

# **K** **ST** ₹ **EE** **T**

**RULE THE MARKET**

ISSUE: 109



## CONTENTS

Equity	1-4
Commodity	5-6
Currency	7-8

### Team

Srinivas Krishnan Bobba  
Sharath Kumar Juttur  
Thomas V Abraham  
Veeresh Hiremath  
Bharat Sunnam  
Ramesh Chenchala  
Kushal Asthana

### Karvy Head Office

Karvy Stock Broking Limited, Plot No.31/P,  
Karvy Millennium Towers, Nanakramguda,  
Financial District, Gachibowli, Hyderabad,  
Telangana-500032, India.

### For More updates & Stock Research

Visit: [www.karvyonline.com](http://www.karvyonline.com)  
Toll free: 1800 419 8283  
Email: [research@karvy.com](mailto:research@karvy.com)

### Analyst Certification

The following Karvy Research Desk, who is (are) primarily responsible for this report and whose name(s) is/ are mentioned therein, certify (ies) that the views expressed herein accurately reflect his (their) personal view(s) about the subject security (ies) and issuer(s) and that no part of his (their) compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report.

## From The Desk Of Research Head

### Lakshmi Vilas Bank – at the centre of crisis

Concerns over reliability and credibility of the banking sector have come to the fore yet again. Not because of piling up NPAs or interest waiver case. In the recent past, two banks - Dhanlaxmi Bank and Lakshmi Vilas Bank (LVB) are vying with each other to grab headlines. Within a week's gap shareholders of Dhanlaxmi Bank and LVB have voted against the appointment of new CMD, whose names were approved by the RBI. While in case of Dhanlaxmi Bank, it was due to alleged concerns of majority shareholders on the bank losing its 'Kerala-identity' due to bank's new CMD Sunil Gurbaxani (allegedly) favouring investors from north-India lobby, there's much more to it in case of LVB.

At its AGM held on Sep 25 2020, LVB's shareholders ousted 7 of 11 members of senior management including newly appointed interim MD & CEO S Sundar. Shareholders' concerns at LVB are more justifiable and genuine. They were worried about piling up NPAs in the bank, wealth destruction and future of the bank as the RBI is yet to revoke PCA imposed in September 2019 and attempts to find a suitable buyer are misfiring repeatedly – first it was Indiabulls Housing Finance and now Clix Capital.

Around a quarter of LVB's loan book has turned bad as of June 30, 2020 – up from 10% three years ago. Problems started at LVB when the bank shifted focus from SMEs to corporate segment and its loan to former promoters of Ranbaxy group was mired in controversies and a court case was filed and subsequently the loan of Rs. 720 Cr was declared bad. This resulted in RBI brining the bank under its 'prompt corrective action' (PCA) framework, which prevented the bank from issuing any fresh loans. This has sealed the fate of the bank with fast depleting reserves and rising NPAs.

The capital-starved bank was left with no other option but to look for potential buyers. The bank initiated merger talks with HFC Indiabulls Housing Finance. With both the parties interested it looked like a merger made in the heaven. But RBI dealt another blow to the bank within a month of bringing the bank under PCA by disapproving the merger without citing another reasons. Some experts are of the opinion that RBI was not comfortable with merger of two financial institutions that were mired in their respective regulatory aspects and some were of the opinion that NBFC acquiring a bank didn't have a merit.

As LVB was scouting for a new partner afresh, Clix Capital entered the scene. While everything seemed going smooth on this front, the recent outvoting episode has put the merger talks between both the entities in jeopardy as both the sides issued conflicting comments on the future path. As per media sources, while LVB's management commented that everything regarding the merger is going smoothly as per the schedule, Clix Capital's top management is of the opinion that the controversy has put the merger in jeopardy.

Following ouster of the senior members of the management at the AGM, RBI inducted 3 members into the board to look after the day-to-day affairs of the bank. With sky-high NPAs and negative net worth the future for the bank looks hazy. With the bank running out of both time and options, it looks to be drifting towards a forced merger as it might take some more time for the bank to come out of PCA framework and inability of the bank to raise funds on its own. Media sources indicate that the situation is under direct review of finance ministry and RBI is in touch with PNB for a possible acquisition of LVB. Whatever may be the outcome, RBI and the government needs to act fast to avoid a run on the bank and yet another systemic risk in these uncertain times.

**- DR. RAVI SINGH**

Vice President & Head of Research

Disclaimer: Karvy Stock Broking Limited [KSBL] is registered as a research analyst with SEBI (Registration No INZ000172733). KSBL is also a SEBI registered Stock Broker, Depository Participant, Portfolio Manager and also distributes financial products. The subsidiaries and group companies including associates of KSBL provide services as Registrars and Share Transfer Agents, Commodity Broker, Currency and forex broker, merchant banker and underwriter, Investment Advisory services, insurance repository services, financial consultancy and advisory services, realty services, data management, data analytics, market research, solar power, film distribution and production, profiling and related services. Therefore associates of KSBL are likely to have business relations with most of the companies whose securities are traded on the exchange platform. The information and views presented in this report are prepared by Karvy Stock Broking Limited and are subject to change without any notice. This report is based on information obtained from public sources, the respective corporate under coverage and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of KSBL. While we would endeavor to update the information herein on a reasonable basis, KSBL is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent KSBL from doing so. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. KSBL will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. This material is for personal information and we are not responsible for any loss incurred based upon it. The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither KSBL nor any associate companies of KSBL accepts any liability arising from the use of information and views mentioned in this report. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Past performance is not necessarily a guide to future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from those set forth in projections. Associates of KSBL might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Associates of KSBL might have received compensation from the subject company mentioned in the report during the period preceding twelve months from the date of this report for investment banking or merchant banking or brokerage services from the subject company in the past twelve months or for services rendered as Registrar and Share Transfer Agent, Commodity Broker, Currency and forex broker, merchant banker and underwriter, Investment Advisory services, insurance repository services, consultancy and advisory services, realty services, data processing, profiling and related services or in any other capacity. KSBL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Compensation of KSBL's Research Analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions. KSBL generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. KSBL or its associates collectively or Research Analysts do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. KSBL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report and have no financial interest in the subject company mentioned in this report. Accordingly, neither KSBL nor Research Analysts have any material conflict of interest at the time of publication of this report. It is confirmed that KSBL and Research Analysts, primarily responsible for this report and whose name(s) is/ are mentioned therein of this report have not received any compensation from the subject company mentioned in the report in the preceding twelve months. It is confirmed that Research Analyst did not serve as an officer, director or employee of the companies mentioned in the report. KSBL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor KSBL have been engaged in market making activity for the companies mentioned in the report. We submit that no material disciplinary action has been taken on KSBL by any Regulatory Authority impacting Equity Research Analyst activities.

## NEWS

### AUTO

- Birla Tyres Ltd, which was recently carved out of the multi-product company Kesoram Ltd, is in talks with multiple prospective partners both within the country and overseas for strategic collaboration, including technical know-how acquisition to manufacture off-site a range of tyre products in the off-road and other specialty segments such as material handling.
- Tyre imports plunged 44% in Q1 of this fiscal from Rs. 703 Cr in the year-ago period to Rs. 395 Cr. According to data from Automotive Tyre Manufacturers Association (ATMA), tyre imports have been on a sliding path over past four years, declining from Rs. 3,282 Cr in FY17 to Rs. 2,612 Cr in FY20. The government has imposed restrictions on imports of different segments of tyres to protect domestic players and ensure that tyres are imported only from licensed owners.

### BANKING

- Axis Bank said there was an uptick in the number of borrowers who opted for loan moratoriums after June and emphasized that the lender will be "judicious" in restructuring borrowings under the new rules, PTI reported citing Chief Executive Officer and Managing Director Amitabh Chaudhry as saying.
- Bandhan Bank is strengthening its leadership team as part of the next five-year growth strategy. It has appointed former Bajaj Capital chief executive Rahul Parikh as the bank's digital head as the bank broadens its digital presence to improve customer services.
- RBI decided to extend MSF relaxation for banks for another 6 months till March 31 2021. It is positive for banks as it would enable them to meet their LCR requirements. On March 27, 2020, as part of its liquidity measures, RBI allowed banks additional liquidity under MSF by allowing them to dip into the SLR by an additional 1% of their NDTL.

### CONSUMPTION

- Future group firm Future Enterprises Ltd (FEL) on Tuesday reported a fresh default on interest payment of non-convertible debentures (NCDs). The company on September 28, 2020, defaulted on interest payment of Rs. 16.11 Cr. for a gross principal amount of Rs. 332 Cr. Last month, the board of the FEL had approved the amalgamation of the Future Group entities - Future Retail with the company to facilitate Rs. 24,713 Cr. deal to sell the retail and wholesale business to Reliance Retail. Before this, it had on September 14, 2020, defaulted in payment of commercial paper of Rs. 90 Cr. House view: Despite fundraising and moratorium measures taken, the company is expected to continue to face hiccups in payments until the sale to Reliance retail goes through.
- PVR to consider raising funds via NCDs on Oct.5, 2020. In June 2020, the company had raised Rs. 300 Cr through a rights issue. In days leading up to the previous board meeting on fundraising, the stock price had rallied over 20%.
- Arvind Lifestyle Brands Limited, a wholly-owned subsidiary of Arvind Fashions Limited (AFL) and Gap Inc., have decided to mutually terminate their franchise business relationship in India. As the next steps, both companies will work out modalities regarding the transition of the Gap business. The Gap business delivered revenues of Rs. 182 Cr (4.7% of AFL's consolidated turnover) with a PBT loss of Rs. 34 Cr in FY2020.
- Sugar export deadline extended by 3 months till Dec: Food Ministry. The government has given additional three months' time till December to millers to undertake mandatory export of their sugar quota allocated for this year, a senior Food Ministry official said on Monday. For the 2019-20 marketing year ending September, the government has allowed the export of 6 million tonnes of sugar under the quota to help deal with surplus sugar. Some mills faced difficulty in exporting during the current COVID-19 pandemic as they could not move their stock due to movement restrictions in some places, explained the Ministry

### INFRA

- GMM Pfaudler's 17.6% stake sale at a heavy discount to market price has attracted regulatory scrutiny over allegations of insider trading involving short selling of the company's shares, says a Mint report quoting sources. The regulator has sought data from exchanges to ascertain any irregular patterns, it added.
- Indiabulls Ventures has raised ₹441 Cr by selling shares to a clutch of investors, including American fintech investor Ribbit Capital. Other investors include New York Stock Exchange-listed Inteligo Bank, US-based First Royalty Ventures LLC, and San Francisco-based TIMF Holdings, Indiabulls Ventures said in a regulatory filing.
- IRB Infrastructure Developers: Promoter Virendra Dattatraya Mhaiskar acquired 25 lakh equity shares (0.71 percent) in the company.

## FORTHCOMING EVENTS

COMPANY NAME	EVENT	EX-DATE
PVR Ltd	Fund Raising	05-Oct-20
ICICI Prudential Life Insurance Company Ltd	Fund Raising	07-Oct-20
Tata Consultancy Services Ltd	Financial Results/Dividend	07-Oct-20
Zee Learn Ltd	Financial Results	07-Oct-20
Zydus Wellness Ltd	Other business matters	07-Oct-20
5Paisa Capital Ltd	Financial Results	08-Oct-20
Titagarh Wagons Ltd	Financial Results	08-Oct-20
Rashtriya Chemicals and Fertilizers Ltd	Financial Results	09-Oct-20
Natco Pharma Ltd	Annual General Meeting	09-Oct-20

## GLOBAL NEWS

- The UK, EU leaders to discuss Brexit, free trade talks. Both sides have acknowledged that time is running out if they are to achieve an agreement before the current Brexit transition period comes to an end at the end of the year.
- Donald Trump signs bill averting government shutdown. The bipartisan text easily cleared the Senate Wednesday by 84 votes to 10 a week after it passed the House of Representatives. It then went to Trump, who signed the so-called Continuing Resolution in the wee hours of Thursday.
- VA Tech Wabag approved the allotment of 75 lakh equity shares at a price of Rs 160 per equity share aggregating to Rs 120 crore by way of the preferential issue to Rekha Rakesh Jhunjhunwala (50 lakh shares), Basera Home Finance (15 lakh shares), and Sushma Anand Jain and Anand Jaikumar Jain (Joint Holding) (10 lakh shares).

### INSURANCE

- National Company Law Tribunal, Mumbai vide its order dated September 29, 2020, has sanctioned the scheme of Amalgamation for the merger of HDFC ERGO Health with and into HDFC ERGO.

### NBFC

- Indiabulls Housing Finance has further sold part of its stake in the UK-based OakNorth Holding Ltd, the parent company of OakNorth Bank Ltd, to Toscafund Asset Management for Rs. 630 Cr. The housing finance company has also announced that it will buy back all the bonds maturing in the next 12 months.
- Power Finance Corporation: The Centre has set a revenue target of Rs. 36,000 Cr along with various performance-related parameters such as operating profit as a percentage of revenue from the operation, profit after tax as a percentage of average net worth, and non-financial parameters such as the Integrated Power Development Scheme-related parameters.
- Motilal Oswal Financial Services Ltd (MOFSL): The Rs. 150 Cr buyback of MOFSL which opened on April 1, 2020, will close today. The price for the buyback was decided at Rs. 650 per equity share.

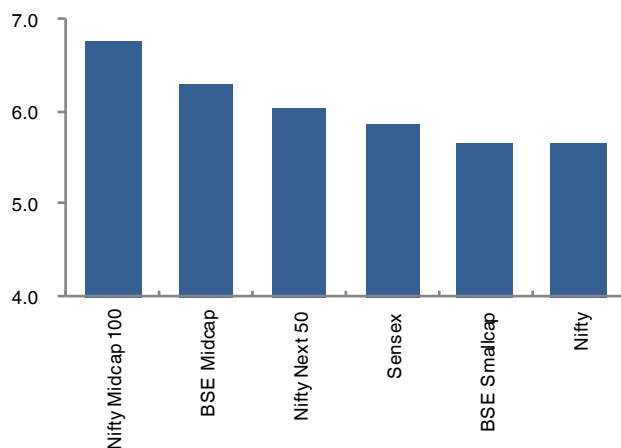
### OIL & GAS

- Rosneft and Saudi Aramco are unlikely to bid in the privatization of Bharat Petroleum Corp Ltd, as low oil prices and weak demand curb their investment plans, says a Reuters report quoting sources. Today is the last day for bidding for the stake in BPCL.

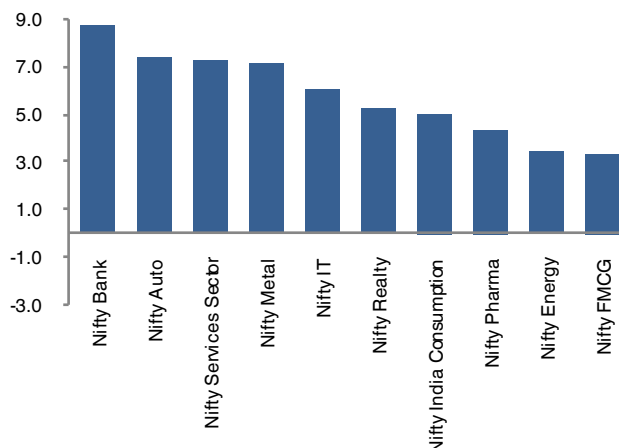
### REALTY

- Godrej Properties added a new residential project in Kalyan Area, Mumbai. Kalyan residential project will offer 1.39 lakh square feet of saleable area.
- TELECOM & MEDIA
- Debt-ridden telecom operator Vodafone Idea will seek shareholders' approval to raise the borrowing limit to Rs. 1 Tn, at the annual general meeting scheduled to be held today.

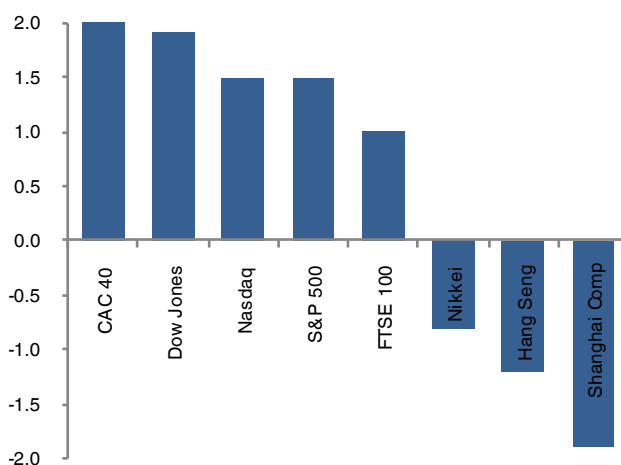
## INDIAN INDICES (% CHANGE)



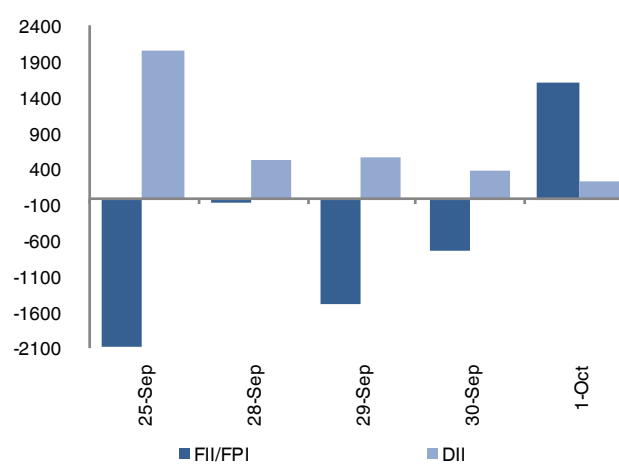
## SECTORAL INDICES (% CHANGE)



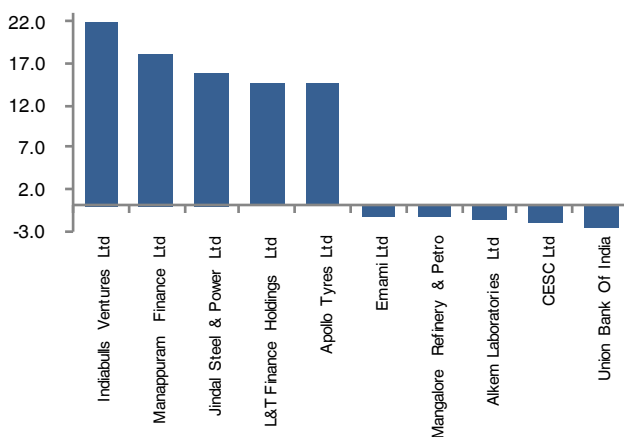
## GLOBAL INDICES (% CHANGE)



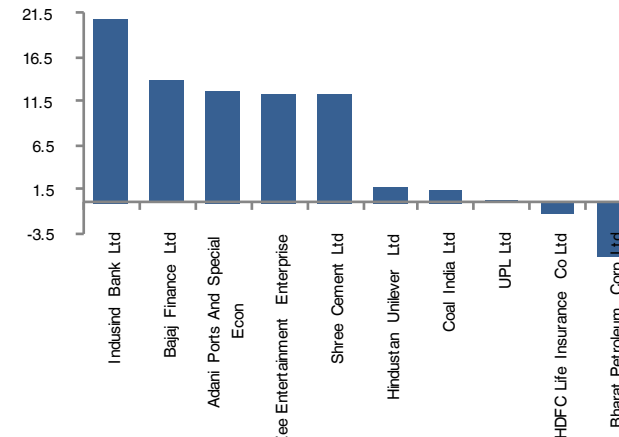
## FII/FPI & DII TRADING (IN RS. CRORES)



## NIFTY MIDCAP100 TOP GAINERS & LOSERS (1W)



## NSE NIFTY TOP GAINERS & LOSERS (1W)



Source: Karvy Research

## BEAT THE STREET - TECHNICAL ANALYSIS

### Adani Ports & Special Economic Zone Ltd



STOCK	ADANI PORTS
CMP	354
ACTION	BUY
ENTRY	353-355
AVERAGE	340
STOP LOSS	320
TARGET 1	390
TARGET 2	405

On the technical front, ADANI PORTS 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.

### Bajaj Finance Ltd



STOCK	BAJFINANCE
CMP	BUY
ACTION	3430-3450
ENTRY	3150
AVERAGE	BLW 2770
STOP LOSS	4150
TARGET 1	4250
TARGET 2	800

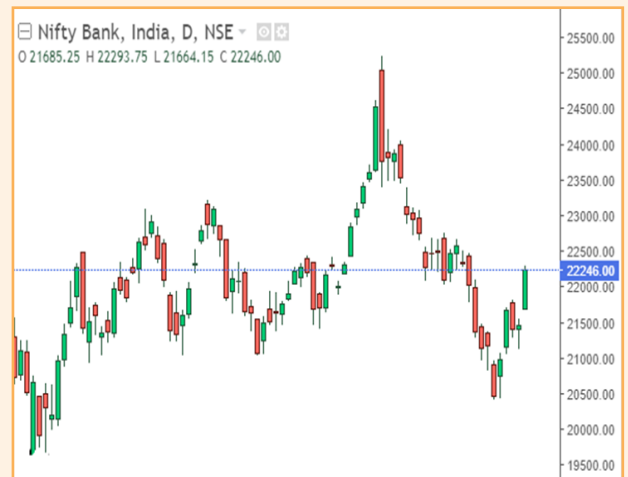
On the technical front, BAJFINANCE has higher highs and higher lows on the daily charts and is currently placed above the medium-term supports. In the recent past, after clocking the high of 3520 levels, the stock has witnessed a round of profit booking which dragged the counter towards the medium-term moving average of 100-DEMA on the daily charts. At the current juncture, the stock is forming a base around 3125-3150 levels on the lower side and is all set to move higher. The overall chart structure of the counter looks bullish at the current levels forming higher highs and higher lows. This may trigger a fresh round of buying which may take the stock towards 4150 plus levels. The stock's performance is in line with the broader markets indicating the inherent strength in the counter and is trading well above the long-term support levels. On the Bollinger band (20,2) the stock price is plotting above the mean indicating the price likely to trend 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 bullishness in the stock. We expect the counter to continue its outperformance in the coming trading weeks as well and may move towards 4250 levels in the short term. Any correction towards the recent support levels of 3150 levels may be utilized to average the positions.

## INDEX SNIPPETS

**NIFTY (11416.95):** Indian equity benchmark index Nifty 50 closed slightly higher by 3.32% during the week. During the last five 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 11185 levels in future sessions. On the global front, Oil prices dropped and the safe-haven yen strengthened in the afternoon of Asian trading hours on Friday after US President Donald Trump announced he tested positive for the coronavirus. Stateside, stocks traded off their opening lows on some optimism that Congress will come together on a coronavirus stimulus deal. European stocks recovered early losses to close slightly higher Friday. The pan-European Stoxx 600 index notched a slim gain of just 0.1% despite opening in negative territory. Domestically, for the week, on the data front, investors may focus on Nikkei Services PMI (Sep) releasing on Oct 06. On the derivatives front, open interest data suggests that the index may find its supports around 11300 followed by 11200 levels while on the higher side, 11500 and 12000 levels may act as strong resistance.



After **NIFTY BANK's** sustained underperformance to Nifty for four consecutive weeks, it outperformed Nifty by gaining 6% as opposed to Nifty's gains of 3.3% for the week. Technically, Nifty Bank made a smart recovery from the lows made during the preceding week and inched up past 100 DMA. However, it closed the week right at the 50 DMA and remains to be seen how it behaves around it during next week. Except PNB all the index components ended in the green following buoyancy in the broader markets with Indusind being the top gainer. Fundamentally, after the deep cut seen in the index in the preceding week due to leaked FinCEN files wherein 44 Indian banks were involved in suspicious transactions worth \$ 1 Bn, the banking index made a smart recovery during the week. The rally in the banks was also aided by a positive development wherein RBI has extended the deadline for use of Marginal Standing Facility (MSF) by banks by another three months. Next week's direction of Nifty Bank is likely to be decided by Supreme Court hearing on interest on interest waiver case which is scheduled for hearing on October 5. Industry estimates indicate that the sector would have to take additional burden of approximately Rs. 6000 Cr if the judgement goes against the sector. As indicated by the derivatives data, Bank Nifty may face resistance at 23000 levels followed by 23500 levels. Nifty Bank may take support at 21000 levels followed by 20300 levels.



**NIFTY FMCG** witnessed a good move during the week, inching up another 3.3%. With unlock 5.0 guidelines announced, the focus now shifts towards companies within more discretionary spends category. Hence, Dabur, Marico and Godrej consumer inched higher by 4.2%, 3.2%, and 4.7% for the week. In the food category, Jubilant Foodworks continues to inch up (2.4%) on the basis of recent quarterly numbers and the expectation of increased prospects post unlocks 5.0. There were no real laggards during the week as markets factor in higher valuations across the board as we consider final steps towards restoring economic activity. Looking ahead, we expect the index to remain positive in the coming week but factoring in the higher valuations, the opportunities for accumulation is lesser and very selective at these levels. In our view, Jubilant foodworks continues to be attractive and rural presence of Dabur and Marico should benefit the companies in market share gains in near to mid term. The index is back within the levels in early 2019. The peak valuations at 32000 and 34000 are still some way away and only expected to rebound to those levels once consumption is inching closer to pre covid levels. In the near term the index should continue to consolidate within the broader range of 28000 to 31000. The FMCG index is expected to find support at 29200 and 28500 while the resistance levels to watch out for are 30700 and 31400.



## BULLION

The gold futures on international exchange ended higher in the week ended on 2nd October 2020 erasing prior week's biggest decline on resumption of safe haven buying demand. The U.S. President tested positive for the COVID-19 over the last weekend thereby hurting the risk sentiment among the market participants. Bullion prices were also pushed by slower labor market growth as non-farm payroll increased by just 661,000 in September against prior month addition of 1.48 million. Unemployment rate eased to 7.9% in September against August month number of 8.4%. The U.S. House of Representative speaker and Treasury Secretary are working on terms of a secondary stimulus bill and the same is expected to be voted this week. The United States is working on announcing \$2.2 trillion stimulus package to bring the economy from the clutches of pandemic covid and it is expected that the voting for the same will be postponed to allow more time for a bipartisan deal to come together. Amongst the key economic data released last week, the U.S. GDP for second quarter plunged to -31.4% YoY the steepest drop in the history and ADP non-farm employment increased by 749,000 in September against prior month addition of 481,000.

## ENERGY

An increasing number of COVID cases across the globe has been denting the fuel demand, which is putting pressure on the global oil market. As a result, WTI and Brent oil futures witnessed biggest weekly decline in the last week ending on 2nd October 2020. Rising COVID-19 infections in countries including India, France, and Spain and new restrictions on businesses in Britain have renewed worries about demand. U.S. fuel consumption remains sluggish as the pandemic constrains travel and hampers economic recovery. U.S. oil refiners are starting to make progress towards eliminating excess stocks of middle distillates by restraining crude processing and switching equipment to maximize gasoline production. Russian Energy Minister Alexander Novak said the global oil market had been stable for the past few months but warned of the risks of a second wave of COVID-19 cases. Despite efforts by the OPEC and its allies to limit output, more crude is being exported from OPEC producers Iran and Libya. American Petroleum Institute has reported an increase in gasoline inventories by 1.623 million barrels last week; distillate stocks were down by 3.424 million barrels. OPEC is unlikely to increase oil output as planned from January next year as it could mean adding more downside pressure to the already bearish and weak market, according to market sources. OPEC is due to taper their production cuts by 2 million barrels per day in January. OPEC and other major oil producers announced record oil cuts in March this year as fuel demand collapsed with half the world in some form of lockdown to stop the spread of COVID-19.

According to data released by Energy Information Administration, the U.S. crude oil stocks dropped by 2 million barrels in the week to 25th September; distillate stocks fell by 3.2 million barrels and gasoline rose by 683,000 barrels. In view of mixed fundamental factors, the crude oil futures are forecast to show a choppy trend during today's trading session.

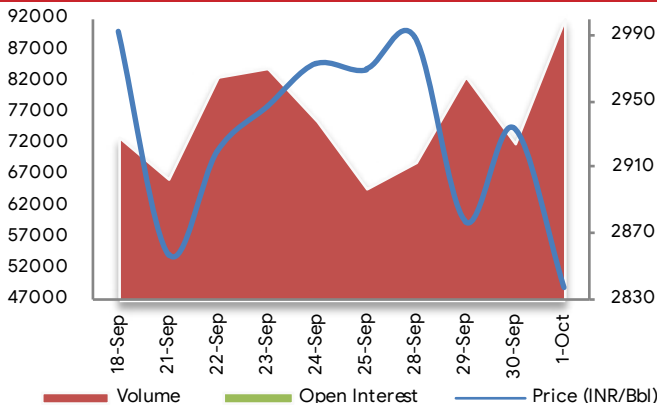
## BASE METALS

LME base metals nosedived to multi month lows in the last week ending on 2nd October 2020 triggered by sell off in the global equities market. Testing positive for COVID-19 by the U.S. President led to sell off in the global equities market. The market is worried about global economic recovery as the number of fresh COVID-19 cases are increasing across the globe. The recent rally in most of the metals was because of massive Chinese fiscal stimulus in recent months, which boosted economic activity and industrial metals demand after the novel coronavirus lockdowns. Democrats in the U.S. House of Representatives are working on a \$2.2 trillion stimulus package that could be voted on this week. China's copper smelters raised the floor levels of fourth-quarter treatment and refining charges (TC/RCS) by 9.4% from the prior three months. Freeport Indonesia's copper output in the first half of the year grew compared to the same period in 2019, while sales dropped. The Chinese manufacturing and non-manufacturing industry PMI came in at 51.5 vs. 51.0 and 55.9 vs. 55.2, respectively indicating stronger growth in September month, which had pushed all metal prices to their multi-month highs. LME copper stocks surged by nearly 30,000 tonnes to 165,600 and have more than doubled over the past week. Nickel smelting park PT Indonesia Weda Bay Industrial Park expects next year to double its current capacity of 110,000 tonnes of nickel content per year.

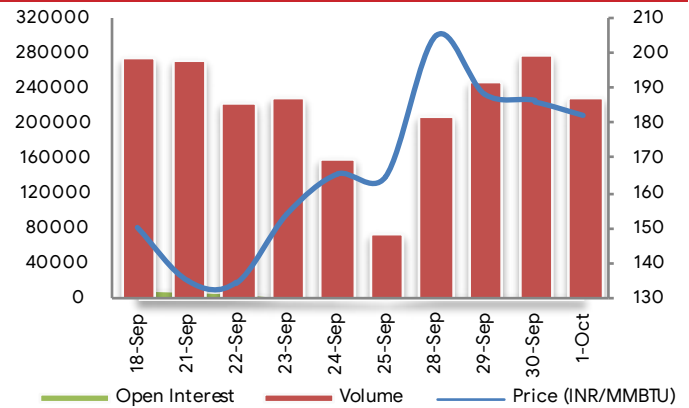
## NEWS DIGEST

- Norwegian oil workers expanded their ongoing strike on Monday, the Lederne labour union said, in an escalation expected by energy firms to shut oil and gas production at up to six offshore fields. The escalation could reduce Norway's petroleum production capacity by as much as 330,000 barrels of oil equivalent per day (boepd) or 8% of the country's total output, the Norwegian Oil and Gas Association (NOG) had said. The conflict began on Sept. 30 when a group of 43 workers organised by the Lederne union went on strike, but did not initially impact oil and gas output.
- Malaysian palm oil inventories in September likely rose to their highest in three months, a Reuters poll showed, as production during the month hit a near two-year high, but a climb in exports may have capped the extent of increase in stockpiles. September inventories were seen rising 1.27% from the previous month to 1.72 million tonnes, their highest since July, a median estimate of 10 planters, traders and analysts polled by Reuters showed. The world's second-largest producer of palm is likely to report a 4.85% increase in its output to 1.95 million tonnes, the highest since October 2018, while exports may have risen by 6.19% to 1.68 million tonnes. The likely recovery in the country's exports from a sharp fall in August is due to strong shipments to China, India and the European Union ahead of several key festivals.
- Mali's gold exports rose 6.5% to 65.6 tonnes in 2019 compared with the previous year due to a rise in production, external trade data from the country's statistics agency showed on Saturday. The data, which was released with a considerable delay due to the coronavirus pandemic according to the agency, showed that Switzerland and South Africa were the main destinations for Mali's precious metal. The data showed that 65.1 tonnes of the exported gold came from industrial mining operations, while less than 540 kg came from small-scale artisanal mining. Gold is the country's main export revenue earner, with the mining sector accounting for around 9.7% for gross domestic product in 2019.
- Argentina has temporarily cut soybean export taxes by 3 percentage points to 30% to help stimulate trades, the government announced, as the country struggles with recession and dwindling foreign reserves. Processed soymeal and soy oil levies will temporarily be cut to varying rates starting at around 28%, according to a detailed breakdown of the tax rates made available by the Economy Ministry on Friday. All the rates would then rise again incrementally until January. "We are seeking to strengthen the country's international reserves," Economy Minister Martin Guzman said at an event in Buenos Aires to announce a wider raft of economic measures. But farmers and analysts said the move might not be enough to significantly boost selling by growers and generate much-needed export dollars as the government heads into debt renegotiation talks with the International Monetary Fund.

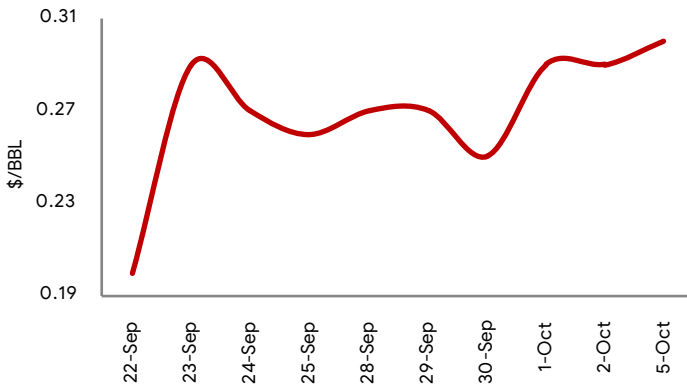
## MCX CRUDE - PRICE, VOLUME & OPEN INTEREST



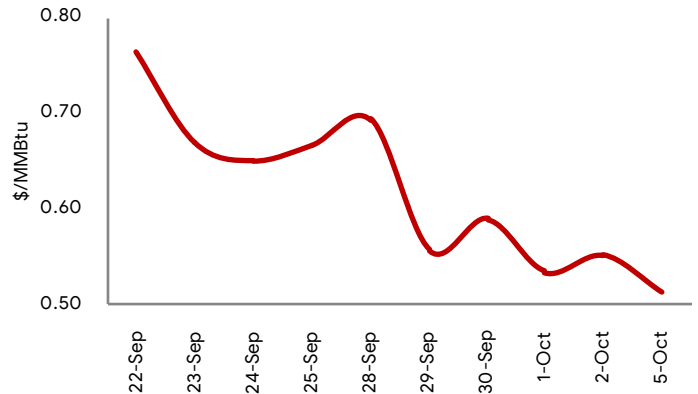
## MCX NATURAL GAS - PRICE, VOLUME & OPEN INTEREST



## CALENDAR SPREAD NYMEX - CRUDE OIL



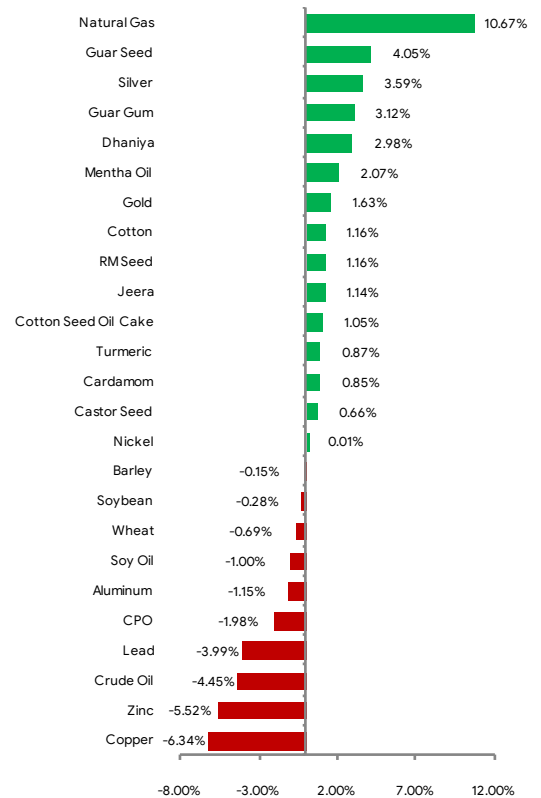
## CALENDAR SPREAD NYMEX - NATURAL GAS



## TRENDSHEET

Commodities	25-Sep	2-Oct	% Change	52 Week High	% Change from 52 Week High	52 Week Low	% Change from 52 Week Low
MCX Gold (Rs/10 gms)	49659	50470	1.63	56191	-10.18	37100	36.04
MCX Silver (Rs/Kg)	59027	61145	3.59	77949	-21.56	33580	82.09
MCX Crude Oil (Rs/bbl)	2969	2837	-4.45	4670	-39.25	795	256.86
MCX Natural Gas (Rs/mmBtu)	165	183	10.67	208	-12.25	111	65.25
MCX Copper (Rs/kg)	531	498	-6.34	546	-8.88	336	48.09
MCX Lead (Rs/kg)	149	143	-3.99	170	-15.63	119	20.61
MCX Zinc (Rs/kg)	195	184	-5.52	201	-8.55	124	48.83
MCX Nickel (Rs/kg)	1048	1048	0.01	1275	-17.84	806	30.01
NCDEX Soybean (Rs/Quintal)	3918	3907	-0.28	4506	-13.29	3276	19.26
NCDEX Refined Soy Oil (Rs/10 kg)	913	904	-1.00	955	-5.33	728	24.16
NCDEX RM Seed (Rs/Quintal)	5444	5507	1.16	5534	-0.49	3770	46.07
MCX CPO (Rs/10 kg)	773	758	-1.98	840	-9.76	543	39.56
NCDEX Castor Seed (Rs/Quintal)	4218	4246	0.66	4582	-7.33	3520	20.63
NCDEX Turmeric (Rs/Quintal)	5748	5798	0.87	6820	-14.99	5200	11.50
NCDEX Jeera (Rs/Quintal)	13650	13805	1.14	17245	-19.95	13110	5.30
NCDEX Dhaniya (Rs/Quintal)	6584	6780	2.98	7421	-8.64	5431	24.84
MCX Cardamom (Rs/kg)	1538	1551	0.85	4185	-62.94	0	#DIV/0!
NCDEX Wheat (Rs/Quintal)	1737	1725	-0.69	2290	-24.67	1800	-4.17
NCDEX Guar Seed (Rs/Quintal)	3952	4112	4.05	4450	-7.59	3190	28.90
NCDEX Guar Gum (Rs/Quintal)	6061	6250	3.12	8340	-25.06	4700	32.98
MCX Cotton (Rs/Bale)	18030	18240	1.16	20180	-9.61	14800	23.24
NCDEX Cocud (Rs/Quintal)	1808	1827	1.05	2427	-24.72	1507	21.23
MCX Mentha Oil (Rs/kg)	928	947	2.07	1336	-29.09	905	4.64
MCX Mentha Oil (Rs/kg)	965	949	-1.67	1336	-28.92	905	4.90

## FUTURE PRICES (% CHANGE)





## ECONOMIC GAUGE FOR THE NEXT WEEK

Date	Time	Country	Indicator Name	Period	Poll	Prefix	Unit	Prior
5-Oct-20	6:00	Japan	Services PMI	Sep 2020			Diff.Idx	45
5-Oct-20	11:30	United Kingdom	Reserve Assets Total	Sep 2020		Mln	USD	182692.86
5-Oct-20	11:45	India	Cash Reserve Ratio	15 Oct			Percent	3
5-Oct-20	11:45	India	Repo Rate	15 Oct			Percent	4
5-Oct-20	11:45	India	Reverse Repo Rate	15 Oct			Percent	3.35
5-Oct-20	13:30	United Kingdom	New Passenger Cars Registration	Sep 2020			No. of	87226
5-Oct-20	13:30	Euro Zone	Markit Serv Final PMI	Sep 2020	47.6		Diff.Idx	47.6
5-Oct-20	13:30	Euro Zone	Markit Comp Final PMI	Sep 2020	50.1		Diff.Idx	50.1
5-Oct-20	14:00	United Kingdom	Markit/CIPS Serv PMI Final	Sep 2020	55		Diff.Idx	55.1
5-Oct-20	14:00	United Kingdom	Composite PMI Final	Sep 2020	55.6		Diff.Idx	55.7
5-Oct-20	14:00	Euro Zone	Sentix Index	Oct 2020	-9.5		Diff.Idx	-8
5-Oct-20	14:30	Euro Zone	Retail Sales MM	Aug 2020	2.4		Percent	-1.3
5-Oct-20	14:30	Euro Zone	Retail Sales YY	Aug 2020	2.2		Percent	0.4
5-Oct-20	19:15	United States	Markit Comp Final PMI	Sep 2020			Diff.Idx	54.4
5-Oct-20	19:15	United States	Markit Svcs PMI Final	Sep 2020			Diff.Idx	54.6
5-Oct-20	19:30	United States	Employment Trends	Sep 2020			Index	52.55
5-Oct-20	19:30	United States	ISM N-Mfg PMI	Sep 2020	56.3		Index	56.9
5-Oct-20	19:30	United States	ISM N-Mfg Bus Act	Sep 2020			Index	62.4
5-Oct-20	19:30	United States	ISM N-Mfg Employment Idx	Sep 2020			Index	47.9
5-Oct-20	19:30	United States	ISM N-Mfg New Orders Idx	Sep 2020			Index	56.8
5-Oct-20	19:30	United States	ISM N-Mfg Price Paid Idx	Sep 2020			Index	64.2
6-Oct-20	5:20	Japan	Foreign Reserves	Sep 2020		Bln	USD	1398.5
6-Oct-20	10:30	India	IHS Markit Svcs PMI	Sep 2020	44.7		Diff.Idx	41.8
6-Oct-20	13:00	Euro Zone	IHS Markit Cons PMI	Sep 2020			Diff.Idx	47.8
6-Oct-20	14:00	United Kingdom	Markit/CIPS Cons PMI	Sep 2020	54.1		Diff.Idx	54.6
6-Oct-20	14:00	United Kingdom	All-Sector PMI	Sep 2020			Diff.Idx	58.7
6-Oct-20	15:30	United Kingdom	BBA Mortgage Rate	Sep 2020			Percent	3.64
6-Oct-20	18:00	United States	International Trade \$	Aug 2020	-66.2	Bln	USD	-63.6
6-Oct-20	18:00	United States	Goods Trade Balance (R)	Aug 2020		Bln	USD	-82.94
6-Oct-20	18:25	United States	Redbook MM	W 03 Oct			Percent	-0.3
6-Oct-20	18:25	United States	Redbook YY	W 03 Oct			Percent	2.2
6-Oct-20	19:30	United States	JOLTS Job Openings	Aug 2020		Mln	Person	6.618
7-Oct-20	0:30	United States	Consumer Credit	Aug 2020	14.3	Bln	USD	12.25
7-Oct-20	4:31	United Kingdom	RICS Housing Survey	Sep 2020	40		Balance	44
7-Oct-20	5:20	Japan	Foreign Bond Investment	W 03 Oct		Bln	JPY	-64.4
7-Oct-20	5:20	Japan	Foreign Invest JP Stock	W 03 Oct		Bln	JPY	-274.3
7-Oct-20	5:20	Japan	Foreign Invest JP Bonds	W 28 Sep		Bln	JPY	-1822.5
7-Oct-20	5:20	Japan	Foreign Stock Investment	W 28 Sep		Bln	JPY	-28.1
7-Oct-20	5:20	Japan	Current Account NSA JPY	Aug 2020	1983.7	Bln	JPY	1468.3
7-Oct-20	5:20	Japan	Current Account, Goods	Aug 2020		Bln	JPY	137.256
7-Oct-20	5:20	Japan	Current Account Bal SA	Aug 2020			JPY	9642
7-Oct-20	5:20	Japan	Trade Bal Cust Basis SA	Aug 2020			JPY	557
7-Oct-20	10:30	Japan	Coincident Index	Aug 2020			Index	1.8
7-Oct-20	10:30	Japan	Leading Indicator	Aug 2020			Index	2.9
7-Oct-20	13:00	United Kingdom	Halifax House Prices MM	Sep 2020			Percent	1.6
7-Oct-20	13:00	United Kingdom	Halifax House Prices YY	Sep 2020			Percent	5.2
7-Oct-20	14:00	United Kingdom	Labour Productivity	Q2 2020			Percent	-0.6
7-Oct-20	16:30	United States	MBA Mortgage Applications	W 02 Oct			Percent	-4.8

7-Oct-20	16:30	United States	Mortgage Market Index	W 02 Oct			Index	769.6
7-Oct-20	16:30	United States	MBA Purchase Index	W 02 Oct			Index	320.9
7-Oct-20	16:30	United States	Mortgage Refinance Index	W 02 Oct			Index	3346.9
7-Oct-20	16:30	United States	MBA 30-Yr Mortgage Rate	W 02 Oct			Percent	3.05
7-Oct-20	17:00	India	M3 Money Supply	W 25 Sep			Percent	13.4
7-Oct-20	20:00	United States	EIA Ethanol Ref Stk	W 02 Oct		Thou	Barrel	19691
7-Oct-20	20:00	United States	EIA Ethanol Fuel Total	W 02 Oct		Thou	Brl/Day	881
7-Oct-20	20:00	United States	EIA Wkly Crude Stk	W 02 Oct		Mln	Barrel	-1.98
7-Oct-20	20:00	United States	EIA Wkly Dist. Stk	W 02 Oct		Mln	Barrel	-3.184
7-Oct-20	20:00	United States	EIA Wkly Gsln Stk	W 02 Oct		Mln	Barrel	0.683
7-Oct-20	20:00	United States	EIA Weekly Crude Imports	W 02 Oct		Mln	Barrel	-0.536
7-Oct-20	20:00	United States	EIA Weekly Rfg Stocks	W 02 Oct		Mln	Barrel	-0.003
7-Oct-20	20:00	United States	EIA Weekly Heatoil Stock	W 02 Oct		Mln	Barrel	-0.095
7-Oct-20	20:00	United States	EIA Weekly Prods Imports	W 02 Oct		Mln	Brl/Day	-0.084
7-Oct-20	20:00	United States	EIA Weekly Dist Output	W 02 Oct		Mln	Brl/Day	-0.112
7-Oct-20	20:00	United States	EIA Weekly Crude Runs	W 02 Oct		Mln	Brl/Day	0.3
7-Oct-20	20:00	United States	EIA Wkly Refn Util	W 02 Oct			Percent	1
7-Oct-20	20:00	United States	EIA Wkly Crude Cushing	W 02 Oct		Mln	Barrel	1.785
7-Oct-20	20:00	United States	EIA Weekly Gasoline O/P	W 02 Oct		Mln	Brl/Day	-0.423
7-Oct-20	22:30	United States	Overall Comprehensive Risk	Q4 2020				8.46
8-Oct-20	5:00	Japan	All Household Spending YY	Aug 2020	-6.9		Percent	-7.6
8-Oct-20	5:00	Japan	All Household Spending MM	Aug 2020	3.2		Percent	-6.5
8-Oct-20	5:00	Japan	Overtime Pay	Aug 2020			Percent	-16.6
8-Oct-20	5:00	Japan	Overall Lab Cash Earnings	Aug 2020			Percent	-1.3
8-Oct-20	10:30	Japan	Economy Watchers Poll SA	Sep 2020			Diff.Idx	43.9
8-Oct-20	14:30	United Kingdom	Overall Comprehensive Risk	Q4 2020				9.01
8-Oct-20	18:00	United States	Initial Jobless Clm	W 03 Oct	823	Thou	Person	837
8-Oct-20	18:00	United States	Jobless Clm 4Wk Avg	W 03 Oct		Thou	Person	867.25
8-Oct-20	18:00	United States	Cont Jobless Clm	W 26 Sep		Mln	Person	11.767
8-Oct-20	20:00	United States	EIA-Nat Gas Chg Bcf	W 02 Oct		Bln	Cft	76
8-Oct-20	20:00	United States	Nat Gas-EIA Implied Flow	W 02 Oct		Bln	Cft	76
8-Oct-20	:	China (Mainland)	FX Reserves (Monthly)	Sep 2020	3.169	Trl	USD	3.165
9-Oct-20	7:15	China (Mainland)	Caixin Services PMI	Sep 2020			Diff.Idx	54
9-Oct-20	8:30	China (Mainland)	Overall Comprehensive Risk	Q4 2020				2.49
9-Oct-20	8:30	Japan	Overall Comprehensive Risk	Q4 2020				9.08
9-Oct-20	8:30	India	Overall Comprehensive Risk	Q4 2020				3.13
9-Oct-20	11:30	United Kingdom	GDP Est 3M/3M	Aug 2020	8.2		Percent	-7.6
9-Oct-20	11:30	United Kingdom	GDP Estimate MM	Aug 2020	4.7		Percent	6.6
9-Oct-20	11:30	United Kingdom	GDP Estimate YY	Aug 2020	-7.4		Percent	-11.7
9-Oct-20	11:30	United Kingdom	Services MM	Aug 2020	5.2		Percent	6.1
9-Oct-20	11:30	United Kingdom	Services YY	Aug 2020	-8.1		Percent	-12.4
9-Oct-20	11:30	United Kingdom	Industrial Output MM	Aug 2020	2.5		Percent	5.2
9-Oct-20	11:30	United Kingdom	Industrial Output YY	Aug 2020	-4.6		Percent	-7.8
9-Oct-20	11:30	United Kingdom	Manufacturing Output MM	Aug 2020	3		Percent	6.3
9-Oct-20	11:30	United Kingdom	Manufacturing Output YY	Aug 2020	-5.9		Percent	-9.4
9-Oct-20	11:30	United Kingdom	Construction O/P Vol MM	Aug 2020	4.5		Percent	17.6
9-Oct-20	11:30	United Kingdom	Construction O/P Vol YY	Aug 2020	-9.2		Percent	-12.7
9-Oct-20	11:30	United Kingdom	Goods Trade Balance GBP	Aug 2020	-8.95	Bln	GBP	-8.635
9-Oct-20	11:30	United Kingdom	Goods Trade Bal. Non-EU	Aug 2020		Bln	GBP	-2.363
9-Oct-20	19:30	United States	Wholesale Invt(y), R MM	Aug 2020	0.5		Percent	0.5
9-Oct-20	19:30	United States	Wholesale Sales MM	Aug 2020			Percent	4.6