

K **ST** ₹ **EEET**

RULE THE MARKET

ISSUE: 098



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From The Desk Of Research Head

Jio-Google Partnership – It's a Big Deal

RIL's Mukesh Ambani at the company's AGM announced that Google will invest \$4.7 Bn for a 7.7% stake in RIL's Jio. Google joins a bandwagon of global investors from Silver Lake to KKR to Facebook who have doled out investments worth \$20 Bn in recent months. This deal is indeed a big one for both companies as Reliance sees tapping India's growing market for data and online services is crucial to take the company into the next level of growth and tapping low cost mobile users is important for Google. Since its inception in 2016, Jio has acquired 338 Mn subscribers and ventured into wide of range of services right from broadband to ecommerce to online retail.

Jio also owns India's biggest organized brick-and-mortar retail chain, which it plans to strengthen to make it a one stop shop for Indians for their day-to-day requirements including broadband and data. Jio has already joined forces with Facebook's WhatsApp to offer delivery of groceries. With presence across the retail value chain and supply chain, RIL has the potential to leap frog into rural markets and revolutionize the way rural consumer behaves and shops with everything being offered at his fingertips.

As per the deal, RIL aims to partner with Google to develop an Android-based smart phone operating system and a cheapest 4G handset targeting a large Indian feature phone market. According to estimates, India's feature phone user base is pegged at 350 Mn. RIL said that the company has also developed a 5G service that is up for trials and preparing to launch it as early as next year. The deal gains significance as it comes amid rising political tensions between India and China and when India banned leading Chinese apps. According to tech research firm Counterpoint, Chinese brands including Xiaomi, Vivo and Oppo account for 60% of mobile handset sales in India.

For Google, this deal marks its first of a slew of big investments it has lined up in India. This is part of \$10 Bn India fund earmarked by Google. This partnership with Jio will give Google another opportunity to tap India's high potential and high growth feature phone market after many false starts in the past. Google first tried to tap this market with a toned down version of its Android OS called Android One in 2014, but failed to make a dent. Three years later Google tried a far simpler version of software called Android Go. The reason for its failure was lack of proper positioning or purpose-built handset for its light version of OS. The new low cost 4G handset which is in the works will give Google an opportunity to create a purpose-built OS to be installed on these handsets with increased scope for viability and scalability. Further these new handsets will enable Google to reach a new and untapped user base for its other mobile services like its search engine, app store, Google Pay digital wallet.

The buoyant environment around RIL stock was dampened by announcement that it's much awaited deal with Saudi Aramco to sell 20% stake in its refining unit will be delayed. Now that one of the intended objectives of going debt free before end of current fiscal is achieved through dilution of its stake in Jio, RIL is in no hurry to close this deal as was the case when the Aramco deal was announced. RIL indirectly hinted the same. While there are some concerns about its refining business amid falling demand for refinery products due to bleak economic scenario, RIL is a changed entity with Jio being its future growth engine.

- DR. RAVI SINGH

Vice President & Head of Research

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NEWS

Auto

- Escort's board approved capital reduction plan of the company subject to regulatory approvals. As per the scheme, the paid up equity capital of the company will stand reduced from Rs. 134.83 Cr consisting of 13.48 Cr shares of face value of Rs. 10 each to Rs. 122.57 Cr consisting of 12.25 Cr shares.
- Maruti and Toyota to recall 141000 units to replace faulty petrol pumps. Maruti was voluntarily recalling 134885 units of WagonR manufactured between Nov 15, 2018 and Oct 15, 2019 and Baleno (petrol) manufactured between Jan 8, and Nov 14, 2019. Toyota Kirloskar Motor which sources Baleno from Maruti and sells it as Glanza also said that it is recalling 6500 units to fix the same problem.
- Apollo Tyres to cut 500 jobs in Netherlands. The company said that the management and the workers of the plant have reached an agreement to convert the plant to cater to some specific requirement which would affect more than 500 jobs.

Banking/ Financials

- Yes Bank allots 3.41 Bn shares to anchor investors to raise Rs. 4100 Cr from 14 institutional investors at a price of Rs. 12 per share. More than half of these shares were subscribed by US-based asset manager Tilden Park.
- SBI's shareholder's approved bank's proposal to raise capital of Rs. 20000 Cr through various options including FPO, QIP, private placement, ADR/GDR. The board is said to meet today to approve the same.
- SBI gets board approval to raise Rs. 4000 Cr through AT-1 Capital and 10000 Cr of Tier II capital. The board has also given approval to redeem Tier II capital bonds of Rs. 11,015 Cr having call dates in FY21.
- IDBI Bank will raise up to Rs. 11000 Cr equity capital through various modes including QIP.
- Federal Bank reported a growth of 13.5% in Total Income YoY. The growth in Total Income was aided by 51.6% jump in other income and 5.4% increase in NII. The Bank's Net Profit was down 21.6% due to nearly 2x jump in YoY Provisions. Sequentially provisions declined 30.5%. While Bank's GNPA was up 12 bps to 2.84, NNPA declined 9 bps to 1.31.
- Health segment has contributed 36% of the domestic general insurance premium with premium income of Rs. 9,122 Cr. during April-May in FY21 as per IRDAI.
- Central government scrapped the merger of 3 state owned primary insurers and invested Rs.12450 Cr. in state-owned National Insurance Company, The Oriental Insurance and United India Insurance which can bring in prospects of foreign ownership, and help diversify their funding sources and reduce exposure to high-risk assets as per Moodys'.

Infrastructure

- Cochin Shipyard Limited has signed contracts for construction and supply of two autonomous electric ferries to Norway-based ASKO Maritime, with an option to build two more identical vessels.
- Bengaluru-based realty firm Embassy Group has proposed to merge around 11 real estate projects comprising nearly 62 million sq ft area with Indiabulls Real Estate Ltd and take control of the merged entity.
- The power trading solutions company PTC has invited bids from interested investors for acquiring a controlling stake in its subsidiary PTC India Financial Services.
- Oberoi Realty reported 82% decline in its consolidated net profit at Rs. 28.07 crores for the quarter ended June. The company's board also passed enabling resolutions for the issue of non-convertible debentures up to Rs. 1,500 crores by way of the private placement as well as the issue of equity shares and/or any other securities convertible into equity for an aggregate amount not exceeding Rs. 2,000 crores by way of qualified institutions placement to qualified institutional buyers.

Consumption/FMCG

- Companies launch new products at low price points, responding to pent-up demand: ITC, Dabur amongst other players such as Amul have recently been launching smaller price point products (Price points even as low as Rs0.5 to Rs.2.5) - to tap into the pent up sporadic demand from rural India.
- Indian cotton spinning sector expected to log revenue dip of 20% to 30% and margin contraction by 300-400 bps. With demand lowering and piled up inventory for textile players, the overall sector outlook in the near term continues to be challenging. ICRA expects revenue dip of 5%-7% and margin correction by 200-250 bps for the overall textile sector.

FORTHCOMING EVENTS

COMPANY NAME	EVENT	EX-DATE
Trident	Quarterly Result	18 th July 2020
Axis Bank	Quarterly Results	21 st July 2020
Bajaj Finserv	Quarterly Results	21 st July 2020
Bajaja Finance	Quarterly Results	21 st July 2020
CRISIL	Quarterly Results	21 st July 2020
Hindustan Unilever	Quarterly Results	21 st July 2020
ICICI Prudential	Quarterly Results	21 st July 2020
Syngene International	Quarterly Results	21 st July 2020
Larsen and Toubro	Quarterly Results	22 nd July 2020

GLOBAL NEWS

- Coronavirus antibody test passes first major trials in UK with 98.6% accuracy: Report.
- China becomes first economy to grow since coronavirus pandemic, recording an unexpectedly strong 3.2% expansion in the latest quarter after anti-virus lockdowns were lifted and factories and stores reopened..
- Foreign ministers of China, Russia oppose 'US unilateralism' in phone call, says Chinese state media.

- Dabur's Burman family increases stake in Eveready Industries, buys 8.48%. As a result, his family's total stake has increased to 19.84%.
- Pladis extends its McVitie's brand to crackers segment to take on Britannia and Parle.

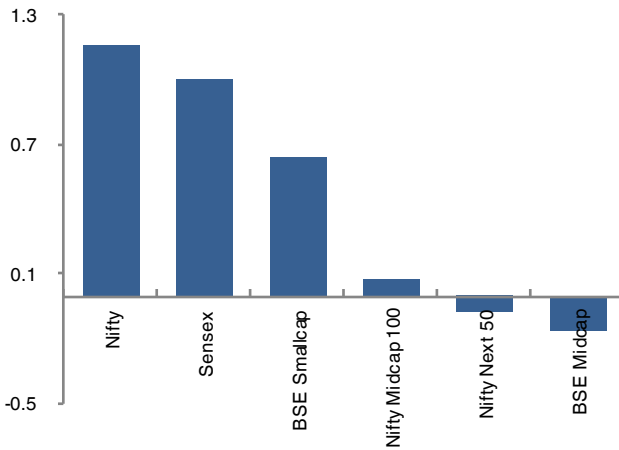
Information Technology

- Wipro to acquire Brazil's IVIA Serviços de Informática Ltda for about Rs 169 crore (\$22.4 Mn). The acquisition is expected to help Wipro gain geographical presence in Brazil. Additionally, the acquisition will enable Wipro to set up delivery centres in North-east Brazil given the target company's start local talent
- Mindtree reported a revenue growth of 4.1% YoY (-6.9%), PAT growth of 130% YoY (3.3% QoQ). Its operating margin expanded 110 bps YoY (820 bps QoQ). The profitability was driven by Rs. 87.7 cr in savings in other expenses including travel, spending and optimization of subcontracting costs. Sequentially revenue fell 9% in constant currency terms.
- nfosys' Q1FY21 profitability was above estimates. The IT major announced a sequential Revenue growth of 1.7%. In \$ terms and CC terms revenue growth stood at -2.4% and -2% QoQ, which was below street estimates. Digital revenues contributed 44.5% this quarter vs. 41.9% in Q4FY20. While EBIT jumped 9% QoQ, EBIT margin expanded 150 bps to 22.7%. Management guided
- L&T Tech Services (LTTs) to acquire 100% stake in Texas-based Orchestra Technologies in an all-cash deal for \$25 Mn (Rs. 187 Cr) in two tranches - \$11 Mn and \$14 Mn. The acquisition is expected to strengthen LTTs' footprint in the telecom OEM and service provider space.

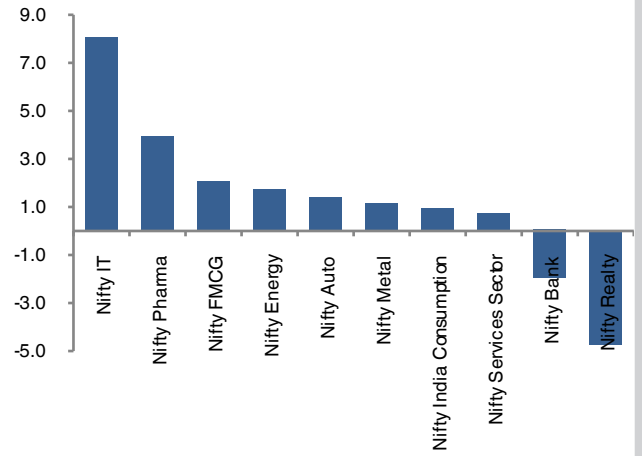
Pharmaceuticals

- Cipla receives final approval for generic version of Shire's Firazypr (Icatibant injection is indicated for the treatment of acute attacks of hereditary angioedema (HAE) in adults 18 years of age and older) has a market size of USD 270 mn for MAT May 2020.
- Glenmark Pharma cuts the price of Fabiflu (Favipiravir) by 27% to Rs 75 per tablet.
- Lupin has shut one of its manufacturing plants in western Gujarat state after 18 employees at the site tested positive for COVID-19.
- US FDA working to restart on-site inspections during week of July 20 2020.

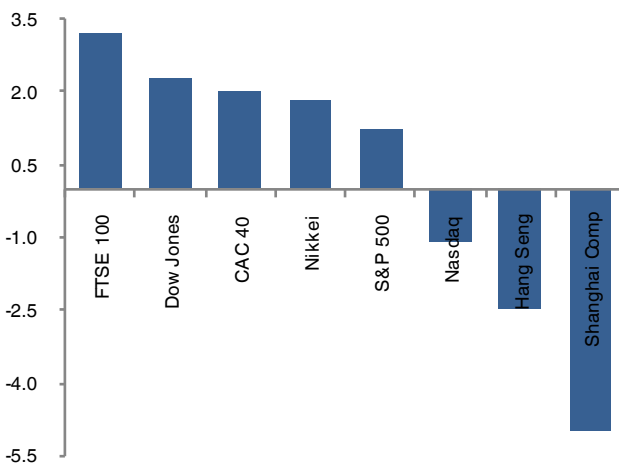
INDIAN INDICES (% CHANGE)



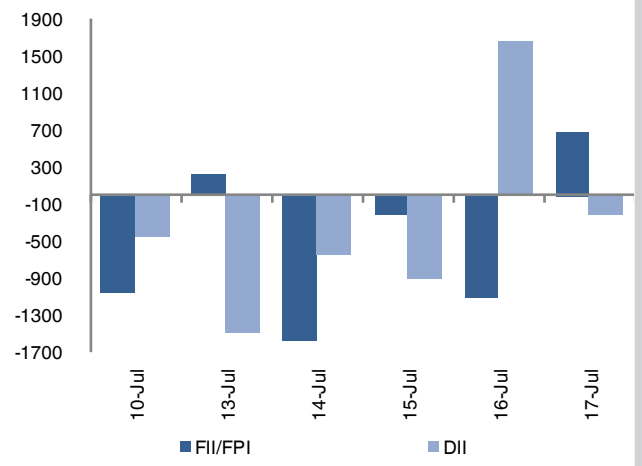
SECTORAL INDICES (% CHANGE)



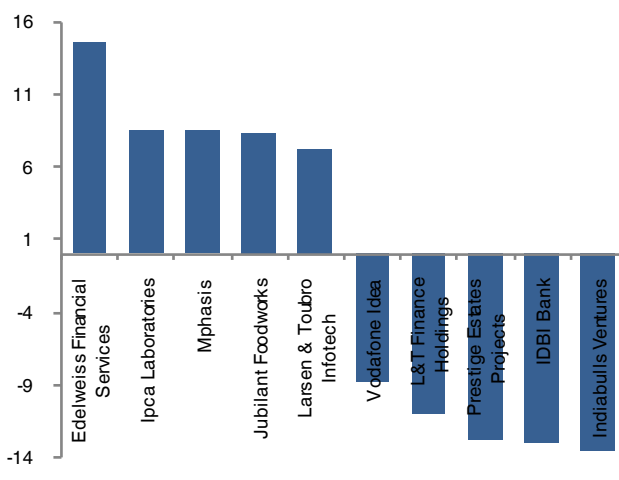
GLOBAL INDICES (% CHANGE)



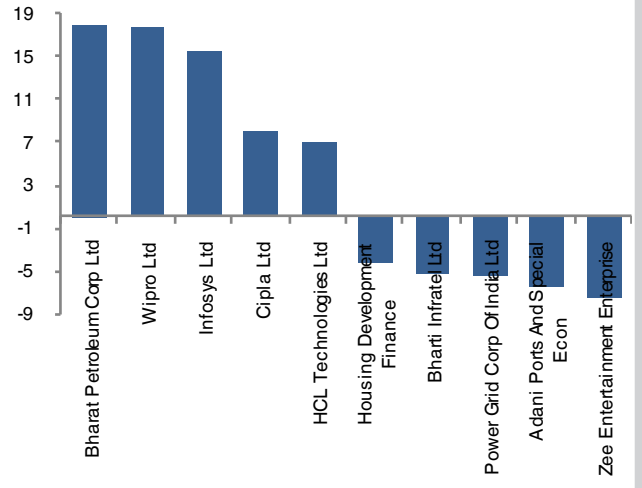
FII/FPI & DII TRADING (IN RS. CRORES)



NIFTY MIDCAP100 TOP GAINERS & LOSERS (1W)



NSE NIFTY TOP GAINERS & LOSERS (1W)



Source: Karvy Research

BEAT THE STREET - TECHNICAL ANALYSIS

Bharat Petroleum Corporation Ltd



STOCK	BPCL
CMP	443
ACTION	BUY
ENTRY	435-438
AVERAGE	420
STOP LOSS	397
TARGET 1	480
TARGET 2	510

On the technical front, BPCL has higher highs and higher lows on the daily charts and is currently placed above the major medium-term supports in all the daily frame. In the recent past, after clocking the high of 402 levels, the stock has witnessed a round of profit booking which dragged the counter towards the major support zone of 360 levels. At the current juncture, the stock has formed a base around 420 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 has given a breakout of the swing resistance 402 levels. This may trigger a fresh round of buying which may take the stock towards 480 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 70 levels indicating the bullishness in the stock. We expect the counter to continue its bullish performance in the coming trading days as well and may move towards 510 levels in the medium-term. Any correction towards the recent support levels of 420 levels may be utilized to average the positions.

Titan Company Ltd



STOCK	TITAN
CMP	997
ACTION	BUY
ENTRY	985-990
AVERAGE	945
STOP LOSS	900
TARGET 1	1080
TARGET 2	1125

On the technical front, TITAN 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 1050 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 940 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 1080 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 medium-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 1125 levels in the short term. Any correction towards the recent support levels of 945 levels may be utilized to average the positions.

SECTORAL SNIPPETS

NIFTY Pharma outperformed Nifty with a gain of 4% while the Nifty 50 gained by 1.2% during the week. The positive news of Biocon's Drug Itozumab Injection approved for emergency use, Gilead's statement that remdesivir reduces risk of death. COVID 19 vaccine by Pfizer, Russian university, Moderna and expected positive news by Oxford University on COVID 19 vaccine has showed promise that cure would be in the offing in the short to medium term. Rosari Biotech was also oversubscribed 3 times; slew of ANDA approvals by major Pharma companies and USFDA restarting inspections in India would kickstart regulatory compliance and clearance of plants for pharma companies. The above positive news more than offset negative news of manifold price increase of API from China, which would impact margins of pharma companies. From January 2020, the index has been steadily moving up from 8000 plus levels and had gains during the current week. We believe the sector index will continue on a positive note though cautiously. On stock-specific, all the stocks were in green. Cipla (7.6%), Cadila Healthcare (5.8%), Dr Reddys (5.5%) Lupin (4.4%) and Biocon (4%) were the major gainers during the week. The index may face resistance at 10605 levels followed by 10740 levels. For the week ahead, support for the index can be pegged at 9800 levels followed by 9690 levels.

NIFTY FMCG, as outlined in the previous edition's expectations, has outperformed the broader Nifty index (by 0.8%) and other sectoral indices this week. This comes at the back of 2 major reasons – with valuations at its peak for most companies, and with result season underway, given the heavy lockdown in the past quarter, markets are apprehensive of the numbers. Fund re allocation has thus happened into the defensive sectors. Moreover, the results from FMCG are expected to be better than other sectors. Estimates point to marginal de growth in revenues of around 2% to 5% for the full fiscal. Additionally, the cost rationalisation measures by companies could even lead to a decent bottomline growth on YoY basis for the sector. We expect the sector to remain in focus in the coming week and given the buoyant results from Britannia (Revenues up 27% and PAT up 117% in Q1FY21), we envisage general sentiment to be very positive for the major listed players. Major results to look forward to this week include Hindustan Unilever Ltd (21st July 2020). Other key results in near term include Asian paints and ITC. Technically, the support levels are at 29700 and further at 28300 while resistance levels are 31500 and 32600.

Nifty Bank under-performed Nifty during the week as it ended the week down 2% vs. Nifty's 1% gains. Bank Nifty during the week broke below wedge on daily charts which we mentioned last week. After breaching 100 DMA during last week, it continued to attempt breaching 100 DMA from below this week and finally broke 100 DMA and ended the week above 100 DMA after taking support at it today. During the week 21500 worked as a support for the index. During the week all index components ended in red on worries over another extension of moratorium till December 2020. Heavyweights including HDFC Bank, Axis Bank, and Kotak Bank ended the week marginally lower. RBL Bank and Bandhan Bank were top losers in the index with each stock losing more than 5%. Index heavy weight HDFC Bank is set to announce Q1FY21 results tomorrow and next week's direction of the index will be set by HDFC Bank's results and management commentary. We believe that worries over extension of moratorium extension would continue to weigh on the banking stocks next week too. Going forward, we see 21500 as immediate support followed by 20000. On the upside we see 23000 followed by 24300 are key resistance levels to watch.

Nifty Financial Services lost by 1.58% during the week passed, while the broader index Nifty gained by 1.24%. The index has shown downtrend this week after dampening in sentiment on increasing fear of NPA rise to twice during the lockdown weeks and further delay in cash realization on existing good loan recovery and growth in new loans due to huge increase in COVID-19 cases but overall benchmark index has shown a decline in INDIA VIX. Nifty Financial Services has seen increased average volume traded suggests a return of market sentiments until this weekend and index found support on heavyweight NBFCs and life insurance stocks. On the chart, strong support is seen at 10400 levels for the index this week and resistance at around 10900 levels and the market is expected to remain stable next week with an increase in average volume traded and turnover. Banks and deposit-taking NBFC is expected to benefit in the coming week and will be evident from the Q1FY20 result season with the revival in the credit cycle on improved sector liquidity and fundraising. Moreover, the second phase of Bharat Bond ETF has closed today with positive sentiment for retail and public investors also indicated range-bound equity market movement on response to uneven volatility response.

WEEKLY VIEW OF THE MARKET

NIFTY (10901.70): Indian equity benchmark index Nifty 50 closed higher by 1.24% during the week. During the three and a half 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 10470 levels in future sessions. On the global front, stocks in the Asia Pacific mostly edged higher on Friday following Thursday's drop that saw shares in China plunging more than 4%. Friday's moves followed a sharp Thursday fall in Chinese stocks along with US jobless claims data that missed expectations. The initial jobless claims figure stateside came in at 1.3 million for the week ending July 11. That compared against expectations of 1.25 million. Tensions between Washington and Beijing may also have weighed on investor sentiment. European stocks mostly retreated Friday as European Union leaders prepare to discuss a deal on the bloc's key coronavirus recovery package, while US cases continue to soar. On the derivatives front, open interest data suggests that the index may find its supports around 10700 followed by 10500 levels while on the higher side, 11000 and 11200 levels may act as strong resistance.

BULLION

It was a choppy trading week for the global bullion market with CME gold futures showcasing both sided movement during the week ended on 17th July 2020. The market is heading for sixth consecutive weekly gain on safe asset buying. Weakness in the dollar index wherein the dollar weakened against Euro lent support to the gold to witness a positive trend. Euro strengthened against dollar as the European Central Bank (ECB) kept its interest rate unchanged at zero and also vowed to continue its emergency coronavirus bond-buying program. Tensions between the United States and China are also prompting people to invest more in gold rather than stocks. Adding to the recent rise in U.S.-Sino friction, President Donald Trump's administration was considering banning travel to the United States by all members of the Chinese Communist Party. New York Federal Reserve President John Williams said it could take a few years for the U.S. economy to recover, and it was not yet the time to think about raising interest rates. United States has 3.4 million COVID cases and this surge is prompting some U.S. states to partially shut again, raising fears the economy and labour market will continue to struggle. On domestic front, MCX gold futures corrected from all time high made in the previous week due to fall in retail demand at higher price level as well as appreciation in Indian Rupee against US Dollar.

ENERGY

Oil market continued to witness a choppy trend for the second consecutive week in absence of major fundamental factors. The rising concerns over fuel demand in the United States and other countries due to resurgence of COVID-19 cases and easing supply curbs by major producers has been restricting the prices to trade higher. Surges in coronavirus infections are slowing a recovery in fuel use and raising concern that it could be years before consumption rebounds from the impact of the pandemic. Members of OPEC+ have agreed to trim their record supply cuts of 9.7 million barrels per day (bpd) by 2 million bpd, starting in August. The actual rise would be closer to 1 million bpd, as Iraq and other countries, which produced more than their quota from May to July, make extra cuts in August and September. Crude stocks fell by 7 million barrels and gasoline by 3 million, with distillate stocks unchanged at a time of year when they would normally be rising in the gasoline-intensive summer driving season. Gasoline stocks ended the week 7% higher than the five-year seasonal average, but the surplus has fallen from 8% the previous week and a peak of more than 10% in early June. Distillate stocks were still a massive 26% higher than the five-year average but the surplus had narrowed from 28% the previous week and 29% in early June. Refiners have managed to get fuel stocks under control by increasing crude processing very slowly as the economy has emerged from lockdown.

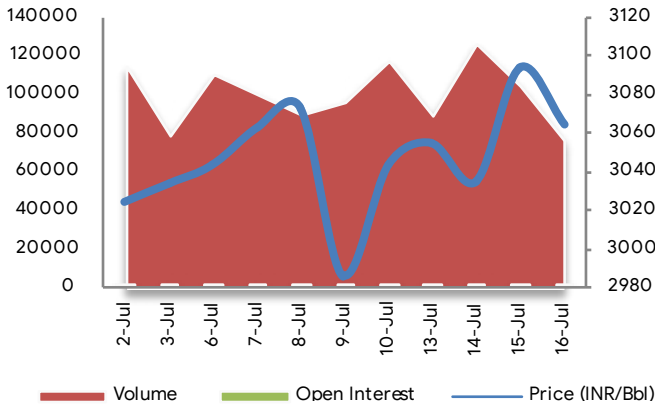
BASE METALS

All the non-ferrous metals on LME rose to pre-covid levels in early part of the week on follow through buying as China has started consuming more and more metals following resumption of economic activities. At the same time, supply of metals was disturbed due to closure of mining and smelting units across the world, which also pushed the metals prices to multi month highs. However, the gains were not sustained in later part of the week because of profit taking. Besides, escalating tension between Washington and Beijing following the Trump administration plan to impose a ban on travel to the United States for all members of the Chinese Communist Party and their families and rising COVID cases weighed on the metal prices. The virus has infected more than 13.84 million people globally, with more than 588,000 deaths. Lead inventories in warehouses tracked by the Shanghai Futures Exchange (ShFE) jumped to their highest level since January, while copper stocks rose for their third consecutive week. In the week ended July 17, lead stocks in ShFE warehouses surged 50% to 40,547 tonnes, a level unseen since Jan. 10. Copper stocks in ShFE warehouses rose 15.5% over the week to 158,647 tonnes, their highest since May 22. They have climbed 59% in the past three weeks but were still less than half of the 2020 peak hit in March. Nickel stockpiles gained 8% to 31,843 tonnes, their highest since March 6, while aluminium inventories rose 9.2% to 233,327 tonnes.

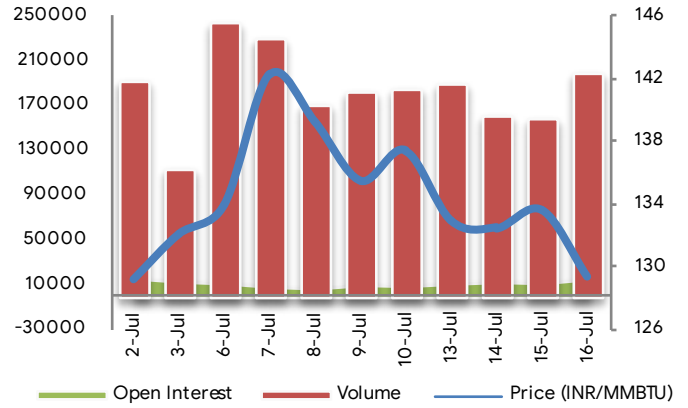
NEWS DIGEST

- Asian palm oil producers, long at loggerheads with the European Union over curbs on imports of the edible oil, have offered to “work together” with the European Commission in drafting rules for the EU's latest ‘Farm to Fork’ food supply policy. The EU, a major palm importer, has already decided to phase out palm-based transport fuels from its renewable energy sector by 2030, citing the environmental impact of the oil's production, and is expected to set new limits on food contaminant 3-MCPD esters, found in refined fats and oils. In a statement late on Thursday, the Council of Palm Oil Producing Countries (CPOPC), led by top producers Indonesia and Malaysia, said, “The Farm to Fork strategy recently launched by the European Commission offers a major opportunity for us all to work together and further improve sustainability standards.”
- Rio Tinto on Friday reported a 1.5% rise in iron ore shipments for the second quarter and said demand for the steelmaking ingredient was improving in China as its economy recovers from the coronavirus outbreak. The world's largest iron ore miner shipped 86.7 million tonnes of the commodity in the quarter ended June 30, beating a Vuma consensus of 84.1 million tonnes, and up from 85.4 million tonnes a year earlier. “Iron ore, then maybe copper, aluminium, all of those were in line or better. I don't think you can get too upset with the quarterly - time to move on,” said analyst Glyn Lawcock of UBS. Demand for iron ore has remained resilient this year, even in the face of an unfolding global recession, as Beijing ramps up infrastructure spending to combat the shock from the COVID-19 crisis.
- Surges in coronavirus infections are slowing a recovery in fuel use from the doldrums of lockdowns in the United States and other countries, raising concern it could be years before consumption rebounds from the impact of the pandemic. Global fuel demand fell by around a quarter at the peak of the lockdowns, when over 4 billion people worldwide were asked to stay at home. The unprecedented decline in demand forced producers to make record output cuts and pump hundreds of millions of barrels of oil into storage. Fuel consumption and oil prices had recovered some ground as governments relaxed restrictions on population movements and the output cuts stemmed the glut. That recovery is stalling, however, as infections swing upward in top fuel consumer the United States, as well as in other major economies such as Brazil and India. In the week ended July 11, U.S. retail gasoline demand fell 5% from the previous week, according to GasBuddy, which tracks real-time retail gasoline purchases, after several states reimposed restrictions to control outbreaks of COVID-19. Demand also fell the week before, the first time since lockdowns began in March that it dropped for two straight weeks.
- Benchmark Dalian iron ore futures slipped on Friday, but clocked a second straight weekly gain fuelled by robust demand from steel mills in top metal consumer China. The most-actively traded September iron ore contract on the Dalian Commodity Exchange closed down 0.4% to 826 yuan (\$118.06) per tonne, but it was up 4.5% for the week. “Strong import demand from China and still low supply from Brazil in the aftermath of the Vale dam burst in 2019 will keep prices elevated,” Fitch Solutions wrote in a note. “We will most likely revise up our 2020 price forecast in the next quarterly update in August.” Weekly capacity utilisation rates at blast furnaces in 247 mills stood at 92.26% as of Friday, down 0.1% from the previous week but 6.9% higher than a year earlier, data from consultancy Mysteel showed. Steel rebar on the Shanghai Futures Exchange, for October delivery, rose 0.2% to 3,726 yuan per tonne. The contract gained 1.0% this week.

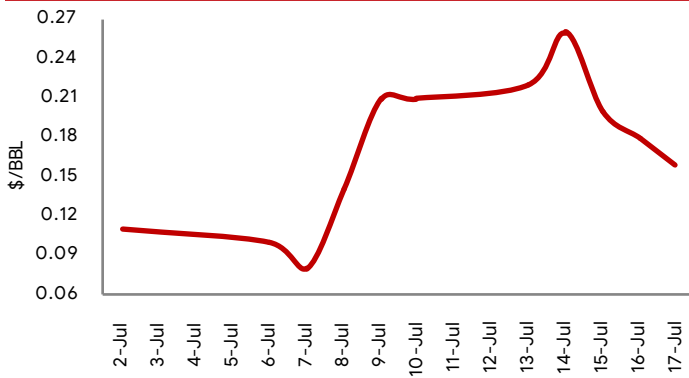
MCX CRUDE - PRICE, VOLUME & OPEN INTEREST



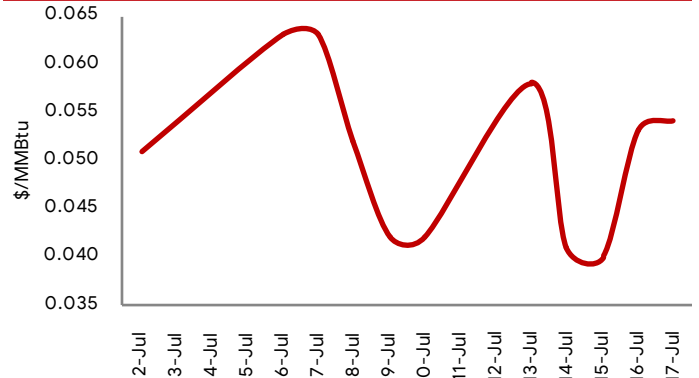
MCX NATURAL GAS - PRICE, VOLUME & OPEN INTEREST



CALENDAR SPREAD NYMEX - CRUDE OIL



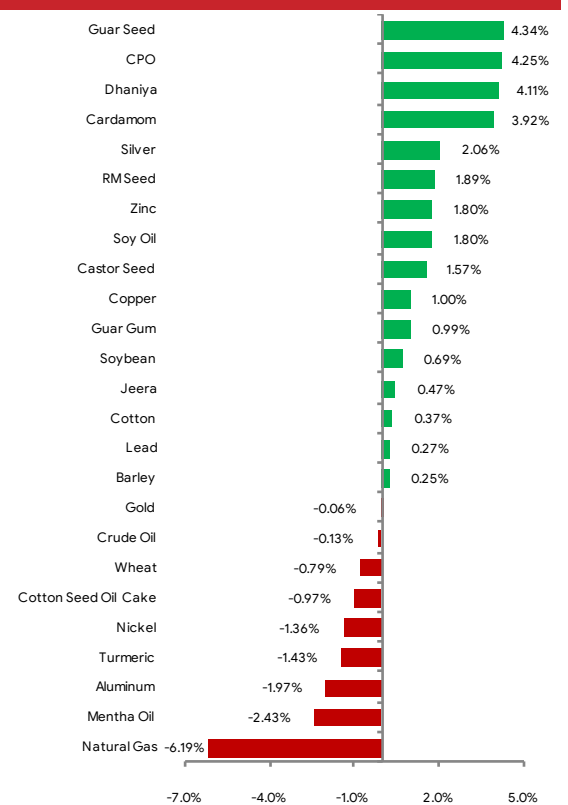
CALENDAR SPREAD NYMEX - NATURAL GAS



TRENDSHEET

Commodities	10-Jul	17-Jul	% Change	52 Week High	% Change from 52 Week High	52 Week Low	% Change from 52 Week Low
MCX Gold (Rs/10 gms)	48863	48835	-0.06	49348	-1.04	34265	42.52
MCX Silver (Rs/Kg)	51362	52420	2.06	53199	-1.46	33580	56.10
MCX Crude Oil (Rs/bbl)	3043	3039	-0.13	4670	-34.93	795	282.26
MCX Natural Gas (Rs/mmBtu)	137	129	-6.19	206	-37.40	111	16.65
MCX Copper (Rs/kg)	494	499	1.00	509	-1.99	336	48.56
MCX Lead (Rs/kg)	147	147	0.27	170	-13.30	119	23.94
MCX Zinc (Rs/kg)	172	175	1.80	196	-10.92	124	41.50
MCX Nickel (Rs/kg)	1023	1009	-1.36	1315	-23.26	806	25.22
MCX Aluminium (Rs/kg)	140	137	-1.97	150	-8.52	126	9.08
NCDEX Soybean (Rs/Quintal)	3742	3768	0.69	4506	-16.38	3276	15.02
NCDEX Refined Soy Oil (Rs/10 kg)	826	841	1.80	955	-11.95	727	15.60
NCDEX RM Seed (Rs/Quintal)	4706	4795	1.89	4890	-1.94	3770	27.19
MCX CPO (Rs/10 kg)	681	710	4.25	840	-15.52	498	42.47
NCDEX Castor Seed (Rs/Quintal)	3948	4010	1.57	5930	-32.38	3520	13.92
NCDEX Turmeric (Rs/Quintal)	5600	5520	-1.43	7190	-23.23	5200	6.15
NCDEX Jeera (Rs/Quintal)	13885	13950	0.47	18180	-23.27	13110	6.41
NCDEX Dhaniya (Rs/Quintal)	6076	6326	4.11	7421	-14.76	5267	20.11
MCX Cardamom (Rs/kg)	1375	1429	3.92	4265	-66.50	1310	9.13
NCDEX Wheat (Rs/Quintal)	1897	1882	-0.79	2290	-17.82	1800	4.56
NCDEX Guar Seed (Rs/Quintal)	3732	3894	4.34	4450	-12.48	3190	22.07
NCDEX Guar Gum (Rs/Quintal)	5436	5490	0.99	8765	-37.36	4700	16.81
MCX Cotton (Rs/Bale)	16090	16150	0.37	21940	-26.39	14800	9.12
NCDEX Cocud (Rs/Quintal)	1951	1932	-0.97	3698	-47.76	1507	28.20
MCX Mentha Oil (Rs/kg)	977	953	-2.43	1350	-29.39	953	0.02

FUTURE PRICES (% CHANGE)



MARKET STANCE

USD/INR ended the week at 75.01 after hitting intraday high of 75.25 and low of 74.97. Pair earlier this week hit a high of 75.50 levels. Nifty trades at 10838 up by 0.92 % at the time of writing. India's foreign exchange reserves surged by a massive \$6.47 billion to touch an all-time high of \$513.25 billion in the week ended July 3. Gross NPAs of Indian banks are likely to worsen to 11.6 percent by the end of this financial year from 8.6 percent as of March 2020 as per reports. Markets are in risk on mode following news that Moderna's potential COVID-19 vaccine produced immune responses in patients in the early stage trial. India's exports fall 12.41%, imports by 47.5% in June. Investments through P-notes in the domestic capital market surged to Rs 62,138 crore till June-end. Dollar held onto gains against majors as worries that a resurgence in the coronavirus is starting to curb economic activity drew for the U.S. dollar. Some investors are beginning to see troubling signs in recent US data that a relentless surge in coronavirus infections is threatening the U.S. economy. Deteriorating U.S.-China ties is also a reason to avoid riskier trades, which should keep the dollar in demand for the time being. The euro was well supported by hopes that European officials will agree on fiscal stimulus measures at a meeting starting later on Friday. ECB decided to maintain the status quo and left key interest rates unchanged. European Union leaders will meet in Brussels as they seek to overcome their differences over a proposed stimulus package. ECB has boosted its pandemic emergency support program by an unexpectedly large 600 billion euros to 1.35 trillion euros earlier this week. The US trade deficit surged in April as the COVID-19 pandemic upended the global flow of goods and services, pushing exports to a 10-year low. China's exports and imports rose in yuan terms in June, even as the pandemic continued to erode the global economy. USD/INR to find support at 74.50 and resistance at 75.50 in the near term.

NEWS FLOWS OF LAST WEEK

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- USD/INR to find support at 74.50 and resistance at 75.50 in the near term.

CURRENCY TABLE

Currency Pair	Open	High	Low	Close
USD/INR	75.17	75.51	74.94	75.01
EUR/INR	84.98	86.16	84.95	85.58
GBP/INR	94.85	95.17	94.02	94.14
JPY/INR	70.22	70.44	69.95	69.97

ECONOMIC GAUGE FOR THE NEXT WEEK

Date	Time	Country	Indicator Name	Period	Poll	Prefix	Unit	Prior
20 Jul 2020	4:31	United Kingdom	House Price Rightmove MM	Jul			Percent	
20 Jul 2020	4:31	United Kingdom	House Price Rightmove YY	Jul			Percent	
20 Jul 2020	5:20	Japan	Exports YY	Jun	-24.9%		Percent	-28.3%
20 Jul 2020	5:20	Japan	Imports YY	Jun	-16.8%		Percent	-26.2%
20 Jul 2020	5:20	Japan	Trade Balance Total Yen	Jun	-35.8B		JPY	-838.2B
20 Jul 2020	6:30	China (Mainland)	Loan Prime Rate 1Y	Jul			Percent	3.85%
20 Jul 2020	6:30	China (Mainland)	Loan Prime Rate 5Y	Jul			Percent	4.65%
20 Jul 2020	13:30	Euro Zone	Current Account NSA, EUR	May			EUR	10.2B
20 Jul 2020	13:30	Euro Zone	Current Account SA, EUR	May			EUR	14.400B
20 Jul 2020	17:30	United Kingdom	Steel Production	Jun			Ton (metric)	700.00k
21 Jul 2020	5:00	Japan	CPI, Core Nationwide YY	Jun	-0.1%		Percent	-0.2%
21 Jul 2020	5:00	Japan	CPI, Overall Nationwide	Jun			Percent	0.1%
21 Jul 2020	5:00	Japan	CPI Ex Fresh Fd and Eng	Jun			Percent	0.4%
21 Jul 2020	5:00	Japan	CPI Nationwide Excl Food & Energy Y/Y	Jun			Percent	0.1%
21 Jul 2020	5:00	Japan	CPI MM NSA	Jun			Percent	0.0%
21 Jul 2020	5:00	Japan	CPI Nationwide Excl Food & Energy M/M	Jun			Percent	0.1%
21 Jul 2020	5:00	Japan	CPI NSA	Jun			Index	101.8
21 Jul 2020	5:00	Japan	CPI Index Ex Fresh Food	Jun			Index	101.6
21 Jul 2020	5:00	Japan	CPI Less Food and Energy	Jun			Index	101.9
21 Jul 2020	11:30	United Kingdom	PSNB Ex Banks GBP	Jun	36.500B		GBP	55.200B
21 Jul 2020	11:30	United Kingdom	PSNB, GBP	Jun	34.300B		GBP	54.499B
21 Jul 2020	11:30	United Kingdom	PSNCR, GBP	Jun			GBP	71.436B
21 Jul 2020	18:00	United States	National Activity Index	Jun			Index	2.61
21 Jul 2020	18:25	United States	Redbook MM	18 Jul, w/e			Percent	3.0%
21 Jul 2020	18:25	United States	Redbook YY	18 Jul, w/e			Percent	-5.5%
22 Jul 2020	2:00	United States	API weekly crude stocks	13 Jul, w/e			Number of	
22 Jul 2020	2:00	United States	API weekly gasoline stk	13 Jul, w/e			Number of	
22 Jul 2020	2:00	United States	API weekly dist. stocks	13 Jul, w/e			Number of	
22 Jul 2020	2:00	United States	API weekly heating oil	13 Jul, w/e			Number of	
22 Jul 2020	2:00	United States	API weekly crude imports	13 Jul, w/e			Number of	
22 Jul 2020	2:00	United States	API weekly product imports	13 Jul, w/e			Number of	
22 Jul 2020	2:00	United States	API weekly crude runs	13 Jul, w/e			Number of	
22 Jul 2020	2:00	United States	API Cushing number	13 Jul, w/e			Number of	
22 Jul 2020	6:00	Japan	Jibun Bank Mfg PMI Flash	Jul			Index (diffusion)	40.1
22 Jul 2020	10:30	Japan	Chain Store Sales YY	Jun			Percent	1.3%
22 Jul 2020	16:30	United States	MBA Mortgage Applications	17 Jul, w/e			Percent	5.1%
22 Jul 2020	16:30	United States	Mortgage Market Index	17 Jul, w/e			Index	815.5
22 Jul 2020	16:30	United States	MBA Purchase Index	17 Jul, w/e			Index	305.4
22 Jul 2020	16:30	United States	Mortgage Refinance Index	17 Jul, w/e			Index	3,774.3
22 Jul 2020	16:30	United States	MBA 30-Yr Mortgage Rate	17 Jul, w/e			Percent	3.19%
22 Jul 2020	18:30	United States	Monthly Home Price MM	May			Percent	0.2%
22 Jul 2020	18:30	United States	Monthly Home Price YY	May			Percent	5.5%
22 Jul 2020	18:30	United States	Monthly Home Price Index	May			Index	288.3
22 Jul 2020	19:30	United States	Existing Home Sales	Jun	4.86M		Number of	3.91M
22 Jul 2020	19:30	United States	Exist. Home Sales % Chg	Jun	25.3%		Percent	-9.7%

22 Jul 2020	20:00	United States	EIA Ethanol Ref Stk	17 Jul, w/e			Barrel	20.608k
22 Jul 2020	20:00	United States	EIA Ethanol Fuel Total	17 Jul, w/e			Barrel/Day	931k
22 Jul 2020	20:00	United States	EIA Wkly Crude Stk	17 Jul, w/e			Barrel	-7.493M
22 Jul 2020	20:00	United States	EIA Wkly Dist. Stk	17 Jul, w/e			Barrel	-0.453M
22 Jul 2020	20:00	United States	EIA Wkly Gsln Stk	17 Jul, w/e			Barrel	-3.147M
22 Jul 2020	20:00	United States	EIA Weekly Crude Imports	17 Jul, w/e			Barrel	-1.983M
22 Jul 2020	20:00	United States	EIA Weekly Rfg Stocks	17 Jul, w/e			Barrel	0.007M
22 Jul 2020	20:00	United States	EIA Weekly Heatoil Stock	17 Jul, w/e			Barrel	0.420M
22 Jul 2020	20:00	United States	EIA Weekly Prods Imports	17 Jul, w/e			Barrel/Day	-0.504M
22 Jul 2020	20:00	United States	EIA Weekly Dist Output	17 Jul, w/e			Barrel/Day	0.104M
22 Jul 2020	20:00	United States	EIA Weekly Crude Runs	17 Jul, w/e			Barrel/Day	-0.038M
22 Jul 2020	20:00	United States	EIA Wkly Refrn Util	13 Jul, w/e			Percent	0.6%
22 Jul 2020	20:00	United States	EIA Wkly Crude Cushing	17 Jul, w/e			Barrel	0.949M
22 Jul 2020	20:00	United States	EIA Weekly Gasoline O/P	17 Jul, w/e			Barrel/Day	0.050M
23 Jul 2020	15:30	United Kingdom	CBI Business Optimism	Q3			Net balance	-87
23 Jul 2020	15:30	United Kingdom	CBI Trends - Orders	Jul			Net balance	-58
23 Jul 2020	18:00	United States	Initial Jobless Clm	13 Jul, w/e	1,290k		Person	1,300k
23 Jul 2020	18:00	United States	Jobless Clm 4Wk Avg	13 Jul, w/e			Person	1,375.00k
23 Jul 2020	18:00	United States	Cont Jobless Clm	6 Jul, w/e			Person	17.338M
23 Jul 2020	19:30	United States	Leading Index Chg MM	Jun	2.1%		Percent	2.8%
23 Jul 2020	19:30	Euro Zone	Consumer Confid. Flash	Jul	-12.0		Net balance	-14.7
23 Jul 2020	20:00	United States	EIA-Nat Gas Chg Bcf	13 Jul, w/e			Cubic foot	45B
23 Jul 2020	20:00	United States	Nat Gas-EIA Implied Flow	13 Jul, w/e			Cubic foot	45B
23 Jul 2020	20:30	United States	KC Fed Manufacturing	Jul			Index	2
23 Jul 2020	20:30	United States	KC Fed Composite Index	Jul			Index (diffusion)	1
24 Jul 2020	4:31	United Kingdom	GfK Consumer Confidence	Jul	-26		Net balance	-30
24 Jul 2020	11:30	United Kingdom	Retail Sales MM	Jun	8.5%		Percent	12.0%
24 Jul 2020	11:30	United Kingdom	Retail Sales Ex-Fuel MM	Jun	7.9%		Percent	10.2%
24 Jul 2020	11:30	United Kingdom	Retail Sales YY	Jun	-6.2%		Percent	-13.1%
24 Jul 2020	11:30	United Kingdom	Retail Sales Ex-Fuel YY	Jun	-3.7%		Percent	-9.8%
24 Jul 2020	13:30	Euro Zone	Markit Mfg Flash PMI	Jul	50.0		Index (diffusion)	47.4
24 Jul 2020	13:30	Euro Zone	Markit Serv Flash PMI	Jul	51.0		Index (diffusion)	48.3
24 Jul 2020	13:30	Euro Zone	Markit Comp Flash PMI	Jul	51.1		Index (diffusion)	48.5
24 Jul 2020	14:00	United Kingdom	Flash Composite PMI	Jul	50.8		Index (diffusion)	47.7
24 Jul 2020	14:00	United Kingdom	Flash Manufacturing PMI	Jul	51.3		Index (diffusion)	50.1
24 Jul 2020	14:00	United Kingdom	Flash Services PMI	Jul	51.3		Index (diffusion)	47.1
24 Jul 2020	17:00	India	FX Reserves, USD	13 Jul, w/e			USD	516.36B
24 Jul 2020	17:30	United States	Build Permits R Numb	Jun			Number of	1.241M
24 Jul 2020	17:30	United States	Build Permits R Chg MM	Jun			Percent	2.1%
24 Jul 2020	19:15	United States	Markit Comp Flash PMI	Jul			Index (diffusion)	47.9
24 Jul 2020	19:15	United States	Markit Mfg PMI Flash	Jul	51.5		Index (diffusion)	49.8
24 Jul 2020	19:15	United States	Markit Svcs PMI Flash	Jul	51.0		Index (diffusion)	47.9
24 Jul 2020	19:30	United States	New Home Sales-Units	Jun	0.700M		Number of	0.676M
24 Jul 2020	19:30	United States	New Home Sales Chg MM	Jun	3.6%		Percent	16.6%