

# K STREET

RULE THE MARKET

ISSUE: 087



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## From The Desk Of Research Head

### Markets are curiously waiting for the COVID cure

On April 29, the Dow Jones surged 600 points or 2.6% after Dr. Anthony Fauci, US' top infectious disease expert sounded optimistic about Gilead Sciences' experimental drug remdesivir. He said that a study by NIAID (National Institute of Allergy and Infectious Disease) revealed that remdesivir had significantly positive effect in reducing the time to recovery on patients if used early. Preliminary results from a US trial revealed that remdesivir recovered 31% faster than those given a placebo. While the USFDA SAID it is in talks with Gilead to make the drug available to patients as soon as possible, it declined to comment on giving the regulatory approval.

Interest in remdesivir has been high as there are no approved treatments or preventive vaccines available. Scientists across the globe are striving hard to hit that eureka moment. Of all the cures that were considered till now, many hopes were pinned on Remdesivir. Global markets at once woke up to a positive news by Stat News, a medical news publication when based on a discussion of doctors it reported on April 16 that most severe patients who were treated with remdesivir at a Chicago hospital responded positively and went home within days. Gilead on April 17 issued a statement saying that it would be too soon to consider remdesivir a game-changer.

Doctors were more curious on test results of this trial is because patients were randomized to treatment with drug without doctors or patients knowing which group they were in – an important aspect of the clinical trials. While it is definitely a positive development, the trials lead researcher indicated that full trial results would be out in Mid-May giving more clarity on how this drug can be used.

In another major development, according to the Serum Institute of India, world's largest producer of vaccines by volumes, on April 30 said that clinical trials of vaccine under development by University of Oxford are showing positive results on animals. According to the initial results, six candidates inoculated with the vaccine and exposed to the virus did not catch with the coronavirus even after 28 days. While it is yet to be proven to be effective for use on humans, the institute said that it is going ahead to produce up to 60 million doses of the vaccine in the coming months.

Given the long term repercussions of the virus on both humans and the economy, markets are curious to see a medical breakthrough. The impact of remedy for COVID-19 will be positive for markets in general and might result in an elongated U-shaped recovery. The confidence that the contagion could be arrested with the help of the drug, will soon result in the ending of lockdowns and businesses will soon tread the path to a new normal.

The effort to develop the vaccine appears to be promising as multiple drugs have hit headlines on anecdotal reports of its success in treating symptoms. About 80 vaccines and 150 drugs are being worked on around the world. But there is a consensus opinion among medical experts that in spite of all the efforts being carried out, a vaccine for COVID 19 will take at least 6 months, even under emergency approval, as there are necessary clinical trials that are to be carried out. Since finding a cure for Corona is still some time away, global markets will continue its roller coaster ride as investor sentiments across the globe swing between hope and despair in the context of finding a cure for corona.

**- DR. RAVI SINGH**

Vice President & Head of Research

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## NEWS

### Agriculture

- Amid lock down, wheat procurement exceeds 13 million tonnes
  - » The wheat procurement for the central pool has crossed 13 million tonnes with Punjab leading the chart with 6.8 million tonnes followed by Haryana (3.0 million tonnes) and Madhya Pradesh (2.5 million tonnes). The government targets to procure 40 million tonnes by June.
  - » With steady inflows of food grains through procurement, the overall central pool stocks position remains stable even after release of about 12.2 million tonnes under various schemes including National Food Security Act.
- Sugar output falls 20 per cent in October-April; last 2 months sales dip by 10 lakh tonne due to lockdown
  - » India's sugar production fell 20 per cent to 258.01 lakh tonne in the current marketing year ending September due to lower cane output, while sales plummeted during the last two months because of the lockdown.
- Farming sector will not be impacted by Coronavirus: Agriculture minister
  - » The country's farm sector is functioning smoothly despite COVID-19 lockdown and there will not be much impact on its growth in the current fiscal unlike other sectors, Agriculture Minister Narendra Singh Tomar said on Wednesday.
  - » Agriculture and allied sector's growth stood at 3.7 per cent during the 2019-20 fiscal.
  - » Meanwhile, government think tank Niti Aayog pegged the farm sector growth at 3 per cent in the current fiscal in hopes of a good monsoon amid prevailing COVID-19.

### FMCG

- Nielsen slashes FMCG growth forecast by half to 5-6% for 2020.
  - » Market research firm Nielsen revised its outlook for the growth of the FMCG segment, downgrading it from 9-10% to 5-6% for this year as a consequence of Covid-19 outbreak.
  - » This comes in the backdrop of the industry witnessing early signs of recovery in January and February, however, a lockdown following the outbreak of the virus towards the end of March, impacted quarterly growth rates too.
- HUL reported a profit of Rs 1,519 crore in the fourth quarter, registering a 1.2 percent decline YoY due to the lockdown in the second half of March.
  - » Revenue for the March quarter dropped 9.4 percent year-on-year to Rs 9,011 crore due to a decline in volumes.
  - » HUL reported a 7 percent decline in underlying volume growth in the quarter against 7 percent growth in Q4FY19 and 5 percent growth in Q3FY20.
- HUL management commentary:
  - » The company has resumed 70-80% of its operations, but, only after some normalcy is restored in its business, will it be able to understand to what extent demand was impaired
  - » HUL said at this juncture, there are many variables which are very difficult to predict and a lot will depend on the trajectory of the virus

### Banking/NBFC/Insurance

- India's life insurance companies clocked 11.36 per cent growth in their collective premium income at Rs 48.26 lakh crore during the fiscal ended March 2020, data from IRDAI showed.
  - » The 24 life insurance companies' collective premium income stood at Rs 43.33 lakh crore during fiscal year 2018-19.
- Rush for gold loans seen as Indians seek refuge from slowdown
  - » "Recycling and collateralized loans against gold may be expected to grow exponentially in the next few quarters," P.R. Somasundaram, managing director for India at the World Gold Council, said in an interview.

## FORTHCOMING EVENTS

COMPANY NAME	EVENT	EX-DATE
Varun Beverages Ltd	Quarterly result	5th May, 2020
YES BANK Ltd	Quarterly result	6th May, 2020
HCL Technologies Ltd.	Quarterly result	7th May, 2020
Gillette India Ltd.	Quarterly result	7th May, 2020

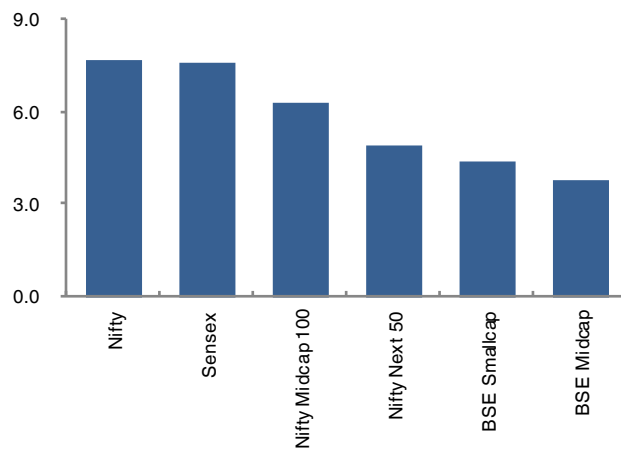
## OTHER NEWS

- India lockdown extended for two more weeks from May 4th, 2020.
  - » New guidelines, outlined on Friday, update the country's designated red, green and orange zoning system.
  - » Red zones are considered hotspots, while considerable relaxations will be permitted in areas considered less dangerous.
- Big slash in prices of non-subsidised LPG cylinder.
  - » Prices of LPG cylinder saw a huge drop of over Rs 160 per cylinder.
  - » This is the third consecutive month in which the LPG prices have been revised downwards.
- Half of US states easing coronavirus restrictions as jobless numbers grow
  - » The White House let its 2-week-old economic reopening guidelines expire on Thursday as half of all U.S. states forged ahead with their own strategies for easing restrictions on restaurants, retail and other businesses shuttered by the coronavirus crisis.
  - » The jobless toll amounts to more than 18.4% of the U.S. working-age population, a level not seen since the Great Depression of the 1930s. Data indicates, over 30 mn Americans have sought unemployment benefits since March 31, 2020.
  - » "There will definitely be a strong growth in that area for two reasons: the prices are going up – they will get more for the same grammage – and the second is that banks are not going to be in a position to lend just like that", he further stated.
- After Franklin Templeton Mutual Fund decided to shut down its six schemes citing redemption pressures and lack of liquidity in the bond markets, the Reserve Bank of India on Monday opened a special Rs 50,000 crore liquidity facility for mutual funds.
  - » Under this facility, the RBI will lend to banks at lower rates who can then lend it to stressed mutual funds. Existing market regulations already allow mutual funds schemes to borrow up to 20% of their assets to meet liquidity needs for redemption or dividend pay-outs.
  - » RBI had extended a similar facility to mutual funds in 2008 and 2013. In 2008, it was open to lending up to Rs 20,000 crore to banks but got only four bids worth Rs 3,500 crore. In 2013, it had allowed banks to borrow up to Rs 25,000 crore to help mutual funds but received no bids as there was enough liquidity in the system.

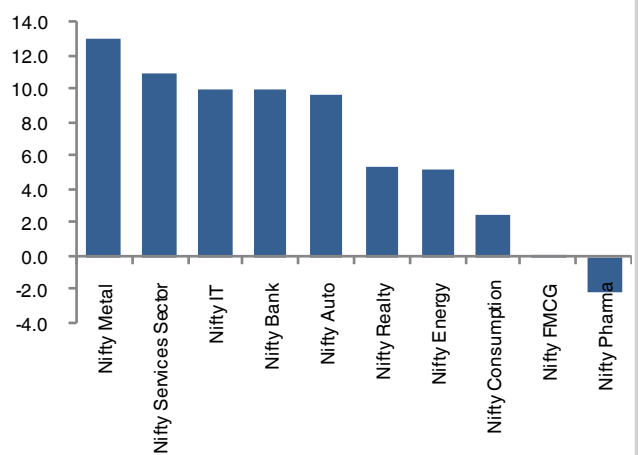
### Power/Energy

- Centre asks generating companies to reduce coal import, source domestic fuel.
  - » The government also said that in case the any inadequacies with regard to the requirement from the domestic output, the matter may be brought in the knowledge of the Centre to sort out the hurdles.
- Daily coal sale to power sector halves
  - » Total supplies to the sector have slumped almost 70% this month as against April 2019.
  - » Total sales are down 26%, production has declined 11% and stocks increased 60% to touch 76 million tonnes in April.

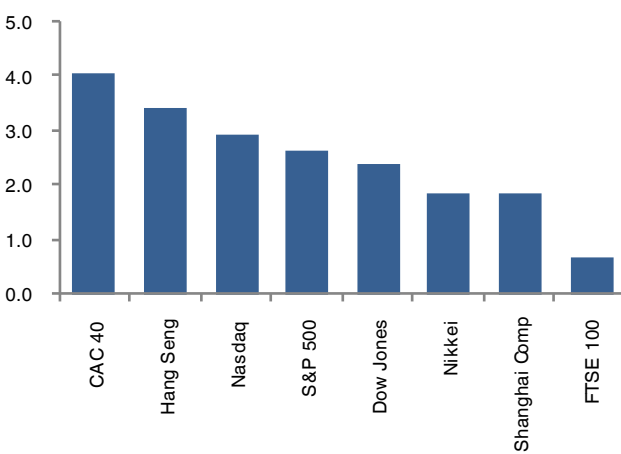
## INDIAN INDICES (% CHANGE)



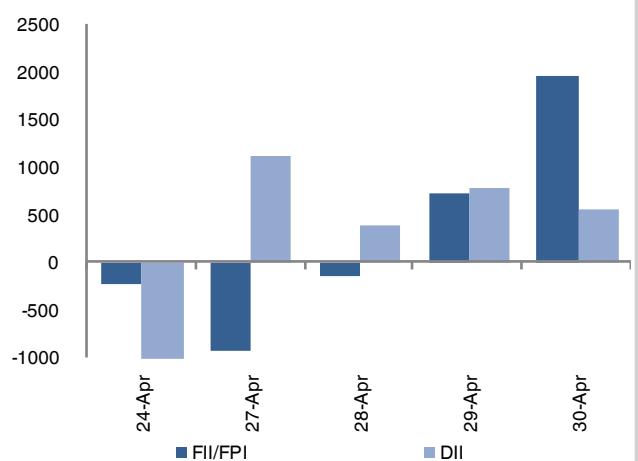
## SECTORAL INDICES (% CHANGE)



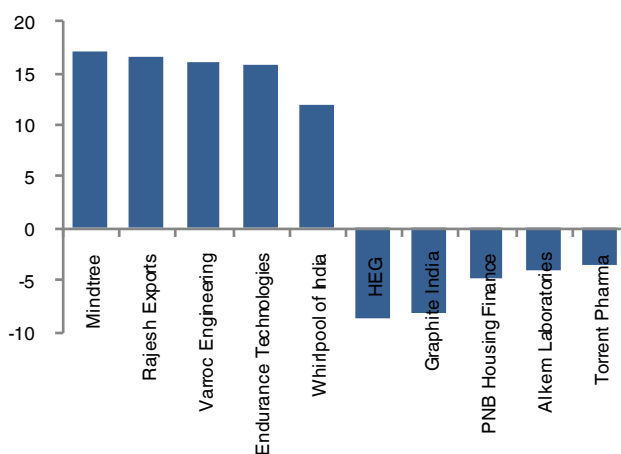
## GLOBAL INDICES (% CHANGE)



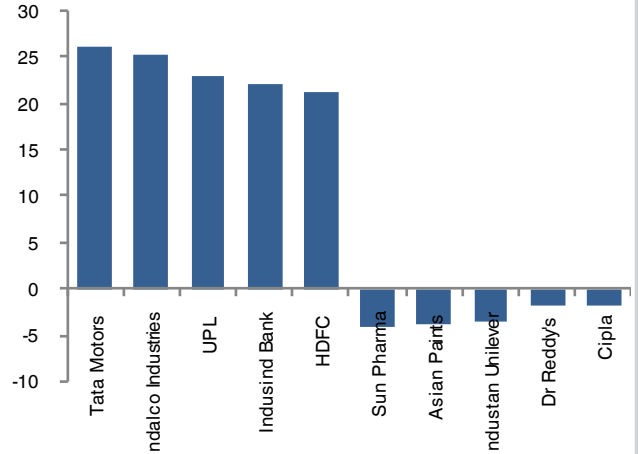
## FII/FPI & DII TRADING (IN RS. CRORES)



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



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



Source: Karvy Research

BEAT THE STREET - TECHNICAL ANALYSIS

Adani Ports and Special Economic Zone Ltd



STOCK	ADANIPTS
CMP	290.1
ENTRY	285-290
AVERAGE	272
STOP LOSS	260
TARGET 1	334
TARGET 2	346
TIME FRAME	1-2 Months

ADANIPTS was in secular Bull Run with time corrections in place until the market corrected over the pandemic of COVID-19. The stock has performed very well in last few quarters. Stock after consolidating during Dec 2019, at around the levels of 350-380, has seen a freefall towards the recent low of 235 odd levels but at the same time have seen a V-shaped recovery soon after. Recent price performance in the stock until the break down indicated the strength in the stock. Stock after decent consolidation has seen a break out in price and the move has taken the stock to all its major moving averages. Currently, the stock is trading with correction over 35% from its lifetime high and has taken support from its previous support zone. The stock has retraced nearly over 61.80% of the Fibonacci retracement drawn from the lows of 235 to its swing high of 428 levels. Over all chart patterns indicates that any significant dip in the stock will be an opportunity to enter the stock with mid to long term perspective. The monthly as well as weekly charts are more convincing for a new up move with significant volume participation witnessed in the days gone by, indicating the stock is being accumulated by stronger hands on every dip. On the momentum setup 14-period RSI on weekly and daily is near the historical support zone and any relief in the market from the global pandemic of corona virus may boost the up move in the stock in short to medium term perspective. Even the MACD is hovering around the signal line with broadening bands in daily charts which suggests positive momentum could be seen in the counter in near future

Hindustan Petroleum Corporation Ltd



STOCK	HINDPETRO
CMP	220.3
ENTRY	200-205
AVERAGE	192
STOP LOSS	179
TARGET 1	244
TARGET 2	260
TIME FRAME	1-2 Months

HINDPETRO has been witnessing some pressure from past few trading months and is currently place near its multi-year support zone of 180-160 levels. The stock recently has reacted due the fall in global crude oil price and has retraced almost 100% from its all time high to the recent swing low of 163 odd levels. The stock is expected to outperform its peers from the sector as technically the stock has made a setup for massive bounce. The stock has been consolidating in a tight range of 20-30 odd points and is well equipped to witness a fresh rebound from the current levels. On technical set up, 14 period RSI have witnessed bounce from the oversold region on 21 points on weekly chart and as per the historical data the stock is expected to surge higher. Even on the Bollinger band, the price action has seen a valid surge from the lower band of the Bollinger to the mean, at same time the band is getting narrower indicating volatility burst in near future. On derivatives front, huge amount of built up has been seen in the near In the money options suggesting the support is near the levels and strong hands have started accumulating the positions in the counter. Even on oscillator front, MACD has witnessed a positive crossover in both weekly and daily chart suggesting it to be a good opportunity to invest in the counter from short to medium term perspective.

## SECTORAL SNIPPETS

NIFTYAUTO has witnessed a massive recovery and traded in-line with the broader index Nifty50 in the last trading week. The index has surged over 9.75% in the last week and has outperformed the broader index Nifty50. The index has witnessed a relief rally from the swing low of 4450-4460 odd levels from, supported by increase in average traded volumes indicating strong hands supporting the index at lower technical levels for the time being. Major heavyweights have witnessed surge in price post the intervention of government in auto sector for the losses which has been occurred due to the global concern of the corona virus which have dampened the sentiment with the shutdown of various plants and decrease in demand. On weekly chart the index has witnessed supportive volume suggesting strong hands accumulating in the stocks related to the counter. On charts, the immediate support for the index is pegged around 5200-5000 level breaching, below which the next support could be seen around 4800 levels. While on the contrary, the resistance is pegged around 6000 level which is the recent swing high, followed by 7000 odd zone which is the next crucial resistance levels for the index. On oscillator front, the index has witnessed support at the mean of the Bollinger band (20, 2) has surged higher, at the same time the band has started getting broader indicating a higher probability of index to burst or to be volatile in near future, this is further being supported by the 14 period RSI which is placed around 38-42 levels and is likely to take support near the same looking at the historical data and trend suggesting some pullback may be witnessed in the coming trading day.

NIFTY IT has witnessed an outperformance over the broader index Nifty50 when compared on week to week basis, the index has surged around 10.08% while Nifty50 has surged around 7.71% in the same time duration indicating the mentioned outperformance. However, the index has seen some relief rally from last couple of days which was being supported by increase in average traded volumes indicating inherent strength in the overall counter, at the same time the index has surpassed its 200 DEMA on weekly chart suggesting a sign of reversal in the trend. The Index is hovering above all its major EMAs of 21, 50 and 100 on daily charts as well as on weekly charts, indicating the momentum in the index to remain strong in short to medium term. Technically, the index is hovering near to band of keltner channel which is signalling reversal in the trend for the index for at least near to short term. On Bollinger band (20, 2) index is currently hovering just above the median on weekly charts, and near to the upper band on daily charts. On the indicator front, 14 period RSI on weekly charts has taken a huge surge and has witnessed a pullback from the oversold region. Also at the same time has witnessed some rally in the last to last week, situated near 42-46 levels, indicating the bulls to take control at these levels, which may take index to the towards the swing highs of 14000-14400 levels. For now supports may be assumed at 13400 levels and below 13000 may act as a major support zone, while resistance may be at assumed at 14200 levels followed by 14500 levels.

NIFTY BANK outperformed the Nifty by gaining 9.94% during the week passed by while the broader index Nifty gained by 7.71%. From December 2019, the index after witnessing correction from 32600 levels is forming lower lows indicating the bears' firm grip on the index. However, the index may resume its bullish bias if it crosses and sustains above 21475 levels. On the news front, Private sector lender IDFC First Bank joins its peers Kotak Mahindra Bank, Bank of Baroda, and others looking to raise capital in this volatile environment to brace for the unavoidable impact of the COVID-19 pandemic related economic slowdown. The bank said its board has approved a proposal to raise Rs 2,000 crore of fresh equity via a preferential issue, subject to shareholders and other approvals. On the other hand, Fitch Ratings has downgraded by one notch the viability ratings of four large banks - State Bank of India, ICICI Bank, Axis Bank, and Bank of Baroda. The credit rating agency said its rating actions are driven by the rapid deterioration in the operating environment for banks in India following the coronavirus pandemic and measures to contain its spread. Among the stocks, BANDHANBNK, RBLBANK, and INDUSINDBK gained by 32.88%, 22.91%, and 22.23% respectively while IDFCFIRSTB lost by 1.58%. As indicated by the derivatives data, BankNifty may face resistance at 21600 levels followed by 22000 levels. For the week ahead, support for the index can be pegged at 21500 levels followed by 21000 levels.

NIFTY FMCG underperformed the Nifty with gains of 0.11% during the week passed by while the broader index Nifty gained by 7.71%. From January 2020, the index after witnessing correction from 31550 levels is forming lower lows indicating the bears' firm grip on the index. However, the index may resume its bullish bias if it sustains above 27100 levels. India's FMCG sector grew at 6.3% in the three months to March 2020, registering the lowest first-quarter growth in the past three years and also lower than an estimated forecast of 8-9%, as the coronavirus pandemic dampened growth prospects. The segment grew at 7% in the October-December quarter of 2019 as per a report. FMCG major Hindustan Unilever on Thursday reported a decline of 3.93 percent in consolidated profit to Rs 1,512 crore for the fourth quarter, impacted by the coronavirus crisis from mid-March. The company had posted a net profit of Rs 1,574 crore in the January-March period of the previous fiscal. Sales during the quarter under review stood at Rs 9,055 crore, down 9.61 percent from Rs 10,018 crore in the corresponding period a year ago. On the stock-specific front, JUBLFOOD, TATACONSUM, and UBL closed with gains of 9.36%, 7.56%, and 6.73% while MARICO, HINDUNILVR, and EMAMILTD lost by 5.95%, 3.42%, and 1.86%. The index may face resistance at 29820 levels followed by 30900 levels. For the week ahead, support for the index can be pegged at 27270 levels followed by 26100 levels.

## WEEKLY VIEW OF THE MARKET

NIFTY (9859.90): Indian equity benchmark index Nifty 50 closed higher by 7.71% during the week. During the last four months, the index witnessed correction from 12150 levels towards the low of 7511 levels. Technically, from January 2020, the index after witnessing correction from 12430 levels is forming lower lows indicating the bears' firm grip on the index. However, the index may resume its bullish bias if it sustains above 10000 levels in future sessions. Stocks in Japan and Australia slipped on Friday, with most major markets in Asia closed for holidays. The UK stocks closed lower on Friday as market sentiment was rattled by a new threat from US President Donald Trump to impose retaliatory tariffs on China over the coronavirus pandemic. On the data front, market participants may lay their focus on Manufacturing PMI (Apr) releasing on May 4th and Services PMI (Apr) releasing on May 6th. On the derivatives front, open interest data suggests that the index may find its supports around 9800 followed by 9500 levels while on the higher side, 9900 and 10000 levels may act as strong resistance.

## BULLION

The global gold market had witnessed a bearish trend in the week ended on 1st May 2020 as the global equities market was on positive trend on hopes of opening of economies from the lockdown. Countries from Italy to New Zealand have announced the easing of coronavirus lockdowns but British Prime Minister Boris Johnson said it was too early to relax restrictions there. Continuous support measures taken by governments and central banks to boost the economic activities has started showing the results to equities market, which is recovering from recent fall. Another news that led to weakness in the gold prices was report of positive result of an experimental COVID-19 treatment. Recovery in the oil prices weighed on the bullion prices. The U.S. GDP for the Q1 recorded a negative growth of -4.8%. While keeping interest rates near zero, the U.S. Federal Reserve owed to take more steps if needed to support the economy, which is in very bad shape. The U.S. consumer confidence fell to 6-year low in April to 86.9 against March month reading of 120. Factory activity in China expanded for a second straight month in April as more businesses resumed work from the coronavirus-led shutdowns, but a worsening slump in export orders pointed to a long road to recovery. According to data available, China's net gold imports via Hong Kong in March trebled from the previous month as the country began gradually easing coronavirus restrictions, but imports were still down 63% from last year as the pandemic choked demand. Retail demand for physical gold suffered last week in top Asian hubs as jewellery shops remained shut due to coronavirus restrictions, but some regions saw steady buying from investors hunting for a safe haven.

## ENERGY

The crude oil prices started the week on weaker note as oil storage is filling rapidly in major producing nations raising concerns that production cuts will not be fast enough to catch up with the collapse in demand from the coronavirus pandemic. Rig counts in the United States are down to the lowest since July 2016, while the total number of oil and gas rigs in Canada has fallen to the lowest since at least 2000. Limited capacity to store crude worldwide and expectations that fuel demand may only recover slowly as coronavirus pandemic restrictions are gradually eased kept the prices in red zone. Even with the OPEC and Russia having agreed record output cuts of nearly 10 million barrels per day (bpd) from May 1, that volume is not nearly enough to offset a drop in demand of around 30 million bpd due to COVID-19 restrictions. However, the fall was limited and prices started recovering from mid of the week on short covering and value buying. Prices gained on hopes of revival of demand from Europe and few of U.S. cities who are moving to ease COVID-19 lockdown. According to American Petroleum Institute, crude oil stocks rose by 10 million barrels to 510 million barrel in the week to 24 April 2020. Energy Information Agency reported lesser than expected rise in weekly crude oil inventories. Refinery utilization improved substantially by 2% from a negative of -1.5% in the prior week. As a result, gasoline stocks have declined by 3.669 million barrels in the week ending on 24th April 2020. Signs of U.S. crude glut is not growing as fast as expected and that gasoline demand battered by COVID-19 restrictions is starting to pick up is supporting the price movement. The U.S. Treasury Secretary Steve Mnuchin said that U.S. could store another several hunder million barrels of oil.

## BASE METALS

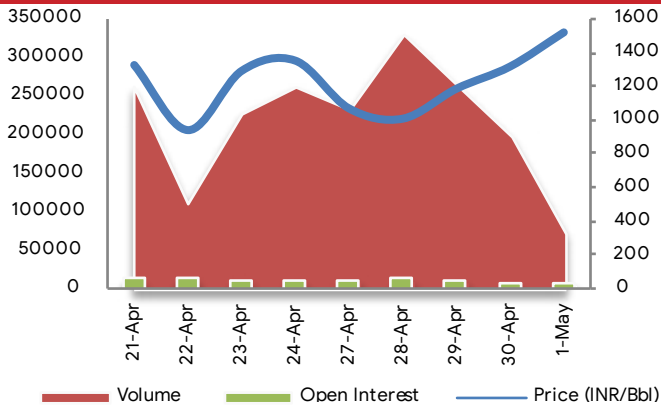
The base metals on London Metal Exchange ended lower in the week ended on 1st May 2020 retracing from recent highs on account of profit booking ahead of long holiday in China due to International Labor Day. Resumption of industrial and other activities following easing

## NEWS DIGEST

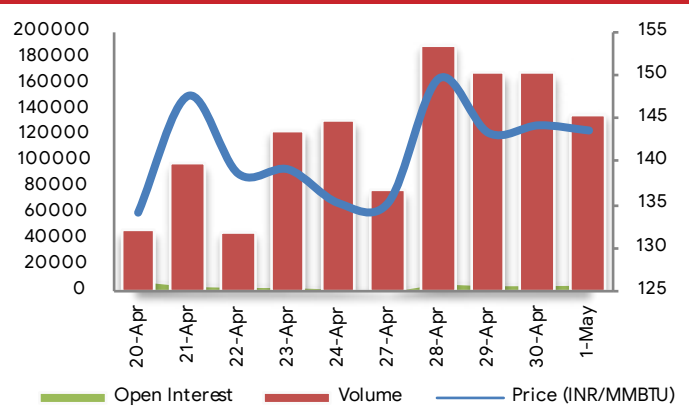
- Four senior Democratic lawmakers from Washington state on Friday sharply criticized President Donald Trump's trade policies for failing to address overcapacity in China's aluminum market they say is costing American workers their jobs. In a letter to the president, Senators Patty Murray and Maria Cantwell and two House lawmakers said neither the Phase 1 trade deal with China, nor Trump's separate 10% tariffs imposed on aluminum imports in 2018 had solved the underlying problem, and more efforts were needed. The letter came days after top U.S. aluminum producer Alcoa AA.N said weak prices and growing global surpluses had forced it to close its Intalco smelter plant in Ferndale, Washington, and lay off most of the 700 workers there. They urged the Commerce Department to stop granting exclusions to Section 232 aluminum tariffs that now far exceed U.S. import levels and encouraged the administration to work with allies to "combat China's predatory trade practices."
- Physical bullion demand was steady in Singapore this week as investors sought cover from economic uncertainties due to the coronavirus, while activity wound down in top hub China ahead of a public holiday. Dealers in Singapore sold gold at average premiums of about \$1.50 an ounce over benchmark spot prices.
- U.S. President Donald Trump said on Friday raising tariffs on China is "certainly an option" as he considers ways to retaliate for the spread of the coronavirus out of Wuhan, China. "A lot of things are happening with respect to China. We're not happy, obviously with what happened. This is a bad situation – all over the world, 183 countries. But we'll be having a lot to say about that. It's certainly an option. It's certainly an option," Trump told reporters.
- When the going gets tough in industrial metal markets, the Chinese get stockpiling. The province of Yunnan has announced the creation of a fund to facilitate an 800,000-tonne stockpile of just about every industrial metal from aluminium to zinc. Gansu province is doing the same, with local media quoting a target of 436,000 tonnes of nonferrous metals. China's Nonferrous Metals Industry Association (CNIA), representing the country's top metals producers, has called for a national stockpile programme. The rush to stockpile at times of market stress is a recurring theme in the history of China's metals sector. The State Reserves Bureau (SRB) used stockpiling programmes to soak up unsold producer inventory during the global financial crisis of 2008-2009, the metals price weakness of 2012-2013 and the cyclical demand trough of 2015-2016. It's possible it might do so again, given the impact on China's metals producers of a COVID-19 demand shock that started in the city of Wuhan and has since spread around the rest of the world.

of lockdown by many countries led to positive trend in most of the metals at the beginning of the week. However, the gains were eroded in later trading sessions. Market is projecting that there would be supply disruption for some time when all the economies open for normal activities. According to latest report released by International Copper Study Group, global refined copper market was in surplus of 5000 MTs in January compared with 54,000 MTs surplus in December, indicating lesser supplies. International Nickel Study Group reported the global nickel surplus narrowed to 13,400 MTs in February from a revised surplus of 13,900 MTs in January. Total imports of copper concentrate into China in March edged up 1.03% year-on-year to 1.78 million tonnes, as it boosted purchases from other sources. Industrial and Commercial Bank of China (ICBC) suspended access for new investors to retail products linked to copper, citing extreme market volatility. As South Africa and Peru move to lift lockdowns, mining workers are resisting returning to work without adequate protective gear and information about cases at sites. Factory activity in China expanded as more businesses resumed work, although gains were tepid as a worsening slump in export orders pointed to a long road to recovery.

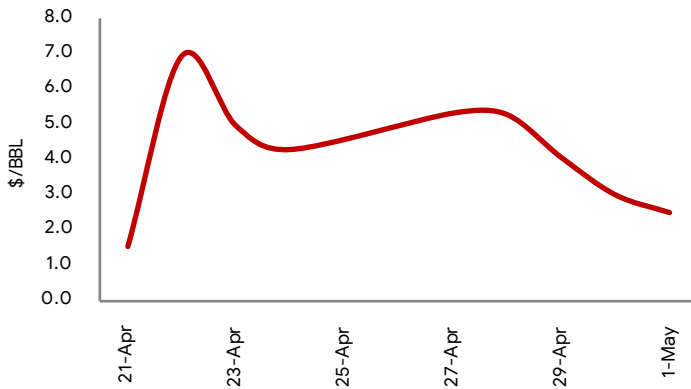
## MCX CRUDE - PRICE, VOLUME & OPEN INTEREST



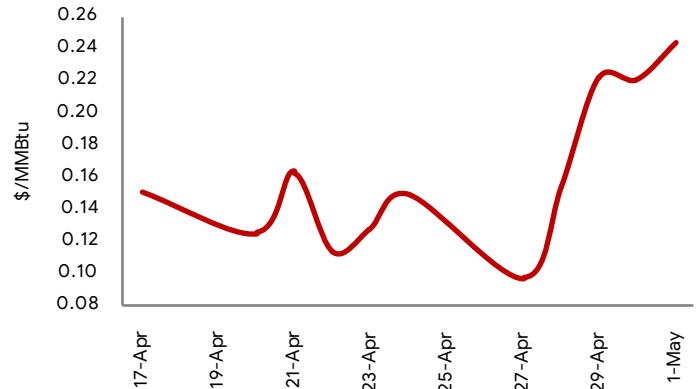
## MCX NATURAL GAS - PRICE, VOLUME & OPEN INTEREST



## CALENDAR SPREAD NYMEX - CRUDE OIL



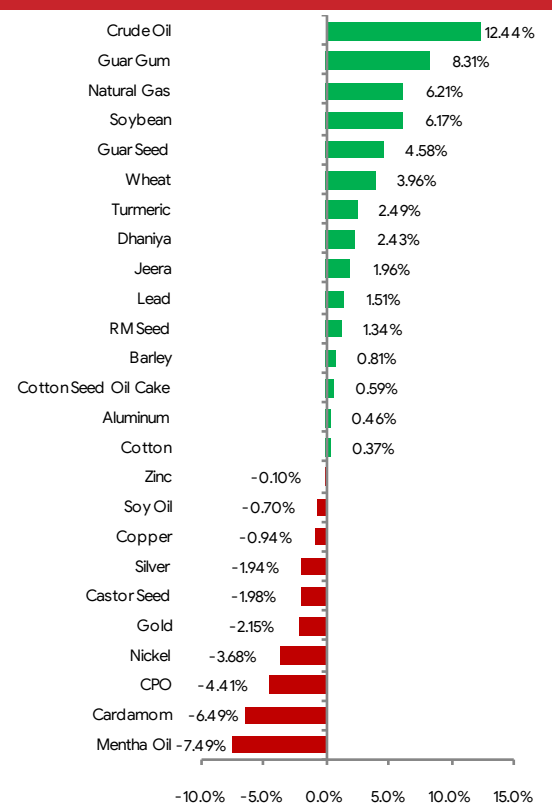
## CALENDAR SPREAD NYMEX - NATURAL GAS



## TRENDSHEET

Commodities	24-Apr	1-May	% Change	52 Week High	% Change from 52 Week High	52 Week Low	% Change from 52 Week Low
MCX Gold (Rs/10 gms)	46527	45527	-2.15	47327	-3.80	31232	45.77
MCX Silver (Rs/Kg)	42051	41237	-1.94	50672	-18.62	33580	22.80
MCX Crude Oil (Rs/bbl)	1350	1518	12.44	4670	-67.49	795	90.94
MCX Natural Gas (Rs/mmBtu)	135	144	6.21	206	-30.26	117	22.74
MCX Copper (Rs/kg)	405	401	-0.94	462	-13.10	336	19.41
MCX Lead (Rs/kg)	132	134	1.51	170	-20.95	119	13.00
MCX Zinc (Rs/kg)	151	150	-0.10	223	-32.69	124	21.68
MCX Nickel (Rs/kg)	947	912	-3.68	1315	-30.66	806	13.14
MCX Aluminium (Rs/kg)	131	132	0.46	152	-13.12	128	3.21
NCDEX Soybean (Rs/Quintal)	3760	3992	6.17	4506	-11.41	3276	21.86
NCDEX Refined Soy Oil (Rs/10 kg)	831	825	-0.70	955	-13.61	727	13.56
NCDEX RM Seed (Rs/Quintal)	4174	4230	1.34	4744	-10.83	3716	13.83
MCX CPO (Rs/10 kg)	637	609	-4.41	840	-27.48	491	23.96
NCDEX Castor Seed (Rs/Quintal)	3830	3754	-1.98	5930	-36.69	3602	4.22
NCDEX Turmeric (Rs/Quintal)	5464	5600	2.49	7360	-23.91	5314	5.38
NCDEX Jeera (Rs/Quintal)	14060	14335	1.96	18195	-21.21	13110	9.34
NCDEX Dhaniya (Rs/Quintal)	5750	5890	2.43	7688	-23.39	5267	11.83
MCX Cardamom (Rs/kg)	1785	1669	-6.49	4265	-60.87	1669	0.00
NCDEX Wheat (Rs/Quintal)	1870	1944	3.96	2290	-15.11	1800	8.00
NCDEX Guar Seed (Rs/Quintal)	3404	3560	4.58	4483	-20.59	3190	11.60
NCDEX Guar Gum (Rs/Quintal)	4955	5367	8.31	8951	-40.04	4700	14.19
MCX Cotton (Rs/Bale)	16290	16350	0.37	22470	-27.24	15660	4.41
NCDEX Cocud (Rs/Quintal)	1872	1883	0.59	3698	-49.08	1507	24.95
MCX Mentha Oil (Rs/kg)	1274	1179	-7.49	1490	-20.85	1094	7.77

## FUTURE PRICES (% CHANGE)





## MARKET STANCE

USD/INR closed at 75.12 for the week after hitting a weekly high of 76.42 and low of 74.90. With the number of coronavirus positive cases rising on a daily basis, Indian government has been forced to extend the lock down period for the second time by two more weeks. The government has however announced some relaxations based on the spread of the virus in the districts. US stocks fell at open on Friday after President Donald Trump threatened to slap new tariffs on China over the coronavirus crisis. Chinese yuan fell to a one-month low against the dollar on Friday, a day after U.S. President Donald Trump accused China mishandling the outbreak of the coronavirus and threatened new tariffs on China. U.S. officials planning retaliatory actions against China over coronavirus as President Trump is very angry with China. European Central Bank kept its monetary policy stance largely unchanged on Thursday, leaving both its official interest rates and its various asset purchase schemes untouched. GDP is down by 3.8% in the euro area and by 3.5% in the EU. Despite an agreement by EU leaders to fund a recovery from the coronavirus pandemic, delays to an agreement on divisive details of the European Union's may cap Euro's gains. US Conference Board Consumer Confidence Index weakened significantly in April. Federal Reserve policymakers left interest rates near zero earlier this week and repeated to do what it takes to help up the economy grow faster. Japan's March factory output fell at the fastest pace in five months, while retail sales also dropped. Factory activity in China expanded for a second straight month in April, as more businesses resumed work. Oil prices rose on Friday, extending the previous session's gains, led by a lower-than-expected gain in U.S. crude inventories and the start of output cuts to offset a slump in fuel demand triggered by the coronavirus. Reserve Bank of India received Rs 64,746 crore worth of bids or more than six times the amount it proposed. CRISIL has downgraded India's growth forecast by half to 1.8%. Moody's Investors Service slashed India growth forecast for calendar year 2020 to 0.2 percent, from 2.5 percent projected in March. After rising for the past few weeks, India's foreign exchange reserves declined \$113 million to \$479.45 billion in the week to April 24. USD/INR to find support at 75.00 and resistance at 76.40 in the near term.

### CURRENCY TABLE

Currency Pair	Open	High	Low	Close
USDINR	76.17	76.44	74.94	75.12
EURINR	82.51	82.77	81.36	81.71
GBPINR	94.46	95.05	93.45	93.71
JPYINR	70.94	71.32	70.33	70.41

## NEWS FLOWS OF LAST WEEK

- USD/INR closed at 75.12 for the week after hitting a weekly high of 76.42 and low of 74.90.
- With the number of coronavirus positive cases rising on a daily basis, Indian government has been forced to extend the lock down period for the second time by two more weeks.
- President Donald Trump threatened to slap new tariffs on China over the coronavirus crisis.
- Chinese yuan fell to a one-month low against the dollar on Friday, a day after U.S. President Donald Trump accused China mishandling the outbreak of the coronavirus
- European Central Bank kept its monetary policy stance largely unchanged on Thursday, leaving both its official interest rates and its various asset purchase schemes untouched.
- GDP is down by 3.8% in the euro area and by 3.5% in the EU.
- US Conference Board Consumer Confidence Index weakened significantly in April.
- Federal Reserve policymakers left interest rates near zero earlier this week and repeated to do what it takes to help up the economy grow faster.
- Japan's March factory output fell at the fastest pace in five months, while retail sales also dropped.
- Factory activity in China expanded for a second straight month in April, as more businesses resumed work.
- Oil prices rose on Friday, extending the previous session's gains, led by a lower-than-expected gain in U.S. crude inventories
- CRISIL has downgraded India's growth forecast by half to 1.8%.
- Moody's Investors Service slashed India growth forecast for calendar year 2020 to 0.2 percent, from 2.5 percent projected in March.
- After rising for the past few weeks, India's foreign exchange reserves declined \$113 million to \$479.45 billion in the week to April 24.

## TECHNICAL RECOMMENDATION

### USD/INR



USD/INR opened lower last week at 76.1700 but after making a high of 76.4400 it traded mostly lower to test levels as low as 74.9350 and settled for the week at 75.1150. The RSI is at 44.92 and it is trading downwards. While the 50-Day Moving Average is at 74.30. The MACD is trading at 0.3914 and it is trading downwards. Hence, we recommend Sell on rise at 76.20-76.50 for targets of 75.00 and 74.80 with stops above 76.80.

### EUR/INR



EUR/INR opened higher last week at 82.5050 but after making a high of 82.7650 it traded mostly lower to test levels as low as 81.3625 and settled for the week at 81.7075. The RSI is at 55.71 and it is trading lower. While the 50-Day Moving Average is at 79.19. The MACD is moving at 0.9914 and it is trading positive. Hence, we recommend sell on rise at 82.30 - 82.50 for targets of 81.50 to 81.00 with stops above 83.00.

### GBP/INR



GBP/INR opened higher last week at 94.4600 but after making a high of 95.0450 it traded mostly lower to test levels as low as 93.4525 and settled for the week at 93.7125. The RSI is at 49.03 and it is trading lower. While the 50-Day Moving Average is at 93.14. The MACD is trading at 0.4572 and it is trading lower. Hence, we recommend buy on dips at 93.00 - 93.20 for targets of 94.50 with stops below 92.00.

### JPY/INR



JPY/INR opened lower last week at 70.9400 but after making a low of 70.3275 it traded mostly lower to test levels as low as 70.3275 and settled for the week at 70.4125. The RSI is at 63.10 and it is trading sideways. While the 50-Day Moving Average is at 66.06. The MACD is trading at 1.4531 and it is trading positive. Hence, we recommend sell on rise at 71.00 - 71.30 for targets of 70.20 with stops above 71.80.

## ECONOMIC GAUGE FOR THE NEXT WEEK

Date	Time	Country	Indicator Name	Period	Poll	Prefix	Unit	Prior
4-May-20	10:30	India	IHS Markit Mfg PMI	Apr 2020	41		Diff.Idx	51.80
4-May-20	13:30	Euro Zone	Markit Mfg Final PMI	Apr 2020	33.6		Diff.Idx	33.60
4-May-20	19:15	United States	ISM-New York Index	Apr 2020			Index	849.30
4-May-20	19:15	United States	ISM NY Biz Conditions	Apr 2020			Index	12.90
4-May-20	19:30	United States	Durables Ex-Def, R MM	Mar 2020			Percent	-15.80
4-May-20	19:30	United States	Durable Goods, R MM	Mar 2020			Percent	-14.40
4-May-20	19:30	United States	Factory Orders MM	Mar 2020	-9.8		Percent	0.00
4-May-20	19:30	United States	Durables Ex-Transpt R MM	Mar 2020			Percent	-0.20
4-May-20	19:30	United States	Nondef Cap Ex-Air R MM	Mar 2020			Percent	0.10
4-May-20	19:30	United States	Factory Ex-Transp MM	Mar 2020			Percent	-0.90
4-May-20	14:00	Euro Zone	Sentix Index	May 2020	-33.5		Diff.Idx	-42.90
5-May-20	14:30	Euro Zone	Producer Prices MM	Mar 2020	-1.3		Percent	-0.60
5-May-20	14:30	Euro Zone	Producer Prices YY	Mar 2020	-2.7		Percent	-1.30
5-May-20	14:00	United Kingdom	Markit/CIPS Serv PMI Final	Apr 2020	12.3		Diff.Idx	12.30
5-May-20	14:00	United Kingdom	Composite PMI Final	Apr 2020	12.9		Diff.Idx	12.90
5-May-20	14:00	United Kingdom	Reserve Assets Total	Apr 2020		Mln	USD	175121.55
5-May-20	19:15	United States	Markit Comp Final PMI	Apr 2020			Diff.Idx	27.40
5-May-20	19:15	United States	Markit Svcs PMI Final	Apr 2020			Diff.Idx	27.00
5-May-20	19:30	United States	ISM N-Mfg PMI	Apr 2020			Index	52.50
5-May-20	19:30	United States	ISM N-Mfg Bus Act	Apr 2020			Index	48.00
5-May-20	19:30	United States	ISM N-Mfg Employment Idx	Apr 2020			Index	47.00
5-May-20	19:30	United States	ISM N-Mfg New Orders Idx	Apr 2020			Index	52.90
5-May-20	19:30	United States	ISM N-Mfg Price Paid Idx	Apr 2020			Index	50.00
5-May-20	13:30	United Kingdom	New Passenger Cars Registration	Apr 2020			No. of	254684.00
5-May-20	18:00	United States	International Trade \$	Mar 2020	-44.2	Bln	USD	-39.90
5-May-20	18:00	United States	Goods Trade Balance (R)	Mar 2020		Bln	USD	-64.22
5-May-20	18:25	United States	Redbook MM	W 02 May			Percent	-11.80
5-May-20	18:25	United States	Redbook YY	W 02 May			Percent	-8.10
6-May-20	5:20	Japan	Monetary Base YY	Apr 2020			Percent	2.77
6-May-20	14:00	United Kingdom	Markit/CIPS Cons PMI	Apr 2020	22.2		Diff.Idx	39.30
6-May-20	10:30	India	IHS Markit Svcs PMI	Apr 2020	40		Diff.Idx	49.30
6-May-20	13:30	Euro Zone	Markit Serv Final PMI	Apr 2020	11.7		Diff.Idx	11.70
6-May-20	13:30	Euro Zone	Markit Comp Final PMI	Apr 2020	13.5		Diff.Idx	13.50
6-May-20	14:00	United Kingdom	All Sector PMI	Apr 2020			Diff.Idx	
6-May-20	14:30	Euro Zone	Retail Sales MM	Mar 2020	-10.5		Percent	0.90
6-May-20	14:30	Euro Zone	Retail Sales YY	Mar 2020	-9		Percent	3.00
6-May-20	17:45	United States	ADP National Employment	Apr 2020	-20000	Thou	Person	-27.00
6-May-20	16:30	United Kingdom	BBA Mortgage Rate	Apr 2020			Percent	4.09
6-May-20	16:30	United States	MBA Mortgage Applications	W 01 May			Percent	-3.30
6-May-20	16:30	United States	Mortgage Market Index	W 01 May			Index	743.40
6-May-20	16:30	United States	MBA Purchase Index	W 01 May			Index	208.00
6-May-20	16:30	United States	Mortgage Refinance Index	W 01 May			Index	3901.40
6-May-20	16:30	United States	MBA 30-Yr Mortgage Rate	W 01 May			Percent	3.43
6-May-20	17:00	India	M3 Money Supply	W 24 Apr			Percent	10.20
6-May-20	20:00	United States	EIA Weekly Crude Stocks	W 01 May		Mln	Barrel	8.99
6-May-20	20:00	United States	EIA Weekly Dist. Stocks	W 01 May		Mln	Barrel	5.09
6-May-20	20:00	United States	EIA Weekly Gasoline Stk	W 01 May		Mln	Barrel	-3.67
6-May-20	20:00	United States	EIA Weekly Crude Imports	W 01 May		Mln	Barrel	-0.05
6-May-20	20:00	United States	EIA Weekly Rfg Stocks	W 01 May		Mln	Barrel	-0.01
6-May-20	20:00	United States	EIA Weekly Heatoil Stock	W 01 May		Mln	Barrel	-0.89
6-May-20	20:00	United States	EIA Weekly Prods Imports	W 01 May		Mln	Brl/Day	0.30
6-May-20	20:00	United States	EIA Weekly Dist Output	W 01 May		Mln	Brl/Day	-0.03
6-May-20	20:00	United States	EIA Weekly Crude Runs	W 01 May		Mln	Brl/Day	0.31
6-May-20	20:00	United States	EIA Weekly Refining Util	W 01 May			Percent	2.00
6-May-20	20:00	United States	EIA Wkly Crude Cushing	W 01 May		Mln	Barrel	3.64
6-May-20	20:00	United States	EIA Weekly Gasoline O/P	W 01 May		Mln	Brl/Day	0.53
6-May-20	20:00	United States	EIA Ethanol Ref Stk	W 01 May		Thou	Barrel	26337.00
6-May-20	20:00	United States	EIA Ethanol Fuel Total	W 01 May		Thou	Brl/Day	537.00
7-May-20	7:15	China (Mainland)	Caixin Services PMI	Apr 2020			Diff.Idx	43.00
7-May-20	17:00	United States	Challenger Layoffs	Apr 2020		Thou	Person	222.29
7-May-20	5:00	Japan	Overtime Pay	Mar 2020			Percent	-1.20
7-May-20	5:00	Japan	Overall Lab Cash Earnings	Mar 2020			Percent	1.00
7-May-20	5:00	Japan	All Household Spending YY	Mar 2020	-6.7		Percent	-0.30

7-May-20	5:00	Japan	All Household Spending MM	Mar 2020	-4		Percent	0.80
7-May-20	13:00	United Kingdom	Halifax House Prices MM	Apr 2020	-0.7		Percent	0.00
7-May-20	13:00	United Kingdom	Halifax House Prices YY	Apr 2020			Percent	3.00
7-May-20	0:30	United States	Consumer Credit	Mar 2020	15	Bln	USD	22.33
7-May-20	:	China (Mainland)	Exports YY	Apr 2020	-12.1		Percent	-6.60
7-May-20	:	China (Mainland)	Imports YY	Apr 2020	-12.4		Percent	-0.90
7-May-20	:	China (Mainland)	Trade Balance USD	Apr 2020	9.7	Bln	USD	19.90
7-May-20	:	China (Mainland)	Yuan-Denominated Exports	Apr 2020			Percent	-3.50
7-May-20	:	China (Mainland)	Yuan-Denominated Imports	Apr 2020			Percent	2.40
7-May-20	:	China (Mainland)	Yuan-Denominated Trade Ba	Apr 2020		Bln	CNY	139.42
7-May-20	13:30	China (Mainland)	FX Reserves (Monthly)	Apr 2020	3,052	Trl	USD	3.06
7-May-20	11:30	United Kingdom	BOE Bank Rate	Apr 2020	0.1		Percent	
7-May-20	11:30	United Kingdom	GB BOE QE Gilts	Feb 2020	625	Bln	GBP	
7-May-20	11:30	United Kingdom	GB BOE QE Corp	Feb 2020	20	Bln	GBP	
7-May-20	11:30	United Kingdom	BOE MPC Vote Hike	Apr 2020	0		No. of	0.00
7-May-20	11:30	United Kingdom	BOE MPC Vote Unchanged	Apr 2020	9		No. of	9.00
7-May-20	11:30	United Kingdom	BOE MPC Vote Cut	Apr 2020	0		No. of	0.00
8-May-20	6:00	Japan	Services PMI	Apr 2020			Diff.Idx	33.80
8-May-20	18:00	United States	Non-Farm Payrolls	Apr 2020	-21000	Thou	Person	-701.00
8-May-20	18:00	United States	Private Payrolls	Apr 2020	-21375	Thou	Person	-713.00
8-May-20	18:00	United States	Manufacturing Payrolls	Apr 2020	-2000	Thou	Person	-18.00
8-May-20	18:00	United States	Government Payrolls	Apr 2020		Thou	Person	12.00
8-May-20	18:00	United States	Unemployment Rate	Apr 2020	16		Percent	4.40
8-May-20	18:00	United States	Average Earnings MM	Apr 2020	0.4		Percent	0.40
8-May-20	18:00	United States	Average Earnings YY	Apr 2020	3.3		Percent	3.10
8-May-20	18:00	United States	Average Workweek Hrs	Apr 2020	33.7		Hour	34.20
8-May-20	18:00	United States	Labor Force Partic	Apr 2020			Percent	62.70
8-May-20	18:00	United States	U6 Underemployment	Apr 2020			Percent	8.70
8-May-20	19:30	United States	Wholesale Invt(y), R MM	Mar 2020	-1		Percent	-1.00
8-May-20	19:30	United States	Wholesale Sales MM	Mar 2020			Percent	-0.80