

# **K** STREET

**RULE THE MARKET**

**RULE THE MARKET**

**ISSUE: 116**



## CONTENTS

Equity	1-4
Commodity	5-6
Currency	7

### 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

### Covid vaccine efficacy - what does this mean

Of late, one pharma company after another have been announcing trial results of their vaccine candidates with efficacy rates ranging between 90-95%. With Moderna, followed by Pfizer and Oxford announcing the outcomes, markets cheered and welcomed the news with a sigh of relief. This has raised hopes of returning to normal gradually and steadily amid continued uncertainty and rapidly raising virus cases indicating beginning of a second wave of the crisis. For governments all over the world its like controlling wild fire wherein they are simultaneously making preparations for vaccine distribution even as they fight preventing spread of virus by imposing fresh round of lockdowns and social distancing norms.

It is definitely a positive news for the markets which welcomed the news with open heart as global markets reacted strongly to the news. However, experts are indicating that it is too early to celebrate. It is encouraging to see that early studies indicated efficacy rates of more than 90% as opposed to USFDA's requirement of 50% before final approval. Scientists need to understand how vaccines work on aged people and across different demographic categories. Also, efficacy numbers will change as number of patients under study change in future studies. It is not known how long the vaccines protect people and whether boosters will be required

Efficacy claims made by both Pfizer and Moderna were based on studies conducted on just 94 patients. While Pfizer is conducting phase III trial involving 43,358 patients, Moderna is in the process of enrolling 30,000 participants for its phase III trial. Full-scale efficacy of trials will be known only after complete results of phase III trials of these companies will be known. However, regulators world over are rushing to provide emergency approval to these vaccines and governments are making preparations to distribute these vaccines by signing supply agreements and drawing distribution plans. In effect it means that it is not party time yet.

So, what does this mean for markets? While markets have been reacting positively to any positive news on this front, it is just an attribution and real factor behind this rally is liquidity. Markets will not take this news into its stride unless there is more clarity on this front. Choppiness in markets is here to stay as markets swing between hope and despair as covid cases are surging amid fears of second wave and governments world over are imposing fresh lockdowns and social distance restrictions.

However, as we are fast approaching towards medical breakthrough and on the ground economic indicators are painting a positive picture, things are definitely looking up. Investors should position themselves appropriately as we are bracing up for shift to new normal. With markets hovering around historical highs and large caps trading at high valuations, they look ripe for a correction. Investors should focus on quality small caps and out of favour beaten down sectors like cyclical, travel and hospitality sector, outdoor entertainment and other forms of discretionary consumption. These stocks should see smart money flowing into these sectors even as these companies start reflecting it in the numbers with a lag.

Investors should also focus on disruptors which facilitate the shift to new normal post end of pandemic. The pandemic has brought to the front the wonders technology can do as some of the most important customer facing services were provided uninterrupted during the lockdown. Companies have leveraged technology to stay in touch with their customers during lockdown. These digital capabilities have enabled them to acquire customers by bringing overall customer acquisition costs down. Investors should focus on IT companies that have such niche capabilities and which have not participated in the rally completely. To sum it up, there is definitely light at the end of tunnel even as risk of second wave lingers on us amid improving recovery rate.

**- 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

- Hero MotoCorp to be in focus today as the company reported strong festive season sales. The company retailed 1.4 Mn units during the festive season -98% higher than the 2019 festive season and 103% higher than the 2018 season.
- Mahindra & Mahindra is crafting plans to take 10 of its most promising units public in the next 5-10 years to bring in new investors and unlock value. The conglomerate expects these 10 units to drive the future growth of the group.

### BANKING

- SBI said that it has signed an MoU with Luxembourg Stock Exchange to set up a mechanism for long term cooperation and promotion of ESG and green finance.
- Axis Bank - Max Life deal: IRDAI receives RBI's and SEBI's go-ahead for the deal. Max Group is expected to submit a new proposal to IRDAI next week after addressing the objections raised by IRDAI. IRDAI earlier raised objection to a put option in the deal which allowed Axis Bank to exit Max Life at a fixed price. IRDAI is expected to give final fi approval by mid-December according to a report by CNBC - TV18.
- Shareholders of Lakshmi Vilas Bank have decided to request RBI to look at shareholders' interests sympathetically and reconsider its proposed draft merger scheme with DBS Bank.

### CEMENT

- ACC entered into a Share Purchase Agreement with N G Ghadiya Group to divest subsidiary National Limestone Company Private Limited, which is currently non-operational.
- NCL Industries: Promoter K Pooja increased the stake in the company to 3.13% from 3.07% earlier.

### CONSUMPTION

- Reliance Retail completes Rs. 47,265 Cr fundraise from 10.09% stake sale: Billionaire Mukesh Ambani's Reliance Industries on Thursday said it has completed the sale of about 10% stake in its retail unit to a clutch of foreign investors for Rs. 47,265 Cr. Since September 25, the company has sold a 10.09% stake in Reliance Retail Ventures Ltd (RRVL) to private equity firms Silver Lake Partners (2% stake for Rs. 9375 Cr), KKR (1.19% stake for Rs. 5550 Cr), GIC (2.51% stake for Rs. 11760 Cr) among others.
- Future Retail argues Emergency Arbitrator's Interim Order Is Unlawful: Amazon's assertion to statutory authorities that the Emergency Arbitrator's interim order is binding is a complete fabrication and amounts to unlawful interference, senior counsel Darius Khambata told the Delhi High Court. Arguing for Future Retail, Khambata said the law provides that if an order is passed without jurisdiction, it is a nullity and non-est. And that it need not be set aside. He was responding to Amazon.com NV Investment Holdings' argument that Future Retail must either abide by the Emergency Arbitrator's interim order or take steps to set it aside else it can't proceed with regulatory approvals for its deal with Reliance Retail.

### INFRA

- RPP Infra Projects: Albula Investment Fund sold 1.35 lakh equity shares of the company at Rs. 43.5 per share, whereas Paru Securities bought 1.4 lakh shares at the same price on the NSE.
- GPT Infraprojects bagged an order valued at Rs. 162.83 Cr.

### IT

- Mphasis announced the acquisition of UK-based Datalytix through its wholly-owned subsidiary Mphasis Consulting for consideration of £13.3 Mn. Catalytic is a leading player in Snowflake and Talend partner specializing in data engineering and consultancy company.
- TCS announced that Kingfisher Plc, a leading home improvement firm in the UK and Europe has extended its partnership with the IT major wherein TCS would use its machine-based delivery model Machine First to help Kingfisher ensure operational resilience, enhance the customer experience to drive growth.
- Infosys' arm Simplus yesterday announced that it has collaborated with Salesforce to develop a cloud solution for vaccine management. The solution has been built on the Salesforce platform.
- Wipro fixed December 11 as the record date for its buyback program wherein it would buyback 23,75,00,000 shares at Rs. 400 per share amounting to Rs. 9500 Cr. The board has already given approval to the buyback plan.
- -TCS yesterday announced that it got shareholders approval to buyback 5,33,33,333 shares at a price of Rs. 3000 amounting to Rs.16000 Cr.

## FORTHCOMING EVENTS

COMPANY NAME	EVENT	EX-DATE
Proseed India	Other business matters	23-Nov-20
ABM International	Other business matters	23-Nov-20
Petronet LNG	Interim Dividend - Rs 8 Per Share	23-Nov-20
Aurobindo Pharma	Interim Dividend - Rs 1.25 Per Share	23-Nov-20
IndInfravit Trust	Other business matters	24-Nov-20
Prakash Pipes	Fund Raising	24-Nov-20
Sreeleathers	Buyback	24-Nov-20
Binani Industries	Financial Results	25-Nov-20
Coffee Day Enterprises	Financial Results	25-Nov-20
MT Educare	Financial Results/Other business matters	25-Nov-20
Siemens	Financial Results/Dividend	25-Nov-20
TECIL Chemicals and Hydro Power	Other business matters	26-Nov-20
Tata Consultancy Services	Buyback	26-Nov-20
HT Media	Financial Results	27-Nov-20
Next Mediaworks	Financial Results	27-Nov-20

## GLOBAL NEWS

- Donald Trump, Xi Jinping to meet at virtual Asia Pacific forum as trade spat endures. The pair will be at a meeting of the leaders of the 21-nation Asia-Pacific Economic Cooperation (APEC) hosted virtually by Malaysia just two weeks after Trump lost his re-election bid.
- Oxford Covid vaccine shows a strong immune response in older adults. The covid-19 vaccine being developed by British-Swedish pharmaceutical firm AstraZeneca and Oxford University produced a strong immune response in older adults, raising hopes that it can protect the age groups most at risk from the virus.

### METAL

- Modison Metals: Promoter entity Modison Copper Pvt Ltd increased stake in the company to 1.41 percent from 1.26 percent earlier.
- Tata Steel Long Products: Tata Steel to sell 4.51 lakh equity shares of the company in the open market from November 20 to December 15 this year, for achieving minimum public shareholding of the company.

### NBFC

- Dewan Housing Finance's lead lender SBI has asked fellow lenders to persuade four suitors to increase bid price as improvement in asset quality has made DHFL more valuable.

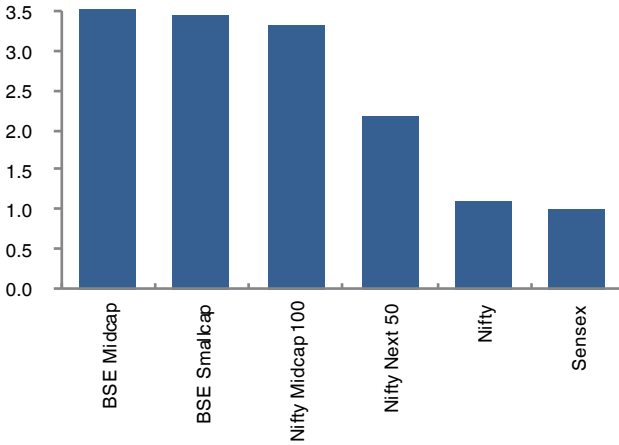
### PHARMA & HEALTHCARE

- Apollo Hospitals and Tata Medical and Diagnostics tester announced the induction of Tata MD CHECK, a COVID testing tool that is expected to deliver faster test results.
- Syngene International has signed an agreement with Deerfield Discovery and Development Corporation to collaborate for five years to advance therapeutic discovery projects from target validation through to pharmacological proof of concept and preclinical evaluation.
- Pfizer's US parent and BioNTech would seek emergency authorization from US and EU authorities for its COVID vaccine next month after the final trial showed a 95% success rate and no serious side effects.

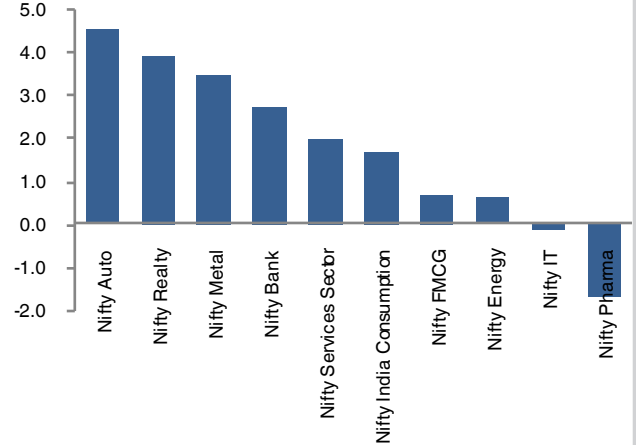
### TELECOM & MEDIA

- A consortium of investors led by US-based investment firm Oaktree Capital Management and Varde Partners proposed to invest \$ 2.5 Bn in troubled Vodafone Idea Ltd. Also, Bharti Infratel yesterday announced the completion of the merger of India Towers. Vodafone Idea has received funds amounting to Rs. 3760 Cr for its 11.16% holding in Indus Towers.

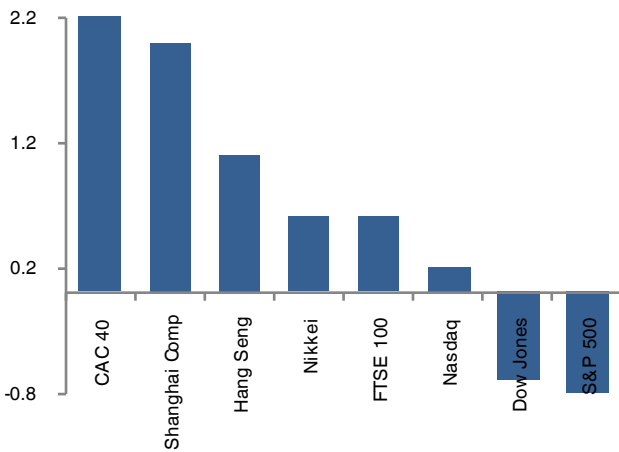
INDIAN INDICES (% CHANGE)



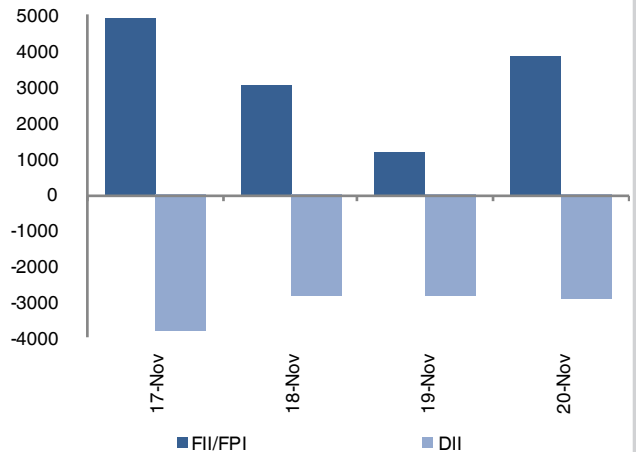
SECTORAL INDICES (% CHANGE)



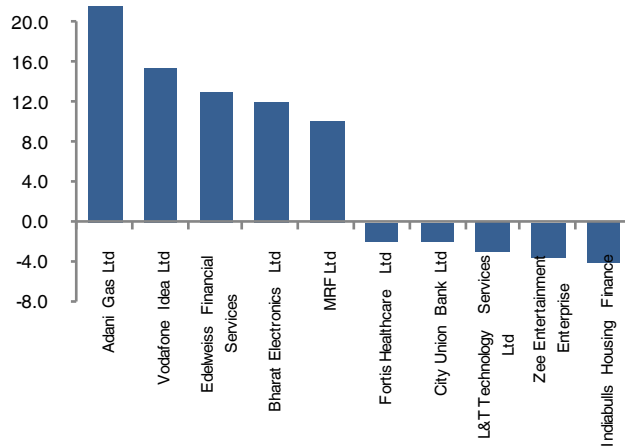
GLOBAL INDICES (% CHANGE)



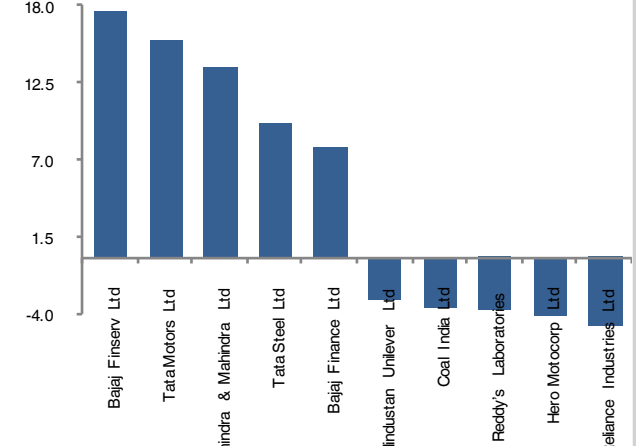
FII/FPI & DII TRADING (IN RS. CRORES)



NIFTY MIDCAP100 TOP GAINERS & LOSERS (1W)



NSE NIFTY TOP GAINERS & LOSERS (1W)



Source: Karvy Research

## BEAT THE STREET - TECHNICAL ANALYSIS

### Titan Company Ltd



STOCK	TITAN
CMP	1362
ACTION	BUY
ENTRY	1340-1350
AVERAGE	1275
STOP LOSS	1210
TARGET 1	1500
TARGET 2	1550

On the technical front, TITAN has higher highs and higher lows on the daily charts and is currently placed above the long-term EMAs in the daily frame. In the recent past, after clocking a high of 1319 levels, the stock has witnessed a bounce and rallied to the current levels. At the current juncture, the stock has formed a base of around 1275 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 1210 levels. This may trigger a fresh round of buying which may take the stock towards 1500 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 60 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 1550 levels in the medium-term. Any correction towards the recent support levels of 1275 levels may be utilized to average the positions.

### Reliance Industries Ltd



STOCK	RELIANCE
CMP	1901 (Spot Levels)
ACTION	SELL
ENTRY	BLW 1895
AVERAGE	2009
STOP LOSS	2096
TARGET 1	1675
TARGET 2	1625

On the technical front, RELIANCE 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 2369 levels, the stock has witnessed a round of profit booking which dragged the counter below the medium-term moving average of 100-DEMA on the daily charts. At the current juncture, the stock is forming a ceiling around 2096 levels on the higher side and is all set to move lower below 1800 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 1675 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 40 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 1625 levels in the short to medium term. Any upward rally towards the recent resistance levels of 2009 levels may be utilized to average the positions.

INDEX SNIPPETS

**NIFTY (12859.05):** Indian equity benchmark index Nifty 50 closed higher by 1.09% 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 11950-11970 levels in future sessions. On the global front, Asia-Pacific markets traded mixed on Friday as investors remained cautious over the short-term economic impact of the coronavirus as cases around the world continue to rise. The coronavirus pandemic, which has infected more than 56 million people and caused major disruptions to the world economy, has also pushed global debt levels to a new high. European stocks closed higher on Friday as investors looked past spiraling coronavirus cases and a US Treasury decision to spike pandemic relief programs. US Stocks fell on Friday as rising new coronavirus cases, coupled with questions around central-bank funding for key emergency programs, cast doubt on a swift economic recovery. The major averages were roughly flat for the week entering Friday's session as the increasing number of cases slows the market's rally to record highs. Domestically, on the derivatives front, open interest data suggests that the Nifty index may find its supports around 12800 followed by 12500 levels while on the higher side, 13000 and 13500 levels may act as strong resistance.



**NIFTY AUTO INDEX** has outperformed Nifty 50 by a wide margin as Nifty Auto gained 5% this week versus Nifty's 1% gains. Technically, the index which has been moving in a range for the past three months has successfully broke out of the top end of the range and made a high of 8807.6 which was last seen in March 2019. During the week Nifty Auto opened on a positive note to march ahead with strong momentum and took a breather at long term resistance of 8800. The index continues to trade above all key moving averages after taking support at 50 DMA during past week. This week all index components ended positively except Hero MotoCorp and TVS Motor. While TVS Motor ended flat, Hero MotoCorp ended with losses of 4%, probably due to profit booking. This week's index gains were driven by strong gains in Tata Motors, M&M and MRF which gained more than 10%. Tata Motors is the top performer of the week with gains of 15% on robust festive season sales. M&M gained on news of possible value unlocking as the management aims to list 10 promising units in the future. Now that the festive season has ended and with no triggers available, we expect the index to consolidate around 8800 levels for the rest of the month. We expect the index to see support at 8460 levels followed by 8200-8220 support zone. On the upside, we expect to see some resistance at 9270 followed by 9550.



**NIFTY CONSUMPTION** marginally outperformed the benchmark index by 60bps in the past week. The major events during the week have been the Q2 results of Apex frozen foods and Reliance Future deal. Q2 results of Future retail were on expected lines with the chain posting loss to the tune of Rs. 692.36 Cr. The company continues to move ahead with the sale to Reliance Retail (a subsidiary business of Reliance Industries) despite the objections from Amazon for first right of refusal. On the other hand, Reliance Retail continues to move ahead with the fund raising plans and has sold 10% stake on PE basis in the last 9 months for a total value of Rs. 47,256 Cr. The influx of cash will be used to parry debt and has resulted in the rise in stock price of RIL over the last few months. We expect consumption to improve in Q3, owing to festivities and pent up demand. Therefore, despite slow economic recovery, these positives are driving up stock prices for the discretionary spend companies in recent times. This is particularly true in the mid cap space signalling the market expectation of better numbers in Q3 and recovery over the next few quarters. The index is at an all time high as a result and we expect further uptick in valuations, The resistance levels to watch out for are 5500 and 5600 while support can be found at 5100 and 5000.



## BULLION

The global precious metals market extended the weakness for the second consecutive week with CME gold futures falling to 4-month low and silver also falling to 2-week low on rising hopes of COVID-19 vaccine rollout following successful trial by Pfizer and Moderna. The U.S. Federal Reserve Vice Chairman Richard Clarida said that two successful tests of vaccine have increased the chances of a faster than expected U.S. economic recovery. The weakness in the dollar against major currencies on lesser than expected U.S. economic data released during the week also weighed on the market. The United States retail sales grew by 0.3% in October against previous reading of 1.6% and lesser than market expectation of 0.5%. The industrial production grew by 1.1% in October from contraction of -0.4% in September. The Fed chairman Jerome Powell made a fresh appeal to the congress to pass another coronavirus relief package to help troubled businesses. The U.S. Federal Reserve's continued attempt to spark higher inflation expectations should suppress real rates deeper into negative territory. Holdings in gold-backed ETFs dropped more than 50 tons as demand for bullion is falling following a successful trial of the vaccine. MCX gold futures traded below Rs. 50000 per 10 gram for a brief period. However, the market pared some of the losses on last trading day of the week after U.S. Treasury Secretary Steven Mnuchin said that negotiations on stimulus measures will continue, boosting the metal's appeal as a hedge against likely inflation.

## ENERGY

Oil prices of both benchmarks i.e., WTI and Brent advanced their gains for the third consecutive trading session amidst concerns over fuel demand. The supply related concern has been pushing the oil prices to test higher levels. Further, oil market had received a boost from the fact of stronger equity market across the globe, which had cheered the news of successful trial of coronavirus vaccine by Pfizer and Moderna. Falling production of crude oil in the United States due to Hurricanes was another price driving factor for the market. According to the U.S. Energy Information Administration, U.S. oil output from shale is expected to decline by about 139,000 barrels per day (bpd) in December to about 7.51 million bpd, the lowest level since June. OPEC+ is planning to postpone of a planned January increase to oil output by at least three months to support prices as the COVID-19 pandemic continues its second wave. Saudi Arabia called on fellow OPEC+ members to be flexible in responding to oil market needs as it builds the case for a tighter oil production policy in 2021 to tackle weaker demand amid a new wave of the coronavirus pandemic. The Energy Information Administration has reported that crude oil inventories rose by 768,000 barrels last week against market expectation of 1.7 million barrels and much lesser than penultimate week's build-up of 4.3 million barrels. UAE Energy Minister Suhail al-Mazrouei said that his country has always been a committed member of OPEC and that it has demonstrated this commitment through its compliance to the current OPEC+ oil supply reduction agreement. Oil tanks in America's most important crude storage hub are filling to their maximum capacity once again approaching the levels reached in May after prices crashed. Stockpiles at Cushing, Oklahoma stood at 61.6 million barrels as of Nov. 13, or about 81% of capacity.

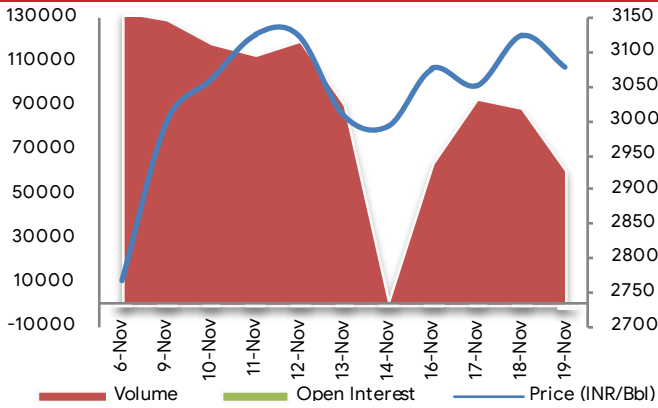
## BASE METALS

Stronger global equities market and successful trial of vaccine by Pfizer and Moderna pushed the non-ferrous metals market to test multi-month high across the board. LME copper surged to its highest level since June 2018; zinc rose to 18-month high; lead to 12-month high; nickel to 1-month high and aluminium surged to its highest level since October 2018. Stronger demand from China following better than expected economic numbers pushed the metal prices higher. Chinese industrial production grew by 6.9% in October same as than of previous month but better than market expectation of 6.7%. China's industrial sector has rebounded from the initial hit it took from the coronavirus outbreak, creating robust demand for metals. Copper supply concerns eased after Chile's Spence mine, owned by BHP Group said that it had struck an early deal with its union of supervisors on a contract that will run until November 2023. However, workers at the Candelaria copper mine in Chile, operated by Lundin Mining Corp, are divided over the wage contract. China rolled out a new copper futures contract this week that will be open to foreign traders, in a push to boost yuan adoption and remove its price dependency on LME. One of the unions on strike at Chile's Candelaria copper mine, owned by Canada's Lundin Mining Corp, rejected a contract offer from the company on Tuesday, confirming the work stoppage would continue. The Chinese government will issue policies to stabilize and expand automobile consumption, which is favorable to copper prices. Stainless steel futures on China's Shanghai Futures Exchange fell to a five-month low as steelmakers cut prices on expectations production would remain high in the coming months. According to International Nickel Study Group (INSG), the global nickel market surplus narrowed to 3500 tons in September from 10,000 tons in August. Zinc prices rose on Wednesday to an 18-month high as a mine shutdown in South Africa and signs of tightening short term supply added to expectations of strong demand from top consumer China. Some smelters planning to conduct maintenance at the end of the year and the South African Gamsberg mine collapsed accidentally overnight boosted market mood. The U.S. existing home sales for the month of October came in better-than-expected at 6.85 million against the prior month reading of 6.57 million. China's October aluminum production grew by 9.7% YoY to 3.2 million tons taking total production to 30.63 million tons during the first 10 months of 2020. China is likely to add less output of primary aluminum in 2021 than this year, lending support to prices. The country's output could increase by 4% year-over-year to 38.5 million tons in 2021, a slowdown from this year's 5%. China's primary aluminum inventories shrank 14,000 tons on the week to 615,000 tons as of November 19.

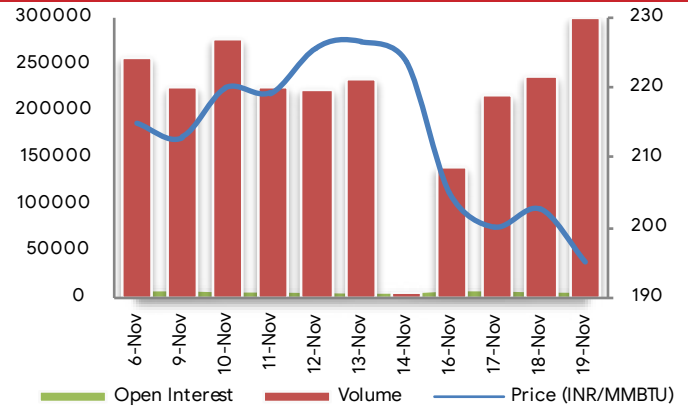
## NEWS DIGEST

- Saudi Arabia and Russia are in a tight race to become China's top oil supplier in 2020, with both countries boosting crude exports to the economic powerhouse even as the coronavirus pandemic hit global demand for oil this year. Saudi Arabia, which was China's top supplier last year, has exported between 1.6 million and 1.7 million barrels per day (bpd) of crude from January to November 2020, as deep price cuts gave Saudi oil exports a boost this month, according to analytics firms Refinitiv, Vortexa and Kpler. It was catching up with Russia which has exported about 1.7 million bpd of oil to China so far in 2020, with Iraq at a third place with about 1.2 million bpd. The oil industry has been hard hit this year as the coronavirus pandemic hurt business activity and ground the travel industry to a virtual halt. China, the world's top crude importer, is one of the few countries to have boosted purchases in 2020, as buyers made the most of low prices earlier this year, while fuel demand recovered from the second quarter along with the broader economy.
- A U.S. judge overseeing trade issues on Thursday upheld a recent proclamation by President Donald Trump to allow the reimposition of tariffs on some imported solar panels, in a victory for domestic manufacturers. Judge Gary Katzmann of the U.S. Court of International Trade said Trump's decision to revoke a tariff exemption for double-sided, or bifacial, solar panels did not run afoul of an earlier court order that left the exemption in place. The judge said Trump acted under a different law than what governed U.S. Trade Representative Robert Lighthizer, to whom the earlier order was directed. Bifacial technology is a small but growing part of the solar panel market, costing more but capable of producing greater power than traditional panels. Trump said in his Oct. 10 proclamation that the exemption "impaired and is likely to continue to impair the effectiveness" of tariffs meant to bolster the domestic solar industry "in light of the increased imports of competing products."
- Smaller Russian oil companies are still planning to pump more crude this year despite a global deal to cut production as they have little leeway in managing the output of start-up fields, a group representing the producers said on Friday. Russia is a part of a group known as OPEC+, made up of members of the Organization of the Petroleum Exporting Countries and other major producers, which agreed massive joint cuts to output earlier this year to stabilize battered energy markets. The country expects to reduce its oil and gas condensate production C-RU-OUT by around 10% this year to 507 million tonnes (10.15 million bpd). With its number one producer Rosneft agreeing heavy cuts to output, Russia's compliance with the deal has been high, at 96% in October. However smaller firms say they will struggle to comply with caps proposed by the Russian oil ministry. The AssoNefit group, made up of 130 small- and medium-sized oil and gas producers accounting for a little over 4% of total Russian output, told Reuters that the association plans to raise output to some 23.6 million tonnes from 22.8 million tonnes in 2019.
- Ukraine has harvested 60.3 million tonnes of grain from 14.6 million hectares, or 95% of the sown area, as of Nov. 19, economy ministry data showed on Friday. Farmers had completed the wheat and barley harvest and collected 24.5 million tonnes of corn from 4.7 million hectares, or 86% of the sown area, the data showed. The ministry expects the grain crop could fall to around 68 million tonnes in 2020 from a record 75 million tonnes in 2019 due to severe drought across most parts of the country.

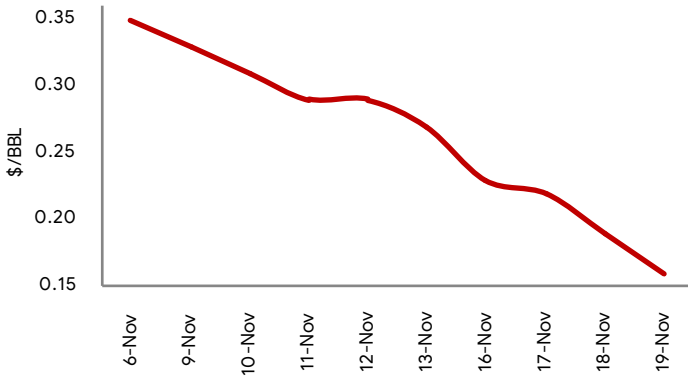
## MCX CRUDE - PRICE, VOLUME & OPEN INTEREST



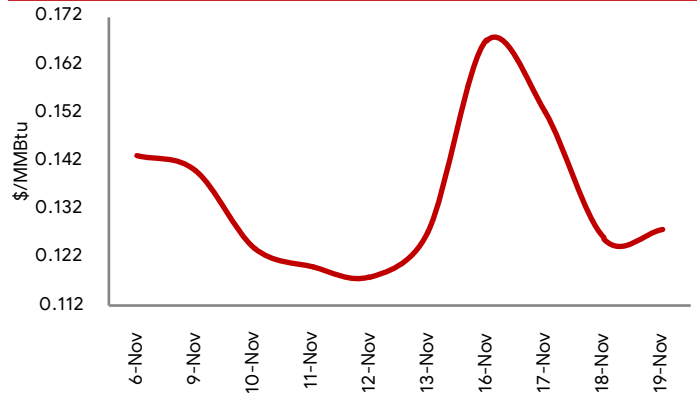
## MCX NATURAL GAS - PRICE, VOLUME & OPEN INTEREST



## CALENDAR SPREAD NYMEX - CRUDE OIL



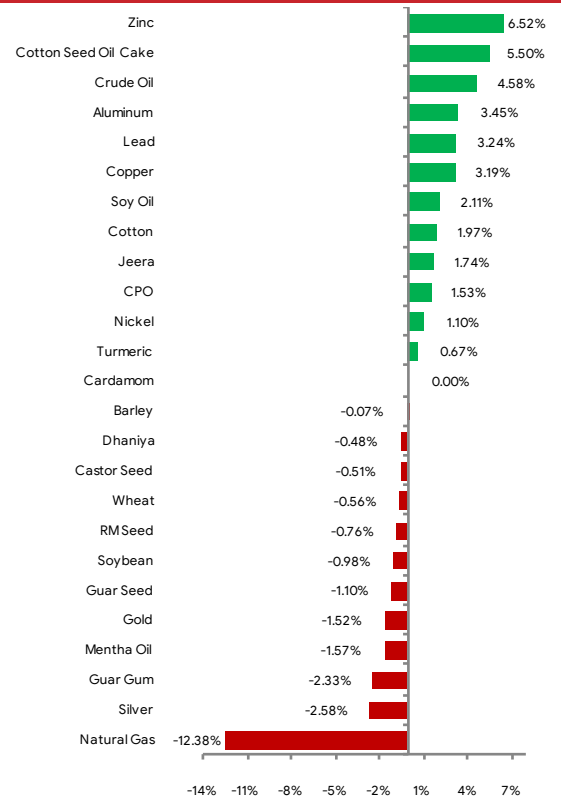
## CALENDAR SPREAD NYMEX - NATURAL GAS



## TRENDSHEET

Commodities	14-Nov	21-Nov	% Change	52 Week High	% Change from 52 Week High	52 Week Low	% Change from 52 Week Low
MCX Gold (Rs/10 gms)	50986	50212	-1.52	56191	-10.64	37100	35.34
MCX Silver (Rs/Kg)	63801	62158	-2.58	77949	-20.26	33580	85.10
MCX Crude Oil (Rs/bbl)	2992	3129	4.58	4670	-33.00	795	293.58
MCX Natural Gas (Rs/mmBtu)	224	196	-12.38	251	-22.01	111	77.38
MCX Copper (Rs/kg)	542	559	3.19	563	-0.75	336	66.33
MCX Lead (Rs/kg)	153	158	3.24	161	-1.71	119	32.90
MCX Zinc (Rs/kg)	212	225	6.52	226	-0.29	124	82.28
MCX Nickel (Rs/kg)	1199	1213	1.10	1215	-0.21	806	50.47
NCDEX Soybean (Rs/Quintal)	4479	4435	-0.98	4561	-2.76	3276	35.38
NCDEX Refined Soy Oil (Rs/10 kg)	1056	1079	2.11	1085	-0.59	728	48.12
NCDEX RM Seed (Rs/Quintal)	6187	6140	-0.76	6348	-3.28	3770	62.86
MCX CPO (Rs/10 kg)	916	930	1.53	949	-2.01	567	63.88
NCDEX Castor Seed (Rs/Quintal)	4708	4684	-0.51	4848	-3.38	3520	33.07
NCDEX Turmeric (Rs/Quintal)	5662	5700	0.67	6820	-16.42	5200	9.62
NCDEX Jeera (Rs/Quintal)	13790	14030	1.74	16785	-16.41	13110	7.02
NCDEX Dhaniya (Rs/Quintal)	6610	6578	-0.48	7180	-8.38	5431	21.12
MCX Cardamom (Rs/kg)	1500	1500	0.00	4185	-64.16	0	-
NCDEX Wheat (Rs/Quintal)	1773	1763	-0.56	2290	-23.01	1800	-2.06
NCDEX Guar Seed (Rs/Quintal)	4103	4058	-1.10	4394	-7.65	3190	27.21
NCDEX Guar Gum (Rs/Quintal)	6297	6150	-2.33	8001	-23.13	4700	30.85
MCX Cotton (Rs/Bale)	19750	20140	1.97	20280	-0.69	14800	36.08
NCDEX Cocud (Rs/Quintal)	1946	2053	5.50	2263	-9.28	1507	36.23
MCX Mentha Oil (Rs/kg)	959	944	-1.57	1336	-29.31	905	4.31

## FUTURE PRICES (% CHANGE)





## ECONOMIC GAUGE FOR THE NEXT WEEK

Date	Time	Country	Indicator Name	Period	Poll	Prefix	Unit	Prior
23-Nov-20	14:30	Euro Zone	Markit Serv Flash PMI	Nov 2020	42.5		Diff.Idx	46.9
23-Nov-20	15:00	United Kingdom	Flash Composite PMI	Nov 2020	42.5		Diff.Idx	52.1
23-Nov-20	15:00	United Kingdom	Flash Manufacturing PMI	Nov 2020	50.5		Diff.Idx	53.7
23-Nov-20	15:00	United Kingdom	Flash Services PMI	Nov 2020	42.5		Diff.Idx	51.4
23-Nov-20	19:00	United States	National Activity Index	Oct 2020			Index	0.27
23-Nov-20	20:15	United States	Markit Svcs PMI Flash	Nov 2020	55.5		Diff.Idx	56.9
24-Nov-20	5:20	Japan	Service PPI	Oct 2020			Percent	1.3
24-Nov-20	19:30	United States	Monthly Home Price MM	Sep 2020			Percent	1.5
24-Nov-20	19:30	United States	Monthly Home Price Index	Sep 2020			Index	297.7
24-Nov-20	19:30	United States	CaseShiller 20 MM SA	Sep 2020			Percent	0.5
24-Nov-20	19:30	United States	CaseShiller 20 YY	Sep 2020			Percent	5.2
24-Nov-20	20:30	United States	Rich Fed Comp. Index	Nov 2020			Index	29
24-Nov-20	20:30	United States	Rich Fed Mfg Shipments	Nov 2020			Index	30
24-Nov-20	20:30	United States	Consumer Confidence	Nov 2020	98		Index	100.9
25-Nov-20	18:30	United States	Build Permits R Numb	Oct 2020		Mln	No. of	1.545
25-Nov-20	18:30	United States	Build Permits R Chg MM	Oct 2020			Percent	0
25-Nov-20	19:00	United States	Durables Ex-Transport	Oct 2020	0.4		Percent	0.9
25-Nov-20	19:00	United States	Durables Ex-Defense MM	Oct 2020			Percent	3.4
25-Nov-20	19:00	United States	Wholesale Inventories Adv	Oct 2020			Percent	0.4
25-Nov-20	19:00	United States	Personal Income MM	Oct 2020	0.1		Percent	0.9
25-Nov-20	19:00	United States	Personal Consump Real MM	Oct 2020			Percent	1.2
25-Nov-20	19:00	United States	Core PCE Price Index MM	Oct 2020	0		Percent	0.2
25-Nov-20	19:00	United States	PCE Price Index MM	Oct 2020			Percent	0.2
25-Nov-20	19:00	United States	PCE Price Index YY	Oct 2020			Percent	1.4
25-Nov-20	19:00	United States	Corporate Profits Prelim	Q3 2020			Percent	-10.7
25-Nov-20	19:00	United States	GDP 2nd Estimate	Q3 2020	33.1		Percent	33.1
25-Nov-20	19:00	United States	GDP Cons Spending Prelim	Q3 2020			Percent	40.7
25-Nov-20	19:00	United States	GDP Deflator Prelim	Q3 2020			Percent	3.7
25-Nov-20	19:00	United States	PCE Prices Prelim	Q3 2020			Percent	3.7
25-Nov-20	20:30	United States	New Home Sales-Units	Oct 2020	0.97	Mln	No. of	0.959
25-Nov-20	20:30	United States	U Mich Conditions Final	Nov 2020			Index	85.8
25-Nov-20	20:30	United States	U Mich 5-Yr Inf Final	Nov 2020			Percent	2.6
26-Nov-20	5:00	Japan	CPI Tokyo Excl Food & Energy M/M	Nov 2020			Percent	0.3
26-Nov-20	14:30	Euro Zone	Money-M3 Annual Grwth	Oct 2020	10.5		Percent	10.4
26-Nov-20	14:30	Euro Zone	Loans to Households	Oct 2020			Percent	3.1
26-Nov-20	14:30	Euro Zone	Loans to Non-Fin	Oct 2020			Percent	7.1
26-Nov-20	14:30	Euro Zone	Broad Money	Oct 2020		Mln	EUR	14180065
27-Nov-20	7:00	China (Mainland)	Industrial profit YY	Oct 2020			Percent	10.1
27-Nov-20	12:30	United Kingdom	Nationwide house price mm	Nov 2020			Percent	0.8
27-Nov-20	12:30	United Kingdom	Nationwide house price yy	Nov 2020			Percent	5.8
27-Nov-20	15:30	Euro Zone	Industrial Sentiment	Nov 2020	-10.8		Balance	-9.6
27-Nov-20	15:30	Euro Zone	Services Sentiment	Nov 2020	-15		Balance	-11.8
27-Nov-20	15:30	Euro Zone	Selling Price Expec	Nov 2020			Balance	0.6