CONFIDENCE INDICATOR for Sep. 1930 IST

#### Domestic

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### Actions watch

#### SPLIT

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

#### Major Dividends

Company	Div/Share	Ex.date
NXTDIGITAL	Rs.5.00	22-SEP
HGS	Rs.6.00	22-SEP
JBCHEMPHARM	Rs 1.00	22-SEP

#### DERIVATIVES IN BAN PERIOD

ADANI	BHEL
TATACHEM	CEDL
CANBK	JINDALSTL
IDEA	
L&TFH	GLENMARK

#### RESULTS TODAY

SOBME	PRABHAT
ARTEMISELC	HARISH

### 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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