

K ₹ STREET



RULE THE MARKET

ISSUE: 113



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From The Desk Of Research Head

RIL and Amazon fight it out for Future Retail

Two of the world's richest men are fighting it out to buy out brick and mortar retail network of Future Group which is on the death bed. What's at stake is strategic access to a network of popular chain of retail outlets across formats, which is expected to compliment their online presence and enhance presence across major cities. The situation is such that each one of them either wants to own it or prevent other from owning it. According to Forrester Research, Flipkart and Amazon rule India's e-commerce space with a share of 31.9% and 31.2% respectively, while Mukesh Ambani is stooping to conquer the space through JioMart and a basket of related tuck in acquisitions he made in the recent past. It's not strange that Ambani is vying to grab Future Retail as it would easily place him in the top league.

As of Sep 30, Amazon holds 4.8% stake in Future Retail which it acquired through a deal it struck with the group in August 2019. The deal gave Amazon first right of refusal to acquire more shares in Future Retail. According to sources, the deal had a non-compete clause which has a list 30 restricted entities with which Future Retail and Future Group cannot do business and RIL is part of that list.

It started when RIL and Future Group announced a deal wherein RIL would buy Future Retail and other related assets as India's retail baron was looking for a way out to save his group which was severely hit by covid-induced lockdown. As a result of which, the group defaulted on interest payments. While India's retail baron Kishore Biyani felt relieved, Amazon in an attempt to fight for its rights and save its market position knocked on the doors of Singapore International Arbitration Centre (SIAC). SIAC emergency arbitrator handed over Amazon a mini-victory when it halted the deal between RIL and Future Group. However, as per unofficial sources, RIL is of the view that the deal is fully enforceable as per Indian laws.

As for Amazon, winning an interim order is not end of it as any order by international emergency arbitrator must be accompanied by an Indian court's order. If past is any indication, in all such cases Indian courts have followed the lead of orders issued by emergency arbitrators. As for the current case goes, the complex nature of FDI rules for retail sector make things hard for Amazon. The current rules prevent FDI in multi-brand outlets. Even otherwise, the agreement between Future and Amazon was fraught with operational and cultural issues. As per the deal, Future Group's retail outlets were to serve as fulfilment centres with an objective of delivering at least 1 lakh orders from Big Bazaar stores. But as per sources, it could hardly achieve 1000-15000 mark a day.

While for Future Retail it is a do or die situation which stares at liquidation in the event RIL-Future deal fails, leading to 29000 job losses, for RIL and Amazon it is battle to save their own turf and prevent other from gaining an easy edge over other. Given Amazon's deep pockets and RIL's execution capabilities, which has fast penetrated into various Indian cities, it is definitely not a 'die for' kind of investment option. Nevertheless, Future Retail fits nicely into RIL's overall strategy as it gives RIL a readily available retail eco system, which if combined with RIL's deep pockets and execution capabilities, can create wonders. The battle is taking a turn of an 'ego-issue' between two titans who would not give up easily. As things are heating up, it might take an ugly turn before some clarity emerges even as Future Group is dying a slow death putting Rs. 26,000 Cr of lenders' exposure at risk.

- DR. RAVI SINGH

Vice President & Head of Research

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NEWS

AUTO

- Maruti Q2FY21: Revenue came at Rs. 18,774.5 Cr increased by 10.4% YoY. (Rs. 16,985 Cr in Q2FY20). Net profit during the quarter came at Rs. 1,371.6 Cr, increased marginally by 1% YoY (Rs. 1,358.6 Cr in Q2FY20). PAT was lower on account of higher tax expenses (Rs. 376 Cr vs Rs. 213 Cr on YoY) and lower other income (Rs. 602.5 Cr vs Rs. 920 Cr on YoY).
- TVS Motor Q2FY21: Standalone operational performance better than expected. Rev up 5.9% at 4605 Cr vs 4347.8 Cr YoY. EBITDA up 12.6% at 430 Cr vs 382 Cr YoY. OPM at 9.3% vs 8.8% YoY. Margins up 50 bps YoY at 9.3%. Co says strong focus on cost reduction aided margins. PAT down 23.1% at 196 Cr vs 255 Cr YoY.
- Hero MotoCorp said that the festive season started well and is hopeful of sustenance of sales momentum going forward.

BANKING

- Bank Of Baroda Q2FY21: Net profit up 127.9% at Rs. 1678.6 Cr vs Rs. 736.68 Cr (YoY) and NII up 6.9% at Rs. 7507.53 Cr vs Rs. 7024.73 Cr (YoY). Gross NPA at 9.14% Vs 9.39% (QoQ) Net NPA at 2.51% vs 2.83% (QoQ). Advances were up 5.32% YoY; Deposits were up 6.73%; CASA Deposits were up 12% and CASA ratio up CASA ratio at 39.78% is up 29 bps QoQ and 190 bps YoY.
- Canara Bank Q2FY21: Net profit up 21.8% at Rs. 444.41 Cr vs Rs. 364.92 Cr (YoY) and NII up 29.31% YoY at Rs. 6296.53 Cr. Gross NPA at 8.23% vs 8.84% (QoQ) Net NPA at 3.42% vs 3.95% (QoQ). Advances up 4.77% YoY and Domestic Deposits 11.9%. CASA deposits up 14.47% YoY. Operating profit up 32.53% YoY.

CEMENT

- Orient Cement reported a profit at Rs. 34.8 Cr in Q2FY21 against a loss of Rs. 7.7 Cr, revenue fell to Rs. 477.5 Cr from Rs. 515 Cr YoY.

CONSUMPTION

- Blue Dart Standalone Sep 2020 Net Sales at Rs. 864.42 Cr, up 8.04% YoY; Net Sales at Rs. 864.42 Cr in Sep 2020 up 8.04% from Rs. 800.07 Cr in Sep 2019. Quarterly Net Profit at Rs. 41.39 Cr in Sep 2020 up 195.85% from Rs. 13.99 Cr in Sep 2019. EBITDA stands at Rs. 149.46 Cr in Sep 2020 up 131.79% from Rs. 64.48 Cr in Sep 2019.
- Arvind reports Q2 net loss of Rs. 5.86 Cr: Textile major Arvind Ltd on Thursday reported a consolidated net loss of Rs. 5.86 Cr for the quarter ended on September 30, 2020, impacted by the COVID-19 pandemic. The company had posted a net profit of Rs. 49.68 Cr in the July-September quarter a year ago. Total income during the quarter stood at Rs. 1,318.95 Cr against Rs. 1,973.90 Cr in the corresponding quarter a year ago. Arvind Ltd said as a result of lockdown to contain the outbreak of COVID-19, the volumes for the current quarter and half year are impacted.
- Mahindra Holidays Q2 profit up 18.1% at Rs. 28.7 Cr despite testing times: 9% cut in expenses helps hospitality firms register higher profit despite lower total income. Mahindra Holidays has said it has made a profit of Rs. 28.7 Cr in the second quarter (Q2) of FY21, compared to a profit of Rs. 24.3 Cr in the corresponding quarter of the previous fiscal. However, the total income of the hospitality firm dipped to Rs. 510 Cr in the quarter ended September 2020 from Rs. 573 Cr in the same time last year.
- Tata Coffee posted a 6% jump in its consolidated net profit to Rs. 42.40 Cr for September quarter on improved revenues. The company had posted a net profit of Rs. 40.13 Cr in the corresponding quarter of previous fiscal. Tata Coffee said in a regulatory filing. Net income in the second quarter of the current fiscal rose to Rs. 546.63 Cr from Rs. 486.05 Cr in the year-ago period. Expenses remained higher at Rs. 488.76 Cr as against Rs. 439.12 Cr on a YoY basis. Speaking on the results, the management stated that instant Coffee exports from India continue to be healthy; with plants running near full capacities, and that the company is witnessing stable performances across key geographies. Our Vietnam operations continue to grow stronger quarter-on-quarter.

FINANCIAL SERVICES

- The Multi-Commodity Exchange of India (MCX) has entered into a licensing agreement with Indian Energy Exchange to launch Electricity derivatives. The derivatives will be linked to IEX spot electricity prices on the MCX trading platform. The agreement is subject to necessary approvals from the central government and the concerned regulators.

IT

- Zensar Technologies Ltd. Q2FY21: Net profit down 99.3% at Rs. 0.5 Cr vs Rs. 73.31 Cr (QoQ) and Revenue down 1.2% at Rs. 979.45 Cr vs Rs. 991.24 Cr (QoQ).
- Persistent Systems met the necessary customary closing conditions with respect to the acquisition of Palo Alto-based Capito, according to a regulatory filing. Consequently, Capito Software Private Limited has become a wholly-owned subsidiary company of Persistent Systems Limited with effect from October 29, 2020.

FORTHCOMING EVENTS

COMPANY NAME	EVENT	EX-DATE
Housing Development Finance Corporation	Financial Results	02-Nov-20
NTPC	Financial Results/Buyback	02-Nov-20
Punjab National Bank	Financial Results	02-Nov-20
The Ramco Cements	Financial Results	02-Nov-20
Zee Entertainment Enterprises	Financial Results	02-Nov-20
Adani Ports and Special Economic Zone	Financial Results	03-Nov-20
Sun Pharmaceutical Industries	Financial Results	03-Nov-20
Hindustan Petroleum Corporation	Financial Results/Buyback	04-Nov-20
Lupin	Financial Results/Other business matters	04-Nov-20
State Bank of India	Financial Results	04-Nov-20
Adani Enterprises	Financial Results	04-Nov-20
Adani Power	Financial Results	05-Nov-20
Cipla	Financial Results	06-Nov-20
ITC	Financial Results	06-Nov-20
Divi's Laboratories	Financial Results	07-Nov-20

GLOBAL NEWS

- France's economy rebounds 18.2% in the third quarter: Statistics office. Nevertheless, economic output was "sharply lower than it had been before the crisis," with GDP down by 4.3 percent on a year-on-year basis, the statisticians calculated in preliminary data.
- Coronavirus second wave douses hopes of German economic recovery. Analysts from financial information service Factset have predicted a rebound of 7.4 percent in July to September after a plunge of almost 10 percent during the second quarter.

METAL

- Vedanta: CRISIL downgraded long term credit rating to AA-/Stable from AA/Negative.
- Hindustan Copper Board approved raising up to Rs. 2,500 Cr via debt.

NBFC

- Cholamandalam Investment & Finance Co Q2FY21: Net profit up 41.6% at Rs. 434.64 Cr vs Rs. 306.94 Cr (YoY) and Revenue up 10.9% at Rs. 2454.01 Cr vs Rs. 2212.27 Cr (YoY).
- Shriram Transport Finance Q2FY21: The non-banking finance company reported a 10.5% decline in net profit at Rs.684.56 Cr in the July-September quarter of 2020-21. Shriram Transport Finance Company had posted a net profit of Rs. 765.05 Cr in the same quarter of 2019-20.

OIL & GAS

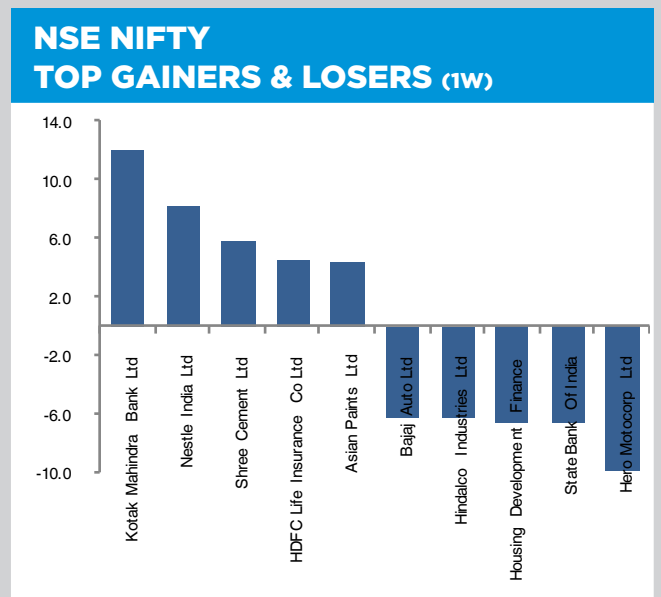
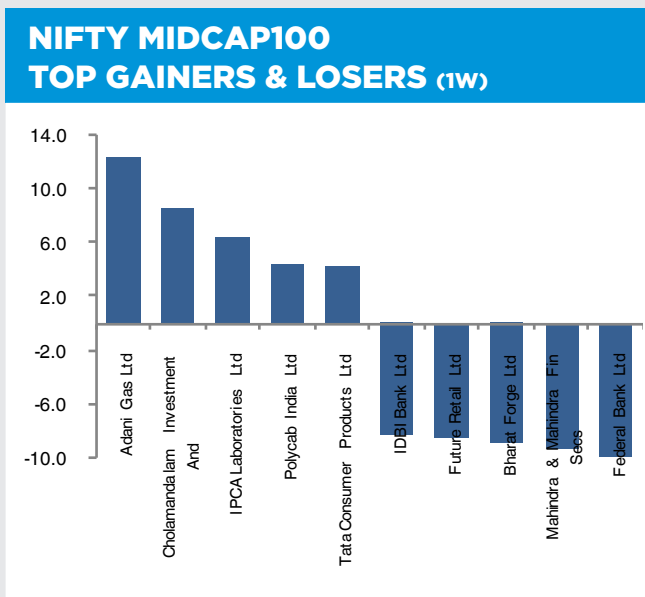
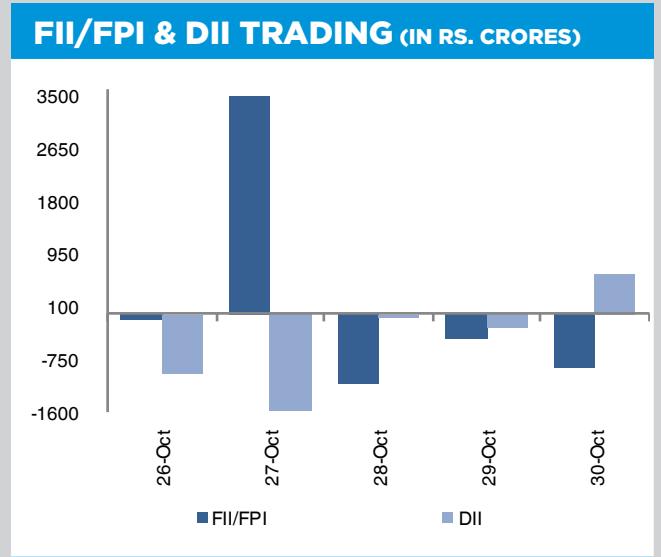
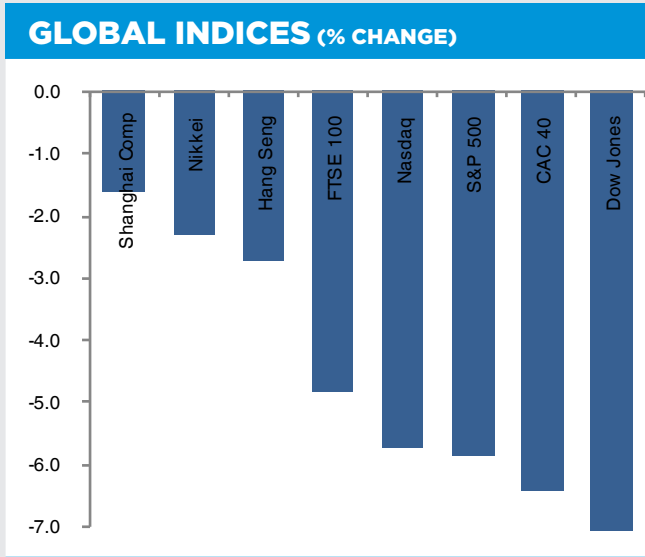
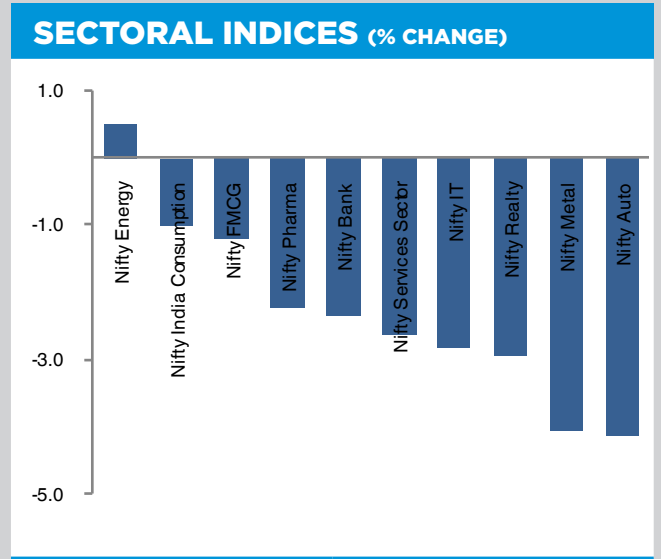
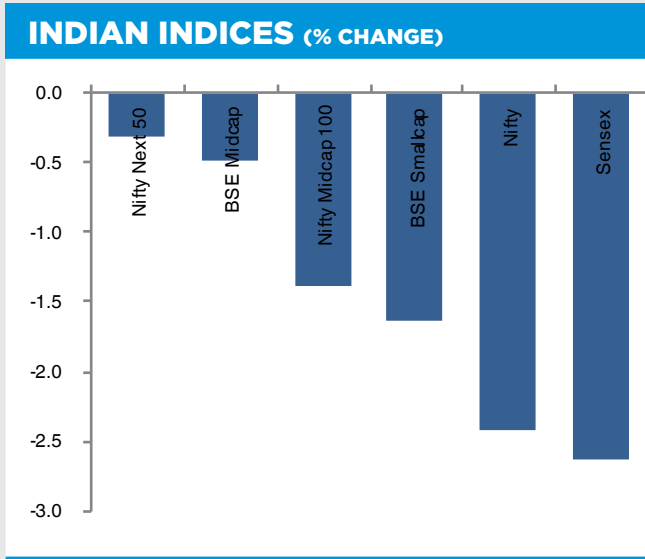
- BPCL Q2FY21: Net profit up 50.6% at Rs. 2263.05 Cr vs Rs. 1502.63 Cr (YoY) and Revenue down 12.3% at Rs. 66331.22 Cr vs Rs. 75627.99 Cr (YoY).
- HPCL's board will meet on November 4 to consider Q2FY21 results and a share buyback plan as the company management feels the share price is lower than the value it deserves.

PHARMA & HEALTHCARE

- Laurus Labs Q2FY21: Revenue came at Rs. 1,138.8 Cr, increased by 60% YoY. (Rs. 712.4 Cr in Q2FY20). Net profit during the quarter came at Rs. 242.2 Cr, increased by whopping 3.28x YoY (Rs. 56.5 Cr in Q2FY20) on account of higher revenue and EBITDA growth.

REALTY

- Promoter Sadbhav Engineering released pledge on a 1.9 percent stake.
- Sunteck Realty announced the repayment of the amount due to the holders of Commercial Paper.



Source: Karvy Research

BEAT THE STREET - TECHNICAL ANALYSIS

Adani Ports & Special Economic Zone Ltd



STOCK	ADANIPTS
CMP	360
ACTION	BUY
ENTRY	353-355
AVERAGE	340
STOP LOSS	320
TARGET 1	390
TARGET 2	405

On the technical front, ADANIPTS has higher highs and higher lows on the daily charts and is currently placed above the major long-term EMAs in the daily frame. In the recent past, after clocking a low of 203 levels, the stock has witnessed a bounce and rallied to the current levels forming a secular uptrend. At the current juncture, the stock has formed a base of around 340 levels on the lower side and is all set to move higher. The overall chart structure of the counter looks bullish from current levels and is witnessing a bounce from the support zone around 340-345 levels. This may trigger a fresh round of buying which may take the stock towards 390 plus levels. The stock is currently performing in line with the broader markets indicating the inherent strength in the counter and is trading well above the major long-term support levels. On the Bollinger band (20,2) the stock price is trading above the mean with the upper band facing in the northward direction indicating the price likely to move higher. Analyzing the recent volume price action, the volumes have been encouraging in the recent up move indicating strong hands have started accumulating the stock at current levels. On the oscillator's side, RSI (14) is trading in a comfortable zone of above 50 levels indicating the intact bullishness in the stock. We expect the counter to continue its outperformance in the coming trading days as well and may move towards 400-405 levels in the medium-term. Any correction towards the recent support levels of 340 levels may be utilized to average the positions.

Bharti Airtel Ltd



STOCK	BHARTIARTL
CMP	434 (Spot Levels)
ACTION	SELL
ENTRY	BLW 430
AVERAGE	446-447
STOP LOSS	489
TARGET 1	365
TARGET 2	350

On the technical front, BHARTIARTL has higher lows and lower lows on the daily charts and is currently placed below the medium-term moving averages. In the recent past, after clocking the high of 612 levels, the stock has witnessed a round of profit booking which dragged the counter below the medium-term moving average of 200-DEMA on the daily charts. At the current juncture, the stock is forming a ceiling around 447 levels on the higher side and is all set to move lower below 365 levels. The overall chart structure of the counter looks bearish at the current levels forming higher lows and lower lows. This may trigger a fresh round of selling which may take the stock towards 350 levels. The stock is underperforming compared to the broader markets indicating the inherent weakness in the counter and is trading well below the short-term support levels. On the Bollinger band (20,2) the stock price is plotting below the mean indicating the price likely to trend lower. Analyzing the recent volume price action, the volumes are significant in the recent down move indicating strong hands have started supplying the stock at current levels. On the oscillator's side, RSI (14) is trading in the bearish zone of below 50 levels indicating the bearishness in the stock. We expect the counter to continue its underperformance in the coming trading weeks as well and may move towards 350 levels in the short to medium term. Any upward rally towards the recent resistance levels of 446-447 levels may be utilized to average the positions.

INDEX SNIPPETS

NIFTY (11642.40): Indian equity benchmark index Nifty 50 closed lower by 2.41% during the week. During the last seven months, the index witnessed a bounce towards the current levels after correcting from 12150 levels towards the low of 7511 levels. Technically, from March 2020, the index is forming higher highs indicating that the bulls are reclaiming the lost ground. However, the index may resume its bearish bias if it breaches and sustains below 11600-11650 levels in future sessions. On the global front, stocks in Asia-Pacific were lower on Friday, as shares of Apple suppliers in the region declined after the Cupertino-based tech giant announced its fourth-quarter earnings. European markets were mixed Friday as jitters over the upcoming U.S. election and tightening coronavirus restrictions across the continent weighed on sentiment. Eurozone GDP (gross domestic product) jumped by more than expected in the third quarter, with a quarterly climb of 12.7%. Domestically, for the week, on the data front, investors may focus on the Manufacturing PMI (Oct) data releasing on Nov 2nd and Services PMI (Oct) data releasing on Nov 4th. On the derivatives front, open interest data suggests that the index may find its supports around 11600 followed by 11000 levels while on the higher side, 12000 and 12500 levels may act as strong resistance.



NIFTY AUTO INDEX has underperformed Nifty 50 with losses of 4.2% versus Nifty 50's losses of 2.4%. Technically, the index has been moving in a range for the past three months after recovering sharply from lows of Covid-correction. The index has not been able to break out of the resistance of 8220-8260 levels. Nifty Auto index has opened the week on a negative note and has moved downwards throughout the week to close at 7758.4. During the week, Nifty Auto crisscrossed around 50DMA but ended the week way below it in the support zone of 7750 – 7800, which also happens to be the bottom end of the range we spoke about. Fundamentally, this week was marked by strong Q2FY21 earnings released by industry heavyweights including Maruti Suzuki, Hero MotoCorp and TVS Motor. Despite strong set of numbers, the index ended on a negative note due to global sell off amid rising corona cases. This week's losses were led by index heavyweights including Hero MotoCorp, M&M, Bajaj Auto and Bharat Forge. Hero MotoCorp is the top loser which ended down nearly 10% on profit booking. TVS Motor is the top performer which ended the week up 2.3% on strong set of Q2FY21 numbers. Next week's direction would be set by October month's sales volumes and management commentary on festive season sales and future outlook. We expect the index to see support at 7670 followed by 7420. On the upside, we expect to see some resistance at 8100 followed by 8260.



NIFTY CONSUMPTION was down 1% for the week (outperformed the benchmark index by 140 bps) as markets are apprehensive on the increasing number of covid cases and also factoring in the uncertainties regarding the outcome of the US Presidential election next week. On the results front, most companies that announced their July – Sept results indicated towards good consumption especially in the FMCG space. However, coming to the discretionary spends, the overall market continued to be very selective. Textile segment continues to be on lower volumes however, KPR and Welspun surprised positively with good set of volume numbers particularly from the international market. Generally, discretionary spends are witnessing gradual pick up in numbers but is expected to take longer to normalize to pre covid levels. The index had fallen over 30% during the early days of covid and lockdown era. However, since august, the valuations have returned to historical highs and the index has been trading in the range of 4800 to 5300. We expect the index to consolidate in this range. Both FMCG and Consumption index valuations are high and near to pre covid levels and we do not see any positive triggers for the same in the near term for the valuation to re rate. On the consumption front, the continued spread of covid cases and more lockdowns could impact domestic and international business leading to lower valuations. However, for the coming week the focus will largely be on the US Presidential election. We expect the Nifty consumption index to find support at 4900 and further at 4800 and resistance levels to watch out for are 5100 and 5250.



BULLION

The global precious metals market came under bears grip in the week ended on 30th October 2020 with gold prices falling to 4-week low of \$1859.20 per troy ounce while silver fell to a low of \$22.63 per troy ounce. Sharp rise in the dollar against major currencies and most importantly against the Euro, which rose to 4-week high on imposition of fresh lockdown in some of European countries added pressure to the bullion market. Further, there were no concrete progress in the U.S. stimulus package before the election, which is scheduled on 3rd November 2020. The United States, Russia, France and many other countries are witnessing an increase in coronavirus cases forcing some countries to impose new curbs. Gold premiums in India jumped to their highest in nearly three months last week, as jewellers continued to stock up on hopes of more customers visiting stores as the festive season gathers pace. The U.S. durable goods order rose by 1.9% rising to six-year high in September against prior month reading of 0.5%. U.S. President Donald Trump said that an economic relief deal would likely come after the Nov. 3 election. The United States third quarter advanced GDP witnessed a growth of 33.1% YoY against earlier growth of -31.4% beating market expectation of 31.0% as the government injected more than \$3 trillion worth of pandemic relief which fuelled consumer spending. According to World Gold Council, global gold demand fell by 19% to 892.3 tons YoY in third quarter as consumers and investors continued to battle the effects of the global pandemic. Further, sharp rise in the price gold touching all time high impacted the gold buying in third quarter.

ENERGY

The crude oil futures of WTI and Brent nosedived to 5-month low in the week ended on 30th October 2020 on diminishing global oil demand outlook. An increase in number of fresh COVID cases in the United States and Europe is forcing the governments to impose fresh lockdown restriction, which would worsen the oil demand. An increase in oil production in Libya after lifting of force majeure and OPEC's decision to increase the production by 2 million barrels per day from January 2021 also weighed on the oil prices. According to data released by American Petroleum Institute, crude oil stocks rose by 4.6 million barrels last week. Weekly crude oil inventories rose by 4.3 million barrels last week according to Energy Information Administration. The fresh COVID cases are increasing in the countries such as United States, Russia, France and European governments have introduced new curbs to try to rein in the fast-growing outbreaks. Libyan oil production has reached 680,000 barrels per day (bpd). Though there is production disruption in the Gulf of Mexico because of Hurricane Zeta, its impact would be short-lived and the production would resume soon. The OPEC+ will be monitoring the deteriorating demand outlook closely as well as rising supplies from OPEC member Libya. OPEC+ is planning to taper the production cuts in January 2021 from a current 7.7 million barrels per day (bpd) to about 5.7 million bpd.

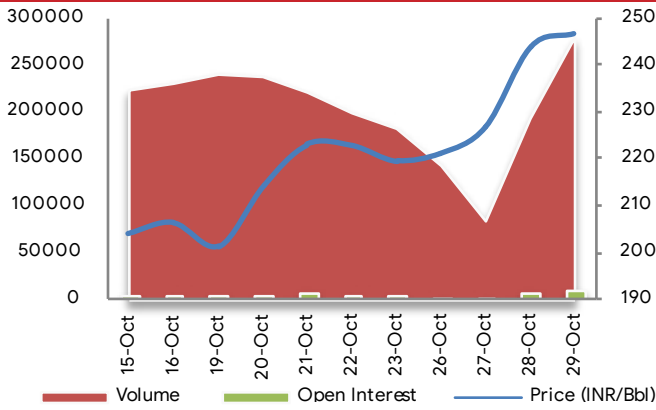
BASE METALS

Most of the metals ended lower in the week ended on 30th October 2020 on worries over global demand following imposition of lockdown restrictions in the United States and the Europe. Further, market took cautious trade ahead of U.S. Presidential election results on 3rd November 2020 as well as Brexit deal. The United States, Russia, France and many other countries set records for daily infections, while a much-awaited U.S. stimulus was yet to be agreed. The Philippines has emerged as the main supplier of raw material to China's nickel pig iron (NPI) producers since Indonesia banned exports at the start of this year. Nickel Asia Corp suspended until Nov. 10 operations at Hinatuan mine after 19 employees tested positive for COVID-19. The United States GDP in third quarter grew at 33.1% against prior reading of -31.1%. The LME cash to 3-month premium for copper fell to \$16 a ton on Thursday from \$19 a ton a day earlier. The LME cash to 3-month premium for lead fell to \$12.5 a ton on Thursday from \$16.5 a ton a day earlier. The LME cash to 3 month premium for zinc improved a tad to \$13 a ton on Thursday from \$11.5 a ton a day earlier. The LME cash to 3 month premium for aluminium fell to \$9.5 a ton on Thursday from \$14 a ton a day earlier.

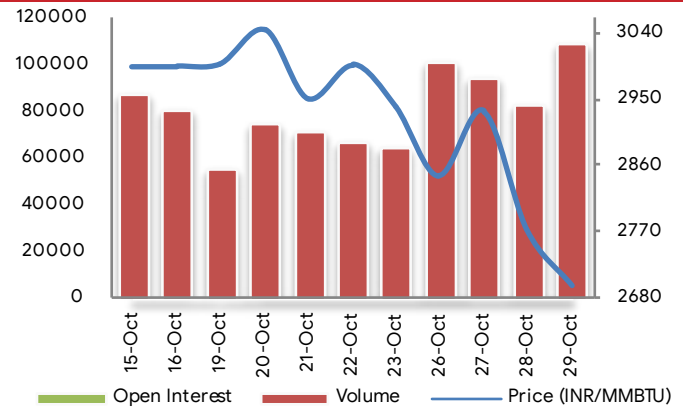
NEWS DIGEST

- A leading trade body has urged the Indian government not to reduce import taxes on edible oils as lower prices could hurt local farmers who are trying to boost production. Edible oil prices in India, the world's biggest importer of vegetable oils, have jumped recently, tracking a rally on foreign markets and after the local soybean crop was damaged by excessive rainfall. "It would not be proper to tamper with the reduction of import duties or encourage public sector undertakings to import edible oils at concessional duties as it would be counterproductive," the Solvent Extractors' Association of India (SEA) said in a letter written to various federal ministries. India fulfils more than 70% of its edible oil requirement through imports and the current rise in prices is necessary to encourage farmers to expand the area under oilseeds and adopt better farm practices, the SEA said. Although the government is not currently suggesting dampening edible oil prices by cutting import taxes, it has taken such a step in the past. Retail inflation picked up in September to 7.34%, its highest level in eight months, as food prices surged ahead of the festival season. India currently levies import taxes of 37.5% and 45% respectively on crude and refined palm oil. Imports of crude soybean oil, crude sunflower oil and rapeseed oil attract import duty of 35%. The south Asian country imports palm oil mainly from Indonesia and Malaysia and other oils such as soy and sunflower oil from Argentina, Brazil, Ukraine and Russia.
- Demand for gold dropped to 892.3t in Q3 – its lowest quarterly total since Q3 2009 – as consumers and investors continued to battle the effects of the global pandemic. At 2,972.1t year-to-date (y-t-d) demand is 10% below the same period of 2019. Although jewellery demand improved from the Q2 record low, the combination of continued social restrictions, economic slowdown and a strong gold price proved onerous for many jewellery buyers: demand of 333t was 29% below an already relatively anaemic Q3 2019. By contrast, bar and coin demand strengthened, gaining 49% y-o-y to 222.1t. Much of the growth was in official coins, due to continued strong safe-haven demand in Western markets and Turkey, where coins are the more prevalent form of gold investment. Q3 also saw continued inflows into gold-backed ETFs, although at a slower pace than in the first half. Investors globally added 272.5t to their holdings of these products, taking y-t-d flows to a record 1,003.3t. Central banks generated small net sales of gold in Q3, the first quarter of net sales since Q4 2010. Sales were generated primarily by just two central banks – Uzbekistan and Turkey – while a handful of banks continued steady albeit small purchases. Demand for gold used in technology remained weak in Q3, down 6% y-o-y at 76.7t. But the sector saw a decent quarterly improvement as some key markets emerged from lockdown. The total supply of gold fell 3% y-o-y in Q3 to 1,223.6t, despite 6% growth in gold recycling, with mine production still feeling the effects of the H1 COVID-19 restrictions.
- U.S. oil output fell 3.6% to 10.6 million barrels per day (bpd) in August as offshore Gulf of Mexico production collapsed to a near seven-year low, the U.S. Energy Information Administration (EIA) said in its monthly 914 production report on Friday. That is down 14.9% from average U.S. output of 12.4 million bpd in August 2019 after producers this year cut back on new drilling as demand destruction from the coronavirus caused crude prices to collapse. It was also the first time overall crude output declined in three months. In the federal offshore Gulf of Mexico, crude output collapsed 27.5% to 1.2 million bpd in August – its lowest in a month since October 2013 – as a series of storms caused producers to temporarily shut-in producing wells. In top crude producing states, meanwhile, output slipped 1.0% in Texas to 4.7 million bpd in August, but jumped 12.3% in North Dakota to 1.2 million bpd.
- Chile's state-owned miner Codelco, the world's largest copper producer, on Friday reported a 86% increase in its profit for the first nine months of the year on Friday, to \$1.124 billion, amid an increase in production. The company, which turns over all its profits to government coffers, said production rose 4% year-on-year to 1.165 million tonnes in the first nine months. The company said its cash cost fell 11.3% to \$ 1.269 per pound between January and September. Codelco Chief Executive Octavio Aranceda said the latest results should generate among workers "energy and conviction" for the "marathon" required as the company faces the combined challenges of falling ore grades, costly overhauls and stringent safety measures necessitated by the pandemic. The Chilean government is also dependent on its key mining industry generally and Codelco specifically to help fund an ambitious emergency social spending package to counter the fallout of the pandemic and simmering social unrest. The company said in its earnings statement that "operational continuity, greater processing capacity and improved mineral grades" explained the increase in production.

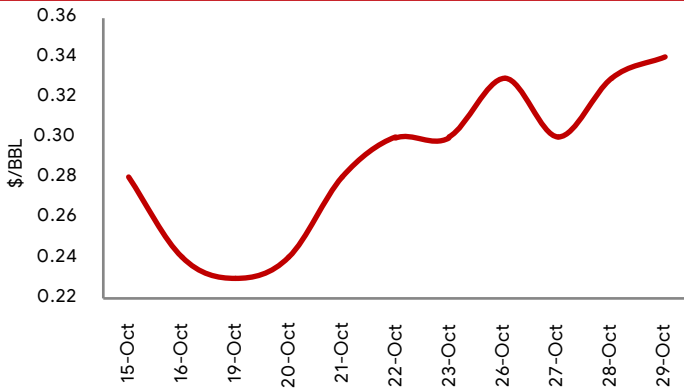
MCX CRUDE - PRICE, VOLUME & OPEN INTEREST



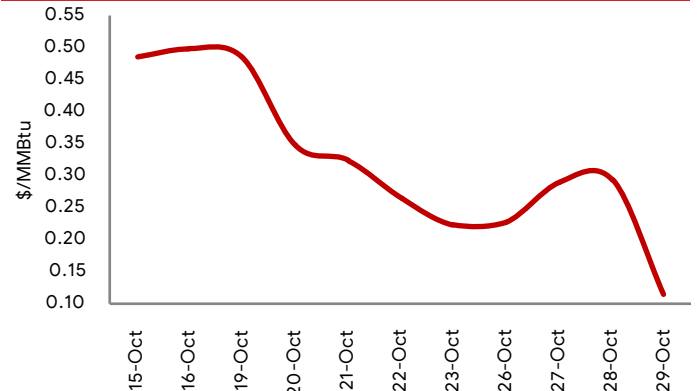
MCX NATURAL GAS - PRICE, VOLUME & OPEN INTEREST



CALENDAR SPREAD NYMEX - CRUDE OIL



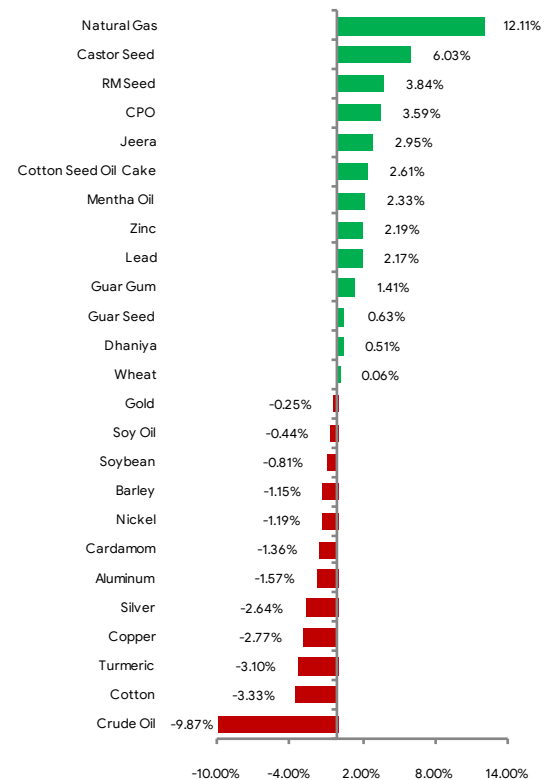
CALENDAR SPREAD NYMEX - NATURAL GAS



TRENDSHEET

Commodities	23-Oct	30-Oct	% Change	52 Week High	% Change from 52 Week High	52 Week Low	% Change from 52 Week Low
MCX Gold (Rs/10 gms)	50839	50713	-0.25	56191	-9.75	37100.00	36.69
MCX Silver (Rs/Kg)	62449	60800	-2.64	77949	-22.00	33580.00	81.06
MCX Crude Oil (Rs/bbl)	2939	2649	-9.87	4670	-43.28	795.00	233.21
MCX Natural Gas (Rs/mmBtu)	220	246	12.11	250	-1.36	110.50	122.81
MCX Copper (Rs/kg)	545	530	-2.77	549	-3.47	335.95	57.76
MCX Lead (Rs/kg)	150	153	2.17	170	-10.06	118.85	28.57
MCX Zinc (Rs/kg)	207	212	2.19	214	-0.93	123.60	71.52
MCX Nickel (Rs/kg)	1156	1142	-1.19	1250	-8.63	805.80	41.73
NCDEX Soybean (Rs/Quintal)	4310	4275	-0.81	4506	-5.13	3276.00	30.49
NCDEX Refined Soy Oil (Rs/10 kg)	967	963	-0.44	987	-2.46	728.20	32.18
NCDEX RM Seed (Rs/Quintal)	5858	6083	3.84	6111	-0.46	3770.00	61.35
MCX CPO (Rs/10 kg)	803	832	3.59	840	-0.95	567.30	46.62
NCDEX Castor Seed (Rs/Quintal)	4242	4498	6.03	4530	-0.71	3520.00	27.78
NCDEX Turmeric (Rs/Quintal)	6006	5820	-3.10	6820	-14.66	5200.00	11.92
NCDEX Jeera (Rs/Quintal)	14085	14500	2.95	17035	-14.88	13110.00	10.60
NCDEX Dhaniya (Rs/Quintal)	6692	6726	0.51	7421	-9.37	5431.00	23.84
MCX Cardamom (Rs/kg)	1470	1450	-1.36	4185	-65.35	0.00	-
NCDEX Wheat (Rs/Quintal)	1773	1774	0.06	2290	-22.53	1800.00	-1.44
NCDEX Guar Seed (Rs/Quintal)	4275	4302	0.63	4450	-3.31	3190.00	34.86
NCDEX Guar Gum (Rs/Quintal)	6585	6678	1.41	8340	-19.93	4700.00	42.09
MCX Cotton (Rs/Bale)	19830	19170	-3.33	20180	-5.00	14800.00	29.53
NCDEX Cocud (Rs/Quintal)	1803	1850	2.61	2427	-23.77	1507.00	22.76
MCX Mentha Oil (Rs/kg)	924	945	2.33	1336	-29.24	905.00	4.42

FUTURE PRICES (% CHANGE)



ECONOMIC GAUGE FOR THE NEXT WEEK

Date	Time	Country	Indicator Name	Period	Poll	Prefix	Unit	Prior
2-Nov-20	6:00	Japan	Jibun Bank Mfg PMI	Oct 2020			Diff.Idx	48
2-Nov-20	7:15	China (Mainland)	Caixin Mfg PMI Final	Oct 2020	53		Diff.Idx	53
2-Nov-20	10:30	India	IHS Markit Mfg PMI	Oct 2020	55.4		Diff.Idx	56.8
2-Nov-20	14:30	Euro Zone	Markit Mfg Final PMI	Oct 2020	54.4		Diff.Idx	54.4
2-Nov-20	15:00	United Kingdom	Markit/CIPS Mfg PMI Final	Oct 2020	53.3		Diff.Idx	53.3
2-Nov-20	19:30	United States	All Car Sales	Oct 2020				3.75
2-Nov-20	19:30	United States	All Truck Sales	Oct 2020				12.59
2-Nov-20	20:15	United States	Markit Mfg PMI Final	Oct 2020			Diff.Idx	53.3
2-Nov-20	20:30	United States	Construction Spending MM	Sep 2020	1		Percent	1.4
2-Nov-20	20:30	United States	ISM Manufacturing PMI	Oct 2020	55.6		Index	55.4
2-Nov-20	20:30	United States	ISM Mfg Prices Paid	Oct 2020			Index	62.8
2-Nov-20	20:30	United States	ISM Manuf Employment Idx	Oct 2020			Index	49.6
2-Nov-20	20:30	United States	ISM Manuf New Orders Idx	Oct 2020			Index	60.2
3-Nov-20	5:20	Japan	Monetary Base YY	Oct 2020			Percent	14.28
3-Nov-20	19:25	United States	Redbook MM	W 31 Oct			Percent	0.8
3-Nov-20	19:25	United States	Redbook YY	W 31 Oct			Percent	1.2
3-Nov-20	20:15	United States	ISM-New York Index	Oct 2020			Index	807.3
3-Nov-20	20:15	United States	ISM NY Biz Conditions	Oct 2020			Index	56.1
3-Nov-20	20:30	United States	Durables Ex-Def, R MM	Sep 2020			Percent	3.4
3-Nov-20	20:30	United States	Durable Goods, R MM	Sep 2020			Percent	
3-Nov-20	20:30	United States	Factory Orders MM	Sep 2020	1		Percent	0.7
3-Nov-20	20:30	United States	Durables Ex-Transpt R MM	Sep 2020			Percent	0.8
3-Nov-20	20:30	United States	Nondef Cap Ex-Air R MM	Sep 2020			Percent	1
3-Nov-20	20:30	United States	Factory Ex-Transp MM	Sep 2020			Percent	0.7
4-Nov-20	7:15	China (Mainland)	Caixin Services PMI	Oct 2020			Diff.Idx	54.8
4-Nov-20	10:30	India	IHS Markit Svcs PMI	Oct 2020	51.2		Diff.Idx	49.8
4-Nov-20	12:30	United Kingdom	Reserve Assets Total	Oct 2020		Mln	USD	173643.72
4-Nov-20	14:30	Euro Zone	Markit Serv Final PMI	Oct 2020	46.2		Diff.Idx	46.2
4-Nov-20	14:30	Euro Zone	Markit Comp Final PMI	Oct 2020	49.4		Diff.Idx	49.4
4-Nov-20	15:00	United Kingdom	Markit/CIPS Serv PMI Final	Oct 2020	52.1		Diff.Idx	52.3
4-Nov-20	15:00	United Kingdom	Composite PMI Final	Oct 2020	52.8		Diff.Idx	52.9
4-Nov-20	15:00	United Kingdom	Labour Productivity	Q2 2020			Percent	-0.6
4-Nov-20	15:30	Euro Zone	Producer Prices MM	Sep 2020	0.3		Percent	0.1
4-Nov-20	15:30	Euro Zone	Producer Prices YY	Sep 2020	-2.4		Percent	-2.5
4-Nov-20	17:00	India	M3 Money Supply	W 23 Oct			Percent	12.1
4-Nov-20	17:30	United States	MBA Mortgage Applications	W 30 Oct			Percent	1.7
4-Nov-20	17:30	United States	Mortgage Market Index	W 30 Oct			Index	807.8
4-Nov-20	17:30	United States	MBA Purchase Index	W 30 Oct			Index	305.2
4-Nov-20	17:30	United States	Mortgage Refinance Index	W 30 Oct			Index	3711.6
4-Nov-20	17:30	United States	MBA 30-Yr Mortgage Rate	W 30 Oct			Percent	3
4-Nov-20	18:45	United States	ADP National Employment	Oct 2020	526	Thou	Person	749
4-Nov-20	19:00	United States	International Trade \$	Sep 2020	-63.8	Bln	USD	-67.1
4-Nov-20	19:00	United States	Goods Trade Balance (R)	Sep 2020		Bln	USD	-79.37
4-Nov-20	20:00	United States	EIA Ethanol Ref Stk	W 30 Oct		Thou	Barrel	19601
4-Nov-20	20:00	United States	EIA Ethanol Fuel Total	W 30 Oct		Thou	Brl/Day	941
4-Nov-20	20:15	United States	Markit Comp Final PMI	Oct 2020			Diff.Idx	55.5
4-Nov-20	20:15	United States	Markit Svcs PMI Final	Oct 2020			Diff.Idx	56
4-Nov-20	20:30	United States	ISM N-Mfg PMI	Oct 2020	57.8		Index	57.8
4-Nov-20	20:30	United States	ISM N-Mfg Bus Act	Oct 2020			Index	63
4-Nov-20	20:30	United States	ISM N-Mfg Employment Idx	Oct 2020			Index	51.8
4-Nov-20	20:30	United States	ISM N-Mfg New Orders Idx	Oct 2020			Index	61.5

4-Nov-20	20:30	United States	ISM N-Mfg Price Paid Idx	Oct 2020			Index	59
4-Nov-20	21:00	United States	EIA Wkly Crude Stk	W 30 Oct			Mln Barrel	4.32
4-Nov-20	21:00	United States	EIA Wkly Dist. Stk	W 30 Oct			Mln Barrel	-4.491
4-Nov-20	21:00	United States	EIA Wkly Gsln Stk	W 30 Oct			Mln Barrel	-0.892
4-Nov-20	21:00	United States	EIA Weekly Crude Imports	W 30 Oct			Mln Barrel	0.122
4-Nov-20	21:00	United States	EIA Weekly Rfg Stocks	W 30 Oct			Mln Barrel	0.003
4-Nov-20	21:00	United States	EIA Weekly Heatoil Stock	W 30 Oct			Mln Barrel	-0.299
4-Nov-20	21:00	United States	EIA Weekly Prods Imports	W 30 Oct			Mln Brl/Day	0.453
4-Nov-20	21:00	United States	EIA Weekly Dist Output	W 30 Oct			Mln Brl/Day	-0.005
4-Nov-20	21:00	United States	EIA Weekly Crude Runs	W 30 Oct			Mln Brl/Day	0.362
4-Nov-20	21:00	United States	EIA Wkly Refn Util	W 30 Oct			Percent	1.7
4-Nov-20	21:00	United States	EIA Wkly Crude Cushing	W 30 Oct			Mln Barrel	-0.422
4-Nov-20	21:00	United States	EIA Weekly Gasoline O/P	W 30 Oct			Mln Brl/Day	0.162
5-Nov-20	0:30	United States	Fed Funds Tgt Rate	05 Nov	0.125		Percent	0.125
5-Nov-20	0:30	United States	Fed Int On Excess Reserves	05 Nov			Percent	0.1
5-Nov-20	5:00	Japan	All Household Spending YY	Sep 2020	-10.7		Percent	-6.9
5-Nov-20	5:00	Japan	All Household Spending MM	Sep 2020	2.2		Percent	1.7
5-Nov-20	5:00	Japan	Overtime Pay	Sep 2020			Percent	-14
5-Nov-20	5:00	Japan	Overall Lab Cash Earnings	Sep 2020			Percent	-1.3
5-Nov-20	6:00	Japan	Services PMI	Oct 2020			Diff.Idx	46.9
5-Nov-20	14:00	Euro Zone	IHS Markit Cons PMI	Oct 2020			Diff.Idx	47.5
5-Nov-20	14:30	United Kingdom	New Passenger Cars Registration	Oct 2020			No. of	328041
5-Nov-20	15:00	United Kingdom	Markit/CIPS Cons PMI	Oct 2020	55		Diff.Idx	56.8
5-Nov-20	15:00	United Kingdom	All-Sector PMI	Oct 2020			Diff.Idx	56.6
5-Nov-20	15:30	Euro Zone	Retail Sales MM	Sep 2020	-1.2		Percent	4.4
5-Nov-20	15:30	Euro Zone	Retail Sales YY	Sep 2020	2.8		Percent	3.7
5-Nov-20	17:30	United Kingdom	BOE Bank Rate	Nov 2020	0.1		Percent	0.1
5-Nov-20	17:30	United Kingdom	Asset Purchase Prog	Nov 2020	845	Bln	GBP	745
5-Nov-20	17:30	United Kingdom	GB BOE QE Gilts	Nov 2020	825	Bln	GBP	725
5-Nov-20	17:30	United Kingdom	GB BOE QE Corp	Nov 2020	20	Bln	GBP	20
5-Nov-20	17:30	United Kingdom	BOE MPC Vote Hike	Nov 2020	0		No. of	0
5-Nov-20	17:30	United Kingdom	BOE MPC Vote Unchanged	Nov 2020	9		No. of	9
5-Nov-20	17:30	United Kingdom	BOE MPC Vote Cut	Nov 2020	0		No. of	0
5-Nov-20	18:00	United States	Challenger Layoffs	Oct 2020			Thou Person	118.804
5-Nov-20	19:00	United States	Labor Costs Prelim	Q3 2020			Percent	9
5-Nov-20	19:00	United States	Productivity Prelim	Q3 2020			Percent	10.1
6-Nov-20	1:30	United States	Consumer Credit	Sep 2020		Bln	USD	-7.22
6-Nov-20	14:00	United Kingdom	Halifax House Prices MM	Oct 2020			Percent	1.6
6-Nov-20	14:00	United Kingdom	Halifax House Prices YY	Oct 2020			Percent	7.3
6-Nov-20	16:30	United Kingdom	BBA Mortgage Rate	Oct 2020			Percent	3.5
6-Nov-20	19:00	United States	Non-Farm Payrolls	Oct 2020	700	Thou	Person	661
6-Nov-20	19:00	United States	Private Payrolls	Oct 2020		Thou	Person	877
6-Nov-20	19:00	United States	Manufacturing Payrolls	Oct 2020		Thou	Person	66
6-Nov-20	19:00	United States	Government Payrolls	Oct 2020		Thou	Person	-216
6-Nov-20	19:00	United States	Unemployment Rate	Oct 2020	7.7		Percent	7.9
6-Nov-20	19:00	United States	Average Earnings MM	Oct 2020	0.2		Percent	0.1
6-Nov-20	19:00	United States	Average Earnings YY	Oct 2020	4.6		Percent	4.7
6-Nov-20	19:00	United States	Average Workweek Hrs	Oct 2020	34.7		Hour	34.7
6-Nov-20	19:00	United States	Labor Force Partic	Oct 2020			Percent	61.4
6-Nov-20	19:00	United States	U6 Underemployment	Oct 2020			Percent	12.8
6-Nov-20	20:30	United States	Wholesale Invt(y), R MM	Sep 2020			Percent	-0.1
6-Nov-20	20:30	United States	Wholesale Sales MM	Sep 2020			Percent	1.4