

K STREET

RULE THE MARKET

ISSUE: 096



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From The Desk Of Research Head

Clash of titans – Amazon Vs. Reliance Retail

Now that the Future group is cash strapped and is in need of funds to clear the debts or defaults, it's up for grabs. It is evident from the past that Amazon has tried to raise the stake in More retail of Aditya Birla jointly with other players, apart from raising the stake in Future retail segments. This implies that Amazon has a long term goal to stabilize its foot in the Indian retail segment. When it looked like Amazon would be having an upper hand in the negotiations, there enters the big brother of Indian business – Mukesh Ambani, all set to snatch Future Retail from Amazon by a whisker. If history is anything to go by, when he enters any markets, he sweeps the market with his motto of 'think big, dream big'. This time its face off between Amazon and Reliance, wherein he is all set to attack Amazon from all directions.

According to news sources, Reliance close to acquiring debt-strapped Future Retail, which has around 1388 retail stores across various formats and segments including groceries, fashion and general merchandize. Three major entities promoted by Biyani – Future Retail, Future Lifestyle Fashions and Future Supply Chain Solutions would be merged to be taken over by Reliance. Amazon's interest in Future Retail was known given its five-year old business partnership with the group and it was clearer when it bought an indirect stake in Future Retail in 2019 through promoter-owned entities. Now it is clear that Future Group is going in Reliance's direction.

In an attempt to take on Amazon, Reliance announced launch of JioMart in January 2020, which is open to select customers and is operative in select neighbourhoods in Mumbai. The online platform promises more than 50000 grocery products, free home delivery and no-questions-asked return policy. This coupled with a string of smaller related acquisitions is expected to enable Reliance to join battle with Amazon and Walmart for a slice of giant Indian retail space, which is expected to reach \$200 Bn by 2027 according to KPMG. RIL recently acquired majority stake in Fynd, which acts a bridge between physical retail stores and online buyers. RIL recently acquired Haptik, an AI platform in a Rs. 700 Cr deal. Haptik counts, Samsung, Coca-Cola and KFC as its clients.

Behind these acquisitions lies a vision to unite lakhs of producers, traders, and small merchants spread across the country with consumers through an off-line to online e-commerce project. Currently Reliance Retail runs one of the largest network of 10415 stores at 6600 plus towns and cities, with more than two-thirds of this present in tier II, III and IV towns where Reliance enjoys a first mover advantage. With its aggressive expansion and execution Reliance Retail through its formats, Fresh and Smart already contributes 50% of all vegetables and fruits sold through modern trade as per Neilsen.

India's retail space has always been a tough nut to crack given the wide distribution network to be captured and conventional consumer psychology. However, the semi-urban and rural markets are fast catching up with their urban peers and are enjoying the thrill of shopping at their finger tips. As two giants with deep pockets are set to fight it out, there's no doubt that consumers are pampered and spoiled by choices. While time will tell who the winner is, Indian consumer will be at advantage.

- DR. RAVI SINGH

Vice President & Head of Research

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NEWS

Automobiles:

- Auto component major Motherson Sumi announced a major restructuring of its business wherein it will demerge its domestic wiring harness business into a new company that will be listed eventually.
- Maruti launches vehicle lease subscription service. The service will be initially launched on pilot basis in Gurugram and Bengaluru and will be initially available on Swift, Dzire, Vitara Brezza and Ertiga from Maruti Suzuki ARENA channel and Baleno, Ciaz and XL6 from NEXA channel.
- Major automakers reported a near 50% YoY decline in wholesale volumes in June. However, most of the companies reported a sharp recovery in volumes on month-on-month basis. Tractor and two-wheeler sales picked up sharply.

Banking:

- Axis Bank's existing PE investor Bain Capital is expected to increase stake in the bank from existing 3.46% in fresh round of capital raising. Carlyle has also shown interest in the fresh round of capital raising.
- Yes Bank is said to launch FPO at a significant discount as per media sources.
- SBI-led consortium of lenders completed debt restructuring of Suzlon Energy after promoters of the company infused capital of Rs. 392 Cr. Of the total debt of Rs. 14000 cr, Rs 8200 cr was converted into optionally convertible debentures payable in 20 years. Remaining amount of term debt is to be paid the next 10 years at an interest rate of 9%.
- Yes Bank is said to launch its FPO in the middle of this month and prospective investors are showing interest at an indicative price of Rs. 12 - Rs. 15, which is at a substantial discount to yesterday's closing price of Rs. 26.25.
- Foreign Banks, are fret by RBI's recommendations on a new governance policy which requires them to form Board of Governors in India. All the foreign banks are coming together to voice their concerns to RBI.

Financials:

- State-owned general insurer New India Assurance reported Rs 126.6 Cr. profit for the fourth quarter ended March 31.
- RBI has asked banks, financial institutions and NBFCs to reclassify micro, small and medium enterprises on the basis of the new criteria. Medium enterprise, as per the new classification has investment in plant and machinery or equipment should not exceed Rs 50 crore and turnover should be below Rs 250 Cr.

Consumption/FMCG:

- HUL sees delay in growth : Continuing with the commentary regarding growth as stated in the last year and a half, the company continues to maintain its stand - and is supported by the issues related to the spread of the pandemic. The management believes despite higher rural income, demand outlook continues to be grim overall on the back of possibilities of recession and hence, the cut back on purchases by consumers.
- Parag Foods reported revenue decline of ~20% while PAT declined 66% mainly on account of increase in raw milk prices. Management has indicated that with easing of lockdown, the demand is expected to revive swiftly and reach pre covid levels in the coming months.
- Welspun India reported strong numbers for the quarter with Revenue from operations of Rs.1617 Cr, up by 3.9 % year-on year and PAT of Rs. 85.6 Cr. Vs a loss of Rs.79.3 Cr on YoY basis. The stock hit the upper circuit during the day as management commentary also remained positive regarding operations being automated to the maximum extent in order to prevent any loss of capacity utilisation should the current situation persist.

Information Technology:

- Infosys introduces SAP-based solution for pharma companies. The Personalized Medicine solution derives intelligent insights enabling pharma companies to address critical business and regulatory requirements while delivering personalized experience to patients
- TCS launched AI-powered software to help businesses overcome challenges of re-opening amid covid-19.
- Affle India announced signing of a definitive agreement to acquire 8% ownership in OS Labs Pte Ltd, Singapore (Indus OS). Indus OS operates India's largest independent indigenous app store with key investment from Samsung Venture Investment Corporation.
- TCS and Celonis partner to help enterprises to adopt process mining to drive superior outcomes.

FORTHCOMING EVENTS

COMPANY NAME	EVENT	EX-DATE
ITC	Dividend - Rs.10.15	06 July, 2020
Mindtree	Dividend - Rs. 10	06 July, 2020
JSW Steel	Dividend - Rs. 2	06 July, 2020
HDFC	Dividend - Rs. 21	09 July, 2020

GLOBAL NEWS

- Oil falls below \$43 a barrel on covid surge.
 - » Oil fell below \$43 a barrel on Friday as a resurgence of coronavirus cases raised concern that fuel demand growth could stall, although crude oil was still headed for a weekly gain on lower supply and wider signs of economic recovery.
- Opec cuts output to lowest since 1991 as coronavirus slams oil demand
- Chinese firms take record 50% of global equity raised in first half of 2020.
- Goldman Sachs sees oil demand returning to pre-coronavirus levels by 2022.
 - » Pick-up in commuting, a shift to private transportation and government efforts to improve economies with higher infrastructure spending should help global oil demand return to pre-coronavirus levels by 2022, said the company.

Pharmaceuticals and Healthcare:

- Sun Pharma announced that one of its wholly-owned subsidiaries has received approval from the Ministry of Health, Labour and Welfare (MHLW), Japan for ILUMYA (tildrakizumab) for the treatment of plaque psoriasis in adult patients who have an inadequate response to conventional therapies.
- Cipla and Boehringer Ingelheim India announced partnership to co-market three new oral anti-diabetic drugs in the country. Oboravo (Empagliflozin), Oboravo Met (Empagliflozin+Metformin) and Tiptengio (Empagliflozin+Linagliptin) in India.

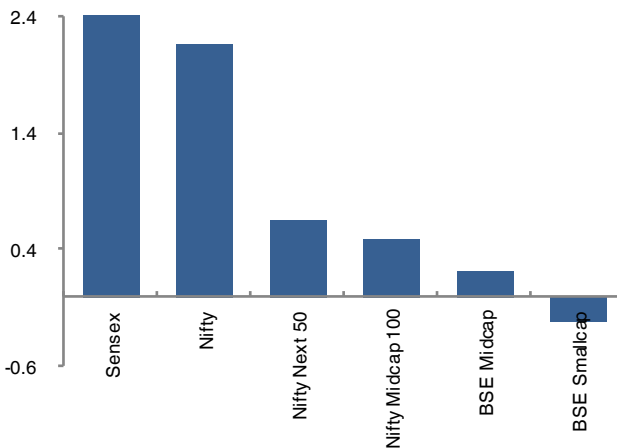
Steel/ Mining:

- Naveen Jindal's flagship steel company Jindal Steel and Power (JSPL) is looking to sell its overseas mining assets and focus on the India business instead. With commercial mining opportunities coming up soon in both coal and iron ore, the firm is keen to divest these high-debt assets and use the proceeds to invest in its home market and reduce its debt instead.
- Tata Steel reported a net loss of Rs. 1,615.35 crore for the quarter ended March 31. Tata Steel's total consolidated income fell to Rs. 35,085.86 crore in January-March 2020 from Rs. 42,913.73 crore in the same quarter of preceding fiscal.
- The production of Coal India declined by 12.8% to 39.20 million tonnes (MT) in June compared to 44.95 MT of coal in June last year. The state-run miner's production in the first three months of 2020-21 dropped to 121.01 MT from 136.94 MT of coal produced in the April-June period of the previous fiscal.
- State-owned NMDC on Wednesday said its iron ore production remained flat at 2.52 million tonnes (MT) in June. The company had produced 2.52 MT iron ore in June 2019.

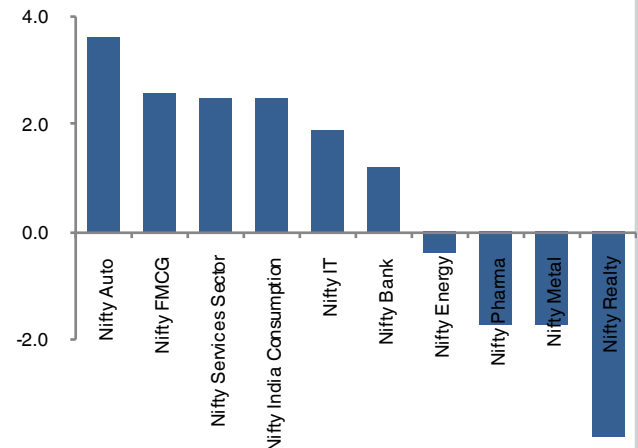
Oil and Gas:

- India June Petroleum Products Consumption 88%, diesel at 82%, and gasoline at 85% of previous year.
- Diesel volume gained 96% from April levels to 5.5m tons in June due to timely arrival of monsoon and pickup in agricultural activities during kharif season and demand for LPG fuel rose 16.6% YoY.
- Crude throughput, reflecting capacity use, of the refineries of the three state owned companies has crossed 85%, after falling to 55% in the beginning of April.
- Oil and gas block bid round attracted only 12 bids for the 11 areas on offer, with 10 of them getting single bids from state-owned ONGC and Oil India Ltd.

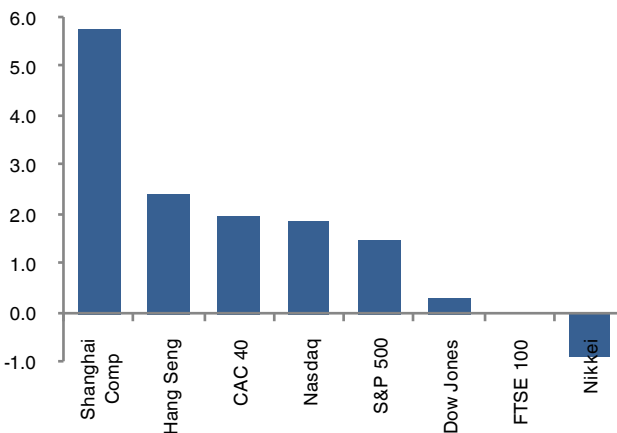
INDIAN INDICES (% CHANGE)



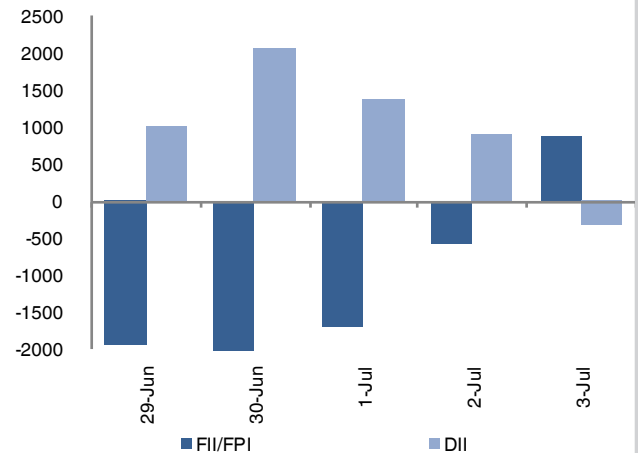
SECTORAL INDICES (% CHANGE)



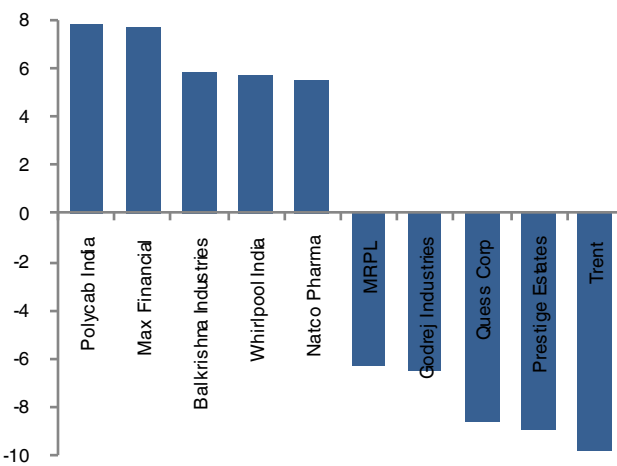
GLOBAL INDICES (% CHANGE)



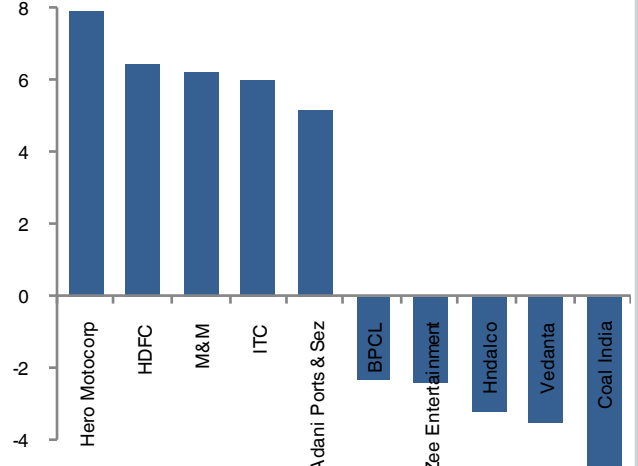
FII/FPI & DII TRADING (IN RS. CRORES)



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	360
ACTION	BUY
ENTRY	355-357
AVERAGE	340
STOP LOSS	327
TARGET 1	395
TARGET 2	410

On the technical front, ADANIPTS has higher highs and higher lows on the daily charts and is currently placed above the major long term supports in all the time frames. In the recent past, after clocking the high of 360 levels, the stock has witnessed a round of profit booking which dragged the counter towards the medium-term moving average of 200-DEMA on the daily charts. At the current juncture, the stock is forming a base around 340 levels on the lower side and is all set to move higher. The overall chart structure of the counter looks bullish from current levels and has given a breakout of the swing resistance 360 levels with significant volumes. This may trigger a fresh round of buying which may take the stock towards 400 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 major medium-term support levels. On the Bollinger band (20,2) the stock price has pierced out the upper band after a contraction indicating the price likely to trend further 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 68 levels fuelling the bullishness in the stock. We expect the counter to continue its outperformance in the coming trading weeks as well and may move towards 410 levels in the short term. Any correction towards the recent support levels of 340 levels may be utilized to average the positions.

Bharti Airtel Ltd



STOCK	BHARTIARTL
CMP	581
ACTION	BUY
ENTRY	575-572
AVERAGE	550
STOP LOSS	537
TARGET 1	615
TARGET 2	640

On the technical front, BHARTIARTL 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 612 levels, the stock has witnessed a round of profit booking which dragged the counter towards the major support zone of 537 levels. At the current juncture, the stock is forming a base around 550 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 568 levels. This may trigger a fresh round of buying which may take the stock towards 615 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 58 levels fuelling 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 640 levels in the short-term. Any correction towards the recent support levels of 550 levels may be utilized to average the positions.

SECTORAL SNIPPETS

Nifty Bank under-performed Nifty during the week as it ended the week up 1% vs. Nifty's 2% gains. After making higher highs and higher lows within a triangle formation on daily charts, Bank Nifty consolidated at the lower end of the triangle during the week. After making a failed attempt to breach 100 DMA of 22417, Bank Nifty retreated mildly and closed in the middle of the triangle, taking support at 21700. This week's high was made around 100 DMA of 22417. Bank Nifty ended the week around crucial support zone of 21600-21800. We expect Bank Nifty to take support at this level and make another attempt to breach 100 DMA during next week. Technically, next week's movement would be determined by how Bank Nifty behaves around 100 DMA. This week's performance was driven by heavyweights like HDFC Bank and ICICI Bank on reports of fund raising by both the banks. ICICI Bank is the top gainer during the week – up 3.35%, followed by Bandhan Bank and HDFC Bank. While RBL Bank is the biggest loser of the week - down 9%, among heavy weights, Bank of Baroda is the top loser, which is down 2.4%. Going forward, we see 21000 as immediate support followed by 20500. On the upside, 22000, followed by 22800 are key levels.

NIFTY Pharma underperformed Nifty with a loss of 1.7 % during the week while the Nifty 50 gained by 2.2% during the week. Despite positive news of Bharat Biotech and Cadila getting approvals for clinical trials for vaccine, Jubilant and Mylan gearing for launch of remdisivir, Dr Reddys partnering with the innovator to launch Favipiravir, sale of JB Chemicals to KKR, Carlyle group acquiring 20 % stake in Piramal Pharma could not offset the bad news of SEBI slapping fines on Divis Labs and Sun Pharma's Dadra plant shutting on account COVID infections. This indicates that the Index would pause for now. From January 2020, the index has been steadily moving up from 8000 plus levels and had losses during the current week. Domestic formulations numbers for the April – June quarter and for the June month may be a cause for apprehension. Market will wait for the trend for the June quarterly results. We believe the sector index will pause for the revenue trend in the short term. On stock-specific, the stocks with losses exceeded the ones with the gains. Divis Labs (-11.45%), Torrent Pharma (-2.95%), Lupin (-2.91%) and Dr Reddys (-2.1%) were the major losers during the week while Cipla (+0.55%) and Cadila Healthcare (+0.25%) were the only gainers during the week. The index may face resistance at 10200 levels followed by 10405 levels. For the week ahead, support for the index can be pegged at 9680 levels followed by 9435 levels.

Nifty Financial Services gained by 2.67% during the week passed, while the broader index Nifty also gained by 2.16%. The index has shown uptrend this week after improvement in sentiment even though COVID-19 cases but industrial output increased which showed improvement in wholesale credit cycle along with the 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 private banks and life insurance stocks. On the chart, strong support is seen at 10400 levels for the index this week and resistance at around 10800 levels and the market is expected to remain stable next week with an increase in average volume traded and turnover. Banking and NBFC heavyweights will benefit in coming weeks away from gold loan firms due to growth in loan book on both housing finance and corporate loan book side. Moreover, the index is expected to improve on this week due to special liquidity scheme for NBFC and HFCs which will last for 90 days and will help the sector-wide mid and large-cap size firms reap the benefit to paying off the excess liability and more banks are expected to raise capital via QIP or shares sale.

Nifty FMCG marginally outperformed the broader index by ~ 0.3% during the week. Given the rising covid cases, it is understandable that funds are continuing to flow into this sector with a 66% share in FMCG companies (others include tobacco, alcoholic beverages, etc). Rising number of cases are causing apprehension amongst investors as a second lockdown phase, atleast in parts of India are being talked about. As a result, we expect the sector to continue to be in focus, but would also be a good opportunity to park some funds in discretionary products based companies that are fundamentally good, but are undervalued on account of covid related hinderances. Within the sector, would be good to focus on companies like Britannia (up 2.49% this week), Tata consumer products (up 2.68% this week), ITC (up 5.97% this week) and HUL (has run up significantly from its lows) while other companies such as Emami (up 3.19% this week) and Godrej Consumer (up 4.56% this week) have performed well this week. We believe the positive trend for Nifty FMCG is set to continue. If the current level of 30500 is surpassed, we can expect a rally upto 34000, with 31500 being the intermittent resistance level in the near term. The immediate support levels are at 28300 and 26500.

WEEKLY VIEW OF THE MARKET

NIFTY (10607.35): Indian equity benchmark index Nifty 50 closed higher by 2.16% during the week. During the three 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 Asia rose on Friday as positive economic data raised optimism over the prospects of economic recovery from the coronavirus pandemic. European stocks retreated on Friday as concern over a spike in US coronavirus infections tempered the optimism arising from upbeat economic data out of the US, China and the eurozone. European markets were unable to capture the overnight momentum from the Asia Pacific, where stocks advanced after a survey showed that China's services sector grew at its fastest pace in over a decade in June. Domestically, for the week, on the data front, investors may focus on Manufacturing Output (MoM) (May) and Industrial Production (YoY) (May) releasing on July 10. On the derivatives front, open interest data suggests that the index may find its supports around 10500 followed by 10400 levels while on the higher side, 10700 and 11000 levels may act as strong resistance.

BULLION

The Bull Run in the world bullion market was extended onto fourth consecutive week as the market participants were on buying spree as safe asset. Rising cases on COVID-19 in the United States, which had prompted the U.S. government to re-impose lockdown in California pushed the CME gold futures prices to a fresh 8-years high in the week ended on 3rd July 2020. Likewise, Indian market also showcased its uninterrupted rally with MCX gold prices touching a fresh all-time high during the week. U.S. Federal Reserve Chair Jerome Powell said that the outlook for the U.S. is "extraordinarily uncertain" and will depend both on containing the coronavirus and on government efforts to support the recovery. U.S. Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell pledged to do more for the U.S. economy as it battles the enormous fallout from the virus outbreak. Stronger than expected ISM manufacturing PMI for the month of June, which came at 52.6 against prior month reading of 43.1 and market expectation of 49.5 weighed on the bullion market towards end of the week. The U.S. non-farm payrolls rose by 4.8 million in June with unemployment rate rising by 11.1% against previous month reading of 2.50 million and 13.3%, respectively. Towards end of the week, both CME and MCX gold and silver futures pared most of the gains on account of profit booking. MCX gold futures retreated from all time high as the Indian Rupee appreciated sharply against the U.S. Dollar on last two trading sessions of the week.

ENERGY

Crude oil futures on both benchmarks i.e., WTI and Brent ended on a higher note in the week ended on 3rd July 2020 amidst rising COVID-19 cases in the United States. Supply shortage by OPEC+ and Russia as well as fall in weekly inventories in the United States. API has reported drop in crude oil inventories by 8.2 million barrels in the last week. The OPEC and Russia are considering easing the deep production cut from August onwards as the oil prices have rebounded from all-time lows in April. According to EIA, U.S. crude oil stockpiles dropped sharply from record highs, as refining activity picked up and imports fell. Crude inventories fell by 7.2 million barrels in the week to June 26 to 533.5 million barrels. Inventories are down from an all-time record of 540.7 million barrels set in mid-June. The United States reported more than 55,000 new coronavirus cases on Thursday, a new daily global record for the pandemic. The rise in cases suggested U.S. jobs growth, which jumped in June, could suffer a setback. Signs of economic recovery, and a drop in supply after a record supply cut by the Organization of the Petroleum Exporting Countries and allies, known as OPEC+, have helped Brent more than double from a 21-year low below \$16 reached in April.

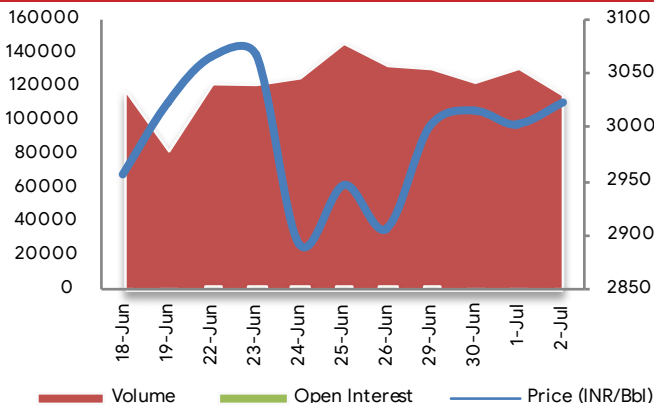
BASE METALS

Most of the base metals were on rising trend on MCX in the week ended on 3rd July 2020 tracking firmness in the LME and SHFE. However, the gains were eroded on last two trading sessions of the week on account of profit booking. Better than expected economic data from U.S. and China on manufacturing sector gave support to the industrial metals prices. China's factory activity expanded at a faster pace in June, beating expectations, as the economy continues to recover, but weak global demand is likely to be a drag on growth. Chinese manufacturing sector recorded a growth of 51.2 in Jun against prior month growth of 50.7 and this growth was better than market expectation of 50.5. The global nickel market surplus narrowed to 8,800 tonnes in April from a downwardly revised 10,900 tonnes the previous month, according to International Nickel Study Group. Shanghai copper prices rose to their highest in more than six months during the week on mounting supply risks in top producer Chile and improving manufacturing data globally. Chile kept copper output steady in May from a year earlier even as the coronavirus outbreak exploded. Aluminum Corp of China will shut alumina production lines accounting for about 10% of its total capacity.

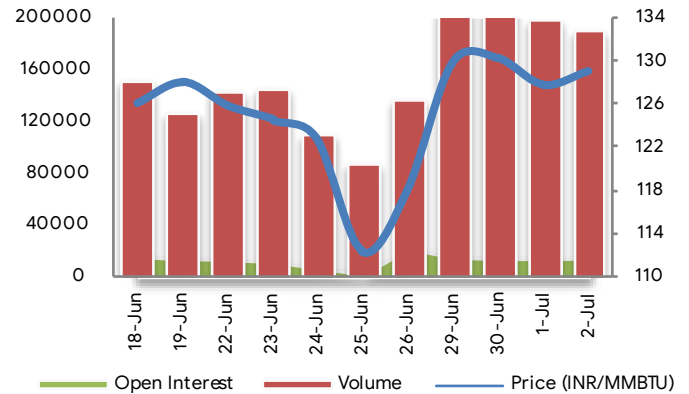
NEWS DIGEST

- Chile's vaunted copper industry is nearing a tipping point as coronavirus explodes across the South American nation, mine workers and analysts say, laying bare the hidden costs of policies that have until now salvaged its output of the red metal. Since early April leading miners, including state-owned Codelco, BHP, Anglo American, Glencore and Antofagasta have doubled down with skeleton crews in the world's largest copper producer, churning out more amid the pandemic than the year before. But cracks are beginning to show, union leaders told Reuters. Patricio Elgueta, president of Chile's Federation of Copper Workers (FTC), an umbrella group for Codelco's unions, said miners are exhausted and scared of falling ill but keep working to make ends meet. Elgueta said unions were weighing a proposal from a regional roundtable of healthworkers, politicians and social groups to draw down production to a "minimum" at all of the mines around the hard-hit city of Calama in order to sanitize them.
- China's top copper smelters on Friday cut their floor treatment and refining charges (TC/RCs) for copper concentrate in the third quarter by 3.6% from a year ago, according to two people with knowledge of the matter, amid concerns over tight supplies. The China Smelters Purchase Team (CSPT) set the treatment charge floor at \$53 per tonne and the refining charge floor at 5.3 cents per pound during a video conference, said the people, who declined to be identified as the information is not public. That compared to \$55 per tonne and 5.5 cents per pound for the third quarter of 2019. The smelters did not agree on a floor for the second quarter of this year. Miners pay TC/RCs to smelters to turn copper concentrate into refined metal, and the rates play a significant role in determining the profitability of both sides.
- India's gold imports plunged 86% year-on-year in June due to record high prices and as international air travel was banned and many jewellery shops closed amid a nationwide lockdown to curb the spread of coronavirus, a government source said. The world's second-biggest consumer of the precious metal imported around 11 tonnes of gold in June, down from 77.7 tonnes a year ago, the source, who asked to remain anonymous since he is not authorised to speak to the media, said on Thursday. In value terms, June imports dropped to \$608.8 million from \$2.7 billion a year ago, he added. The country's gold imports in the June quarter plunged 96% from a year ago to 13 tonnes, the official said, after shipments virtually ground to a halt in April and May.
- U.S. prosecutors filed a lawsuit to seize the gasoline aboard four tankers that Iran is trying to ship to Venezuela, the latest attempt by the Trump administration to increase economic pressure on the two U.S. foes. The government of Venezuela's socialist President Nicolas Maduro has flaunted the fuel supply to show it remains unbowed by U.S. pressure. Washington has been pressing for Maduro's ouster with diplomatic and punitive measures, including sanctions on state oil company PDVSA. The lawsuit, filed late on Wednesday in the U.S. District Court for the District of Columbia, was followed on Thursday by a warrant issued by U.S. District Judge James Boasberg for the seizure of the more than 1.1 million barrels of gasoline in the four vessels.

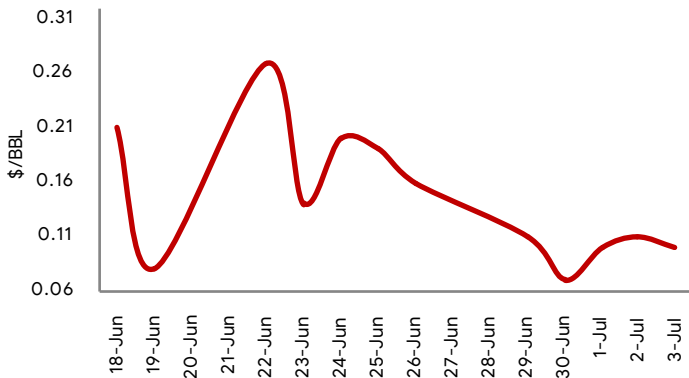
MCX CRUDE - PRICE, VOLUME & OPEN INTEREST



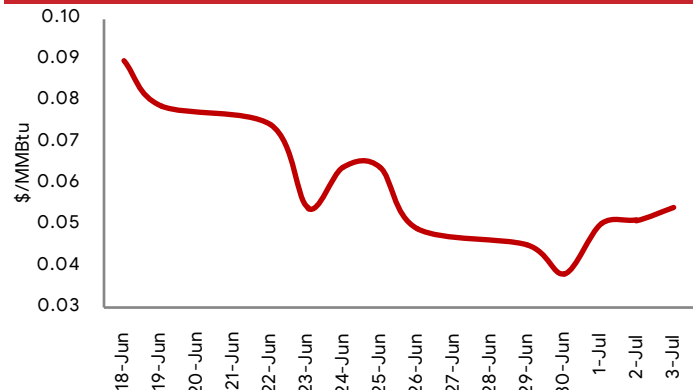
MCX NATURAL GAS - PRICE, VOLUME & OPEN INTEREST



CALENDAR SPREAD NYMEX - CRUDE OIL



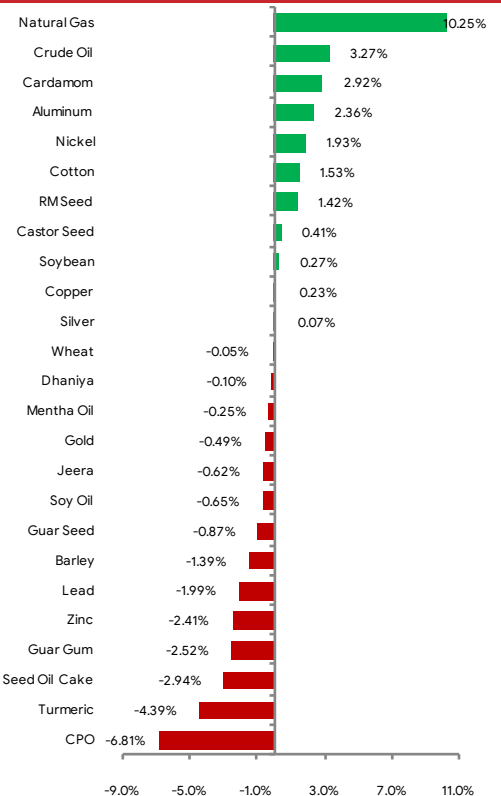
CALENDAR SPREAD NYMEX - NATURAL GAS



TRENDSHEET

Commodities	26-Jun	3-Jul	% Change	52 Week High	% Change from 52 Week High	52 Week Low	% Change from 52 Week Low
MCX Gold (Rs/10 gms)	48305	48070	-0.5	48982	-1.9	34125	40.9
MCX Silver (Rs/Kg)	48365	48400	0.1	51235	-5.5	33580	44.1
MCX Crude Oil (Rs/bbl)	2906	3001	3.3	4670	-35.7	795	277.5
MCX Natural Gas (Rs/mmBtu)	118	130	10.3	206	-36.8	111	17.7
MCX Copper (Rs/kg)	460	461	0.2	469	-1.8	336	37.2
MCX Lead (Rs/kg)	146	143	-2.0	170	-16.0	119	20.2
MCX Zinc (Rs/kg)	166	162	-2.4	199	-18.7	124	31.1
MCX Nickel (Rs/kg)	964	983	1.9	1315	-25.3	806	21.9
MCX Aluminium (Rs/kg)	134	137	2.4	150	-8.5	126	9.1
NCDEX Soybean (Rs/Quintal)	3746	3756	0.3	4506	-16.6	3276	14.7
NCDEX Refined Soy Oil (Rs/10 kg)	815	809	-0.7	955	-15.3	727	11.4
NCDEX RM Seed (Rs/Quintal)	4707	4774	1.4	4890	-2.4	3770	26.6
MCX CPO (Rs/10 kg)	710	661	-6.8	840	-21.3	491	34.6
NCDEX Castor Seed (Rs/Quintal)	3940	3956	0.4	5930	-33.3	3520	12.4
NCDEX Turmeric (Rs/Quintal)	5832	5576	-4.4	7190	-22.4	5200	7.2
NCDEX Jeera (Rs/Quintal)	13815	13730	-0.6	18195	-24.5	13110	4.7
NCDEX Dhaniya (Rs/Quintal)	6150	6144	-0.1	7421	-17.2	5267	16.7
MCX Cardamom (Rs/kg)	1336	1375	2.9	4265	-67.8	1310	5.0
NCDEX Wheat (Rs/Quintal)	1905	1904	-0.1	2290	-16.9	1800	5.8
NCDEX Guar Seed (Rs/Quintal)	3669	3637	-0.9	4450	-18.3	3190	14.0
NCDEX Guar Gum (Rs/Quintal)	5479	5341	-2.5	8944	-40.3	4700	13.6
MCX Cotton (Rs/Bale)	15730	15970	1.5	21940	-27.2	14800	7.9
NCDEX Cocud (Rs/Quintal)	2006	1947	-2.9	3698	-47.3	1507	29.2
MCX Mentha Oil (Rs/kg)	993	990	-0.3	1350	-26.7	975	1.5

FUTURE PRICES (% CHANGE)



MARKET STANCE

USD/INR closed at 74.65 after hitting a intraday high of 75.02 and a low of 74.59 on Friday. Rupee has appreciated sharply since yesterday from 75.50 levels. There was some news of big inflows which resulted in sharp appreciation in INR. Though, fundamentally, India still faces huge economic challenges and current Rupee strength can be short lived. Nifty ended at 10607 up 0.53%. India's trade deficit with China fell to \$48.66 billion in 2019-20 on account of decline in imports. Care Ratings revised India's GDP growth forecast for the current financial year to negative 6.4 percent as economic activity continues to be under restriction. India's foreign exchange reserves retreated from a life-time high to touch \$505.566 billion in the week ended June 19, down by \$2.078 billion from the previous week. S&P Global ratings said that the Indian economy is in deep trouble with growth expected to contract by 5 percent in FY21. Dollar edged up against majors. Risk appetite was boosted slightly by better-than-expected jobs data in the United States. Market sentiment has improved after the strong US jobs data as Asian shares rallied to a four-month high. The U.S. recorded more than 52,000 new cases on Thursday, just under its daily record, with Florida alone accounting for over 10,000 of them. This can keep the recent market optimism in check. As per ADP U.S. firms added 2.37 million jobs, fewer than forecast. Meanwhile, U.S. manufacturing activity rebounded more than expected in June. Total US nonfarm payroll employment rose by 4.8 million in June, and the unemployment rate declined to 11.1 percent. China's services sector grew at the fastest pace in over a decade in June. PMI rose to 58.4, the highest reading since April 2010, from May's 55.0. Retail sales in Japan fell at a double-digit pace for the second straight month in May. USD/INR likely to find support at 74.25 and resistance at 75.25 in the near term.

NEWS FLOWS OF LAST WEEK

- USD/INR closed at 74.65 after hitting a intraday high of 75.02 and a low of 74.59 on Friday.
- Rupee has appreciated sharply this week from 75.50 levels to 74.59.
- India's trade deficit with China fell to \$48.66 billion in 2019-20 on account of decline in imports.
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- U.S. recorded more than 52,000 new cases on Thursday, just under its daily record, with Florida alone accounting for over 10,000 of them.
- As per ADP U.S. firms added 2.37 million jobs, fewer than forecast.
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- Retail sales in Japan fell at a double-digit pace for the second straight month in May.

CURRENCY TABLE

Currency Pair	Open	High	Low	Close
USD/INR	75.61	75.65	74.59	74.65
EUR/INR	84.87	85.25	83.78	83.94
GBP/INR	93.24	94.40	92.52	93.03
JPY/INR	70.58	70.59	69.39	69.42

ECONOMIC GAUGE FOR THE NEXT WEEK

Date	Time	Country	Indicator Name	Period	Poll	Prefix	Unit	Prior
6-Jul-20	5:00	Japan	All Household Spending YY	May 2020	-12.2		Percent	-11.1
6-Jul-20	5:00	Japan	All Household Spending MM	May 2020	1.8		Percent	-6.2
6-Jul-20	5:00	Japan	Overtime Pay	May 2020			Percent	-12.2
6-Jul-20	5:00	Japan	Overall Lab Cash Earnings	May 2020			Percent	-0.6
6-Jul-20	5:20	Japan	Foreign Reserves	Jun 2020		Bln	USD	1378.2
6-Jul-20	13:30	United Kingdom	New Passenger Cars Registration	Jun 2020			No. of	20247
6-Jul-20	14:00	United Kingdom	Markit/CIPS Cons PMI	Jun 2020			Diff.Idx	28.9
6-Jul-20	14:00	United Kingdom	All Sector PMI	Jun 2020			Diff.Idx	29.9
6-Jul-20	14:00	Euro Zone	Sentix Index	Jul 2020			Diff.Idx	-24.8
6-Jul-20	14:30	Euro Zone	Retail Sales MM	May 2020	15.5		Percent	-11.7
6-Jul-20	14:30	Euro Zone	Retail Sales YY	May 2020	-7.5		Percent	-19.6
6-Jul-20	16:30	United Kingdom	BBA Mortgage Rate	Jun 2020			Percent	3.66
6-Jul-20	19:15	United States	Markit Comp Final PMI	Jun 2020			Diff.Idx	46.8
6-Jul-20	19:15	United States	Markit Svcs PMI Final	Jun 2020			Diff.Idx	46.7
6-Jul-20	19:30	United States	ISM N-Mfg PMI	Jun 2020	49.5		Index	45.4
6-Jul-20	19:30	United States	ISM N-Mfg Bus Act	Jun 2020			Index	41
6-Jul-20	19:30	United States	ISM N-Mfg Employment Idx	Jun 2020			Index	31.8
6-Jul-20	19:30	United States	ISM N-Mfg New Orders Idx	Jun 2020			Index	41.9
6-Jul-20	19:30	United States	ISM N-Mfg Price Paid Idx	Jun 2020			Index	55.6
6-Jul-20	19:30	United States	Employment Trends	Jun 2020			Index	46.28
7-Jul-20	5:20	Japan	Bank Lending YY	Jun 2020			Percent	4.8
7-Jul-20	5:20	Japan	Current Account NSA JPY	May 2020	1088.2	Bln	JPY	262.7
7-Jul-20	5:20	Japan	Current Account, Goods	May 2020		Bln	JPY	-966.526
7-Jul-20	5:20	Japan	Current Account Bal SA	May 2020			JPY	2524
7-Jul-20	5:20	Japan	Trade Bal Cust Basis SA	May 2020			JPY	-10235
7-Jul-20	10:30	Japan	Coincident Index	May 2020			Index	-7.3
7-Jul-20	10:30	Japan	Leading Indicator	May 2020			Index	-7.4
7-Jul-20	13:00	United Kingdom	Halifax House Prices MM	Jun 2020			Percent	-0.2
7-Jul-20	13:00	United Kingdom	Halifax House Prices YY	Jun 2020			Percent	2.6
7-Jul-20	13:30	China (Mainland)	FX Reserves (Monthly)	Jun 2020	3.12	Trl	USD	3.102
7-Jul-20	18:25	United States	Redbook MM	W 04 Jul			Percent	-0.7
7-Jul-20	18:25	United States	Redbook YY	W 04 Jul			Percent	-5.7
7-Jul-20	19:30	United States	JOLTS Job Openings	May 2020		Mln	Person	5.046
8-Jul-20	0:30	United States	Consumer Credit	May 2020	-17.5	Bln	USD	-68.78
8-Jul-20	4:31	United Kingdom	RICS Housing Survey	Jun 2020			Balance	-32
8-Jul-20	5:20	Japan	M2 Money Supply	Jun 2020			JPY	10772111
8-Jul-20	5:20	Japan	Broad Money	Jun 2020		Trl	JPY	1856.1
8-Jul-20	5:20	Japan	Machinery Orders MM	May 2020	-5.4		Percent	-12
8-Jul-20	5:20	Japan	Machinery Orders YY	May 2020	-17.1		Percent	-17.7
8-Jul-20	10:30	Japan	Economy Watchers Poll SA	Jun 2020			Diff.Idx	15.5
8-Jul-20	16:30	United States	MBA Mortgage Applications	W 03 Jul			Percent	-1.8
8-Jul-20	16:30	United States	Mortgage Market Index	W 03 Jul			Index	758.9
8-Jul-20	16:30	United States	MBA Purchase Index	W 03 Jul			Index	308.7

8-Jul-20	16:30	United States	Mortgage Refinance Index	W 03 Jul			Index	3359.2
8-Jul-20	16:30	United States	MBA 30-Yr Mortgage Rate	W 03 Jul			Percent	3.29
8-Jul-20	17:00	India	M3 Money Supply	W 03 Jul			Percent	12.3
8-Jul-20	20:00	China (Mainland)	Caixin Mfg PMI Final	W 03 Jul		Mln	Barrel	-7.195
8-Jul-20	20:00	United States	ISM Manufacturing PMI	W 03 Jul		Mln	Barrel	-0.593
8-Jul-20	20:00	United States	EIA Weekly Crude Stocks	W 03 Jul		Mln	Barrel	1.199
8-Jul-20	20:00	United States	EIA Weekly Crude Imports	W 03 Jul		Mln	Barrel	-0.506
8-Jul-20	20:00	United States	EIA Weekly Rfg Stocks	W 03 Jul		Mln	Barrel	0.009
8-Jul-20	20:00	United States	EIA Weekly Heatoil Stock	W 03 Jul		Mln	Barrel	-0.564
8-Jul-20	20:00	United States	EIA Weekly Prods Imports	W 03 Jul		Mln	Brl/Day	-0.259
8-Jul-20	20:00	United States	EIA Weekly Dist Output	W 03 Jul		Mln	Brl/Day	0.063
8-Jul-20	20:00	United States	EIA Weekly Crude Runs	W 03 Jul		Mln	Brl/Day	0.193
8-Jul-20	20:00	United States	EIA Weekly Dist. Stocks	W 03 Jul			Percent	0.9
8-Jul-20	20:00	United States	EIA Weekly Gasoline Stk	W 03 Jul		Mln	Barrel	-0.263
8-Jul-20	20:00	United States	EIA Weekly Gasoline O/P	W 03 Jul		Mln	Brl/Day	0.111
8-Jul-20	20:00	United States	EIA Ethanol Ref Stk	W 03 Jul		Thou	Barrel	20164
8-Jul-20	20:00	United States	EIA Ethanol Fuel Total	W 03 Jul		Thou	Brl/Day	900
8-Jul-20	21:30	United States	TR IPSOS PCSI	Jul 2020			Diff.Idx	48.78
9-Jul-20	5:20	Japan	Corp Goods Price MM	Jun 2020	0.4		Percent	-0.4
9-Jul-20	5:20	Japan	Corp Goods Price YY	Jun 2020	-1.9		Percent	-2.7
9-Jul-20	7:00	China (Mainland)	PPI YY	Jun 2020	-3.2		Percent	-3.7
9-Jul-20	7:00	China (Mainland)	CPI YY	Jun 2020	2.5		Percent	2.4
9-Jul-20	7:00	China (Mainland)	CPI MM	Jun 2020			Percent	-0.8
9-Jul-20	15:30	United Kingdom	TR IPSOS PCSI	Jul 2020			Diff.Idx	40.66
9-Jul-20	19:30	United States	Wholesale Invt(y), R MM	May 2020	-1.2		Percent	-1.2
9-Jul-20	19:30	United States	Wholesale Sales MM	May 2020			Percent	-16.9
10-Jul-20	7:30	China (Mainland)	Total Social Financing	Jun 2020	3067.5	Bln	CNY	3190
10-Jul-20	7:30	China (Mainland)	TR IPSOS PCSI	Jul 2020			Diff.Idx	67.89
10-Jul-20	7:30	Japan	TR IPSOS PCSI	Jul 2020			Diff.Idx	33.63
10-Jul-20	7:30	India	TR IPSOS PCSI	Jul 2020			Diff.Idx	45.42
10-Jul-20	17:30	India	Industrial Output YY	Apr 2020	-44.9		Percent	-18.3
10-Jul-20	17:30	India	Cumulative Ind. Output	Apr 2020			Percent	-0.7
10-Jul-20	17:30	India	Manufacturing Output	Apr 2020			Percent	-22.4
10-Jul-20	18:00	United States	PPI Final Demand YY	Jun 2020	-0.4		Percent	-0.8
10-Jul-20	18:00	United States	PPI Final Demand MM	Jun 2020	0.4		Percent	0.4
10-Jul-20	18:00	United States	PPI exFood/Energy YY	Jun 2020	0.5		Percent	0.3
10-Jul-20	18:00	United States	PPI exFood/Energy MM	Jun 2020	0.1		Percent	-0.1
10-Jul-20	18:00	United States	PPI ex Food/Energy/Tr YY	Jun 2020			Percent	-0.4
10-Jul-20	18:00	United States	PPI ex Food/Energy/Tr MM	Jun 2020			Percent	0.1
10-Jul-20	:	China (Mainland)	M2 Money Supply YY	Jun 2020	11.1		Percent	11.1
10-Jul-20	:	China (Mainland)	New Yuan Loans	Jun 2020	1800	Bln	CNY	1480
10-Jul-20	:	China (Mainland)	Outstanding Loan Growth	Jun 2020	13.2		Percent	13.2
10-Jul-20	:	India	Trade Deficit Govt -USD	Jun 2020		Bln	USD	3.15
10-Jul-20	:	India	Imports - USD	Jun 2020		Bln	USD	22.2
10-Jul-20	:	India	Exports - USD	Jun 2020		Bln	USD	19.05