

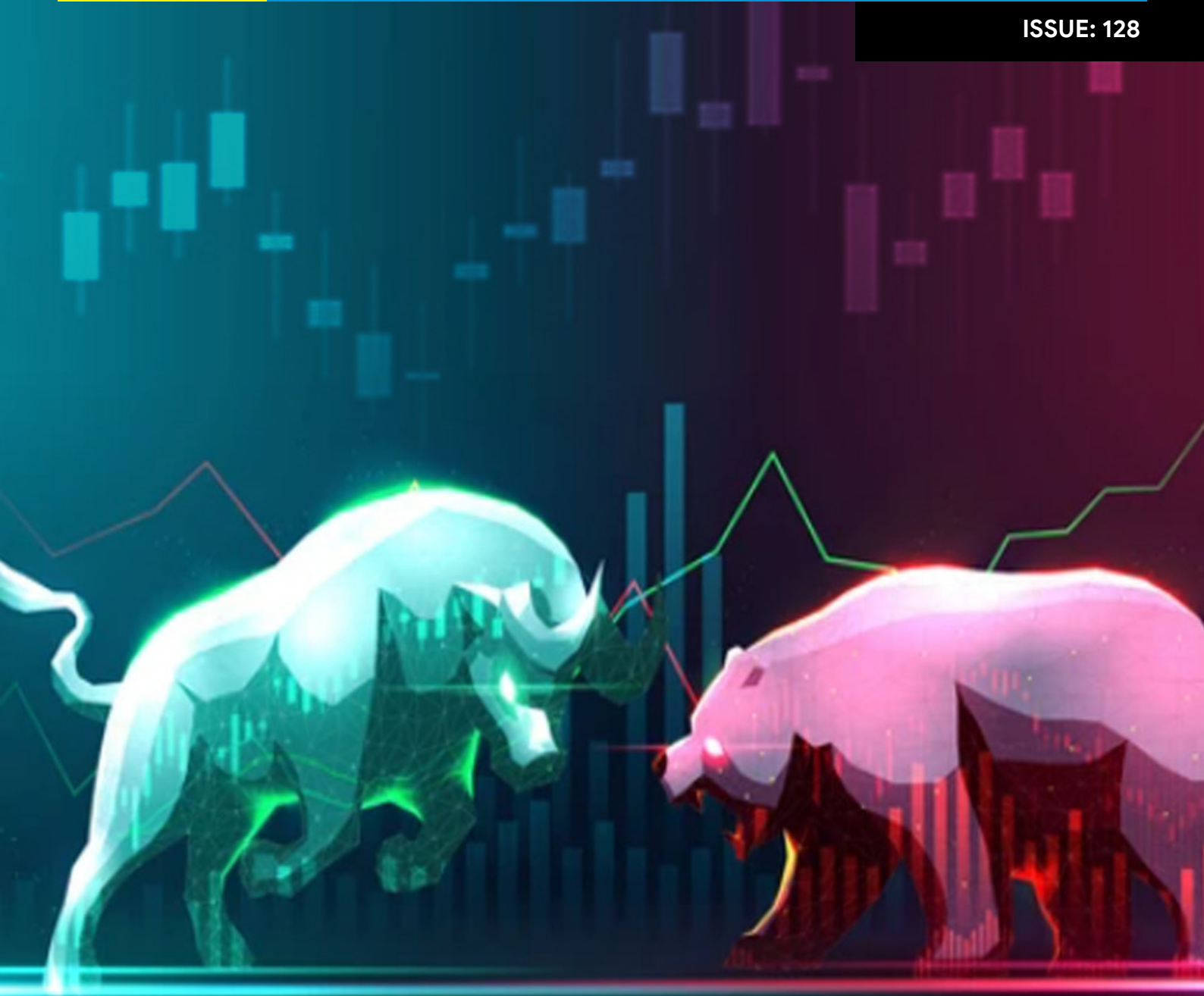
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STREET



RULE THE MARKET

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Credit growth – Remains steady at 6%

Credit off take in the economy has turned sticky and is growing around 6% levels for months now. Non-food credit too came in at 5.9% vs 7% during same period last year. YTD bank credit decelerated with gross bank credit slipping to a growth of 0.8% vs a growth of 1.7% a year ago and non-food credit growth decelerating to 0.4% from 1.2%. A sharp uptick in Agriculture and Allied Activities' credit to 9.4% from 5.3% in year ago period was negated by de-growth in industrial credit to 1.2% vs 1.6% in year ago period. Industrial credit growth continued to remain in negative terrain even as Medium industrial credit rose sharply by 15%. Industrial credit was dragged by negative credit growth in large industries, as credit to large industries account for 82% of overall industrial credit.

Services sector credit growth raced ahead to 8.8% vs 6.2% in year ago period led by strong growth in Wholesale trade (25%), Trade (14.7%), Travel and Hospitality (15%), Shipping (12%) and Transport Services (10.4) probably deriving benefit out of extension of ECLGS scheme. Retail Credit was steady at 9.5% vs November 2020 but decelerated from 16% growth posted in a year ago period. Retail Credit growth was driven by Consumer loans (30%), Personal Loans (15%), vehicle loans and Housing loans each segment growing at 8%. Since credit activity normally picks up during month ends and this report tracked activity till December 18, there could be some mismatches with the actual trend. We expect the credit growth for the fiscal to settle around 6-7% levels.

Industry credit for the month of December 2020 continued to remain in negative terrain and posted a growth of -1.2% vs 1.6% growth in a year ago period and -0.7% in November 2020. A sharp 15% growth in credit to medium industries and 1.2% growth in credit to small and micro enterprise could not move the needle much as they constitute just 18% of overall industrial credit. Credit to large industries which forms 82% of overall industrial credit has decelerated further to -2.4% from -1.8% in November 2020 and +1.8% in a year ago period. Extension of ECLGS scheme could have been the growth driver for growth in credit to Medium industries. Credit to large industries is stymied with various factors including banks being selective and increased reliance on credit substitutes.

Retail credit posted a growth of 9.5% vs 16% in year-ago period and 10% in November 2020. Year to date, retail credit growth was at 4.3% vs 9.6% in FY20. December's retail growth was driven by strong growth in consumer durables (30%), Personal loans (15%) and Housing loans (8%). Growth in credit towards consumer durables was driven by attractive financing offers with low interest rates and pent up demand. Housing loans maintained the tempo due to offers like low interest rates and waiver of processing fees. Credit card loans slowed down to 4.2% from 25% in a year ago period.

Services sector credit growth came in at 8.8% vs 6.2% in year ago period and 8.8% in November 2020 as well. However, YTD credit to services sector registered at -0.6% vs -1.9%. December's Services sector credit growth was driven by Wholesale Traders (25%), Transport Operators (10%) and Travel and Hospitality (15%). Other segments including Shipping, trade, retail trade, commercial real estate and NBFCs continued to maintain momentum, which is a good sign. This is an indication that the economic activity is picking up across the board, including in services sector, which was hitherto; lagging behind.

- DR. RAVI SINGH

Vice President & Head of Research

Team

Srinivas Krishnan Bobba
Sharath Kumar Jutur
Thomas V Abraham

Karvy Head Office

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

For More updates & Stock Research

Visit: www.karvyonline.com
Toll free: 1800 419 8283
Email: research@karvy.com

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NEWS

AUTO

- MRF Q3FY21: Revenue came at Rs. 4,641.6 Cr increased by 13.9% YoY. (Rs. 4,076 Cr in Q3FY20). EBITDA came at Rs. 977 Cr, increased by 57% YoY. (Rs. 622.2 Cr in Q3FY20). Net profit at Rs. 520.5 Cr, increased by 115% YoY (Rs. 241.4 Cr in Q3FY20). Board declared a second interim dividend of Rs. 3.00 per share.
- JTEKT India (SONA KOYO ST) Q3FY21: Revenue came at Rs. 434 Cr increased by 19.4% YoY. (Rs. 363.5 Cr in Q3FY20). EBITDA came at Rs. 46 Cr, increased by 51.6% YoY. (Rs. 30.3 Cr in Q3FY20). Net profit at Rs. 15.8 Cr, increased by 1.9x YoY (Rs. 5.4 Cr in Q3FY20).
- Tube Investments of India Q3FY21: Net profit up 34.2% at Rs. 107.35 Cr Vs. Rs. 79.98 Cr (YoY) and Revenue up 56.3% at Rs. 1699.99 Cr Vs. Rs. 1087.44 Cr (YoY). Board declared an interim dividend of Rs. 2.00 per share.
- Ashok Leyland Q3FY21: Net profit down 46.8% at Rs. 14.24 Cr Vs. Rs. 26.79 Cr (YoY) and Revenue up 14.7% at Rs. 5954.17 Cr Vs. Rs. 5188.84 Cr (YoY). Positive management commentary coupled with a positive outlook for the company triggered by incentives announced in the budget should arrest the downside and the stock might move up.

BANKING

- Karur Vysya Bank Q3FY21: Net profit up 129.8% at Rs. 34.63 Cr Vs. Rs. 15.07 Cr (YoY) and NII up 1.1% at Rs. 583.58 Cr Vs. Rs. 577.21 Cr (YoY). Gross NPA at 7.37% Vs. 7.93% (QoQ) Net NPA at 2.55% Vs. 2.99% (QoQ).

CEMENT

- ACC reported sharply higher consolidated profit at Rs. 472.4 Cr in October-December quarter 2020 against Rs. 273.3 Cr in October-December quarter 2019, revenue rose to Rs. 4,144.7 Cr from Rs. 4,060.3 Cr YoY.
- ITD Cementation reported a higher consolidated profit at Rs. 30.02 Cr in Q3FY21 against Rs. 10.59 Cr in Q3FY20, revenue rose to Rs. 791.68 Cr from Rs. 707.3 Cr YoY.

CONSUMPTION

- ITC Ltd.: 3Q net income-12% YoY to Rs. 36.6b. Revenue improves 5% YoY to Rs. 125.8b. Company to pay dividend Rs. 5 per share.
- Amazon moves Supreme Court in Future-Reliance deal dispute. Amazon has approached the Supreme Court seeking to stop Future Group's \$ 3.4 billion retail assets sale to Reliance Industries, days after the Delhi High Court revoked a previous single judge decision that effectively blocked the deal. The high court order was, however, an interim one and the next hearing is on February 26.

INFRA

- Capacite Infraprojects reported lower consolidated profit at Rs. 15.33 Cr in Q3FY21 against Rs. 23.38 Cr in Q3FY20, revenue fell to Rs. 305.76 Cr from Rs. 404.94 Cr YoY.
- VA Tech Wabag reported a higher consolidated profit at Rs. 38.04 Cr in Q3FY21 against Rs. 28.25 Cr in Q3FY20, revenue increased to Rs. 796.02 Cr from Rs. 679.44 Cr YoY.
- RITES received a major order for general consultancy work from Haryana Rail Infrastructure Development Corporation for Rs. 61 Cr.
- Gujarat Pipavav Port reported lower consolidated profit at Rs. 58.72 Cr in Q3FY21 against Rs. 134 Cr in Q3FY20, revenue increased to Rs. 198.4 Cr from Rs. 196.58 Cr YoY.

INSURANCE & FINANCIAL SERVICES

- Computer Age Management Services Q3FY21: Cons Result; Net revenue in Q3FY21 stood at Rs.186 Cr, which increased by 5.6% YoY from Rs. 176 Cr in Q3FY20. EBITDA stood at Rs. 81.9 Cr in Q3FY21 that increased by 17.5% YoY. For Q3FY20, it posted EBITDA of Rs. 69.7 Cr. The net profit in Q3FY21 came in at Rs. 56.4 Cr that increased by 22.2%, as compared to Q3FY20 when it reported Rs. 46.2 Cr Board of directors at its meeting held on February 11, 2021, has declared an interim dividend of Rs. 7.60 per equity share.
- GIC Q3FY21: General Insurance Corporation of India (GIC Re) reported a net profit of Rs. 987.42 Cr for the third quarter ended December 2020. The insurer has reported a loss of Rs. 1,069.64 Cr in the year-ago period. GIC Re had posted a net profit of Rs. 230.06 Cr in the second quarter ended September 2020.

IT

- Infosys: IT services major Infosys on Thursday said it will invest an additional \$ 1 million (about Rs. 7.2 Cr) in ideaForge Technology, a UAV systems manufacturing company taking total investment to \$ 2.5 Mn. The company had made an initial investment of \$ 1.5 Mn in 2016.

NBFC

- Power Finance Corporation Q3FY21: Net profit up 11.4% at Rs. 2893.7 Cr Vs. Rs. 2597.24 Cr (YoY) and Revenue up 16.1% at Rs. 18434.88 Cr Vs. Rs. 15872.57 Cr (YoY).

FORTHCOMING EVENTS

COMPANY NAME	EVENT	EX-DATE
Godrej Properties Ltd	Other business matters	16-Feb-21
R Systems International Ltd	Financial Results/Other business matters	16-Feb-21
Schaeffler India Ltd	Financial Results	16-Feb-21
Varun Beverages Ltd	Financial Results	16-Feb-21
Dish TV India Ltd	Fund Raising	17-Feb-21
Uniply Industries Ltd	Financial Results	17-Feb-21
Ambuja Cements Ltd	Financial Results/Dividend	18-Feb-21
Binani Industries Ltd	Financial Results	19-Feb-21
Butterfly Gandhimathi Appliances Ltd	Dividend	19-Feb-21
Emami Paper Mills Ltd	Other business matters	19-Feb-21
Libas Consumer Products Ltd	Bonus	19-Feb-21
Mahindra CIE Automotive Ltd	Financial Results	19-Feb-21

GLOBAL NEWS

- UK economy suffers a record 9.9% slump in 2020. Britain's gross domestic product (GDP) grew 1.0% between October and December versus the previous quarter, the Office for National Statistics said, compared with forecasts in a Reuters poll of economists for growth of 0.5%.
- Iran oil output faces a race against time as US sanctions linger. The penalties were tightened under former US President Donald Trump and although the new President Joe Biden is more conciliatory, top officials in his administration have said Washington would not take a quick decision on any deal with Iran.

OIL & GAS

- Oil India Q3FY21: Net profit up 25.4% at Rs. 889.69 Cr Vs. Rs. 709.39 Cr (YoY) and Revenue down 27.7% at Rs. 2137.34 Cr Vs. Rs. 2957.19 Cr (YoY). Board approved an interim dividend of Rs. 3.50 per share.
- Petronet LNG Q3FY21: Net profit up 29.9% at Rs. 882.05 Cr Vs. Rs. 679.22 Cr (YoY) and Revenue down 17.8% at Rs. 7328.23 Cr Vs. Rs. 8910.23 Cr (YoY). The company has exhibited robust improvement in profitability due to cost control measures. The company also announced plans to set up a wholly-owned subsidiary to offer other allied services like LNG bunkering.

PHARMA & HEALTHCARE

- Natco Pharma Q3FY21: Net profit down 40% at Rs. 62.7 Cr Vs. Rs. 104.5 Cr (YoY) and Revenue down 26.3% at Rs. 355.2 Cr Vs. Rs. 482.2 Cr (YoY) Board declared an interim dividend of Rs. 1.00 per share.
- Dishman Carbogen Amcis Q3FY21: Net loss at Rs. -16.07 Cr Vs. profit of Rs. 32.85 Cr (YoY) and Revenue down 13.6% at Rs. 468.58 Cr Vs. Rs. 542.28 Cr (YoY).
- Sun Pharma: The company and its senior officials, including Managing Director Dilip Shanghvi, have settled with regulator Sebi a case pertaining to an alleged violation of listing obligation and disclosure requirements norms.
- Novartis Q3FY21: Drug firm Novartis India on Thursday reported a net loss of Rs. 71 lakh for the quarter ended December 31, 2020. The company had posted a net profit of Rs. 7.73 Cr for the corresponding period of the previous fiscal.

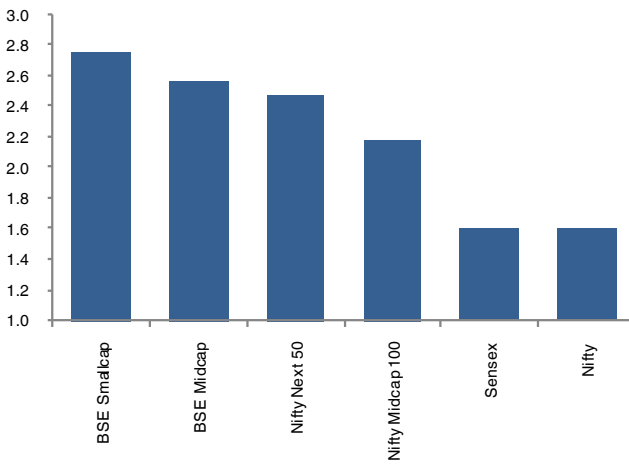
POWER

- Power Grid Corporation reported higher consolidated profit at Rs. 3,367.7 Cr in Q3FY21 against Rs. 2,672 Cr in Q3FY20, revenue increased to Rs. 10,142.5 Cr from Rs. 9,364.4 Cr YoY.
- NHPC: State-owned hydro power giant NHPC reported a 50% rise in its consolidated net profit to Rs. 961.64 Cr for the December quarter. Its consolidated net profit was Rs. 639.13 Cr in the quarter ended December 2019.

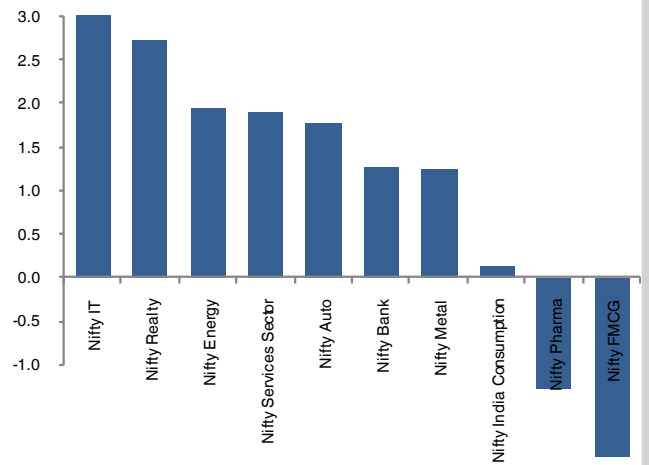
REALTY

- Prestige Estates Projects reported sharply lower consolidated profit at Rs. 87.8 Cr in Q3FY21 against Rs. 216.4 Cr in Q3FY20, revenue fell to Rs. 1,847.6 Cr from Rs. 2,680.9 Cr YoY.

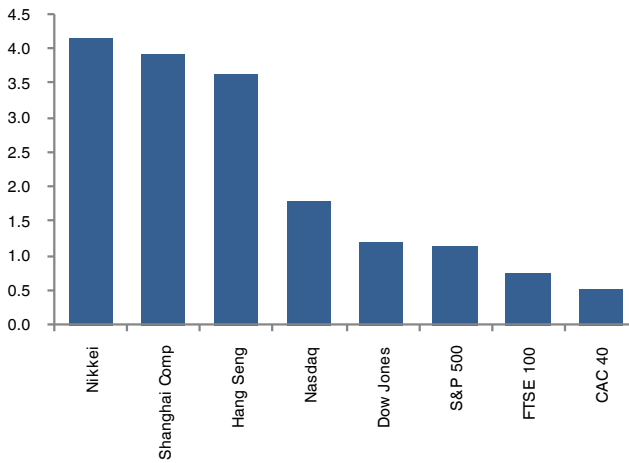
INDIAN INDICES (% CHANGE)



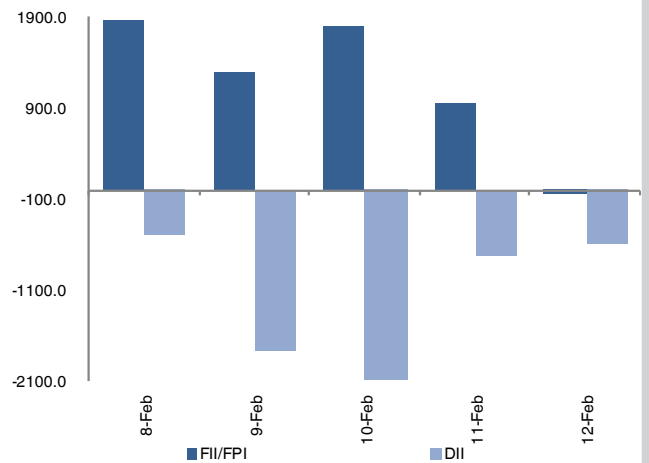
SECTORAL INDICES (% CHANGE)



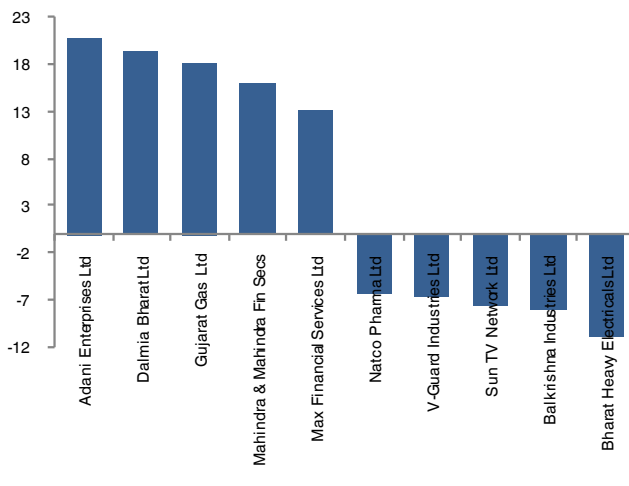
GLOBAL INDICES (% CHANGE)



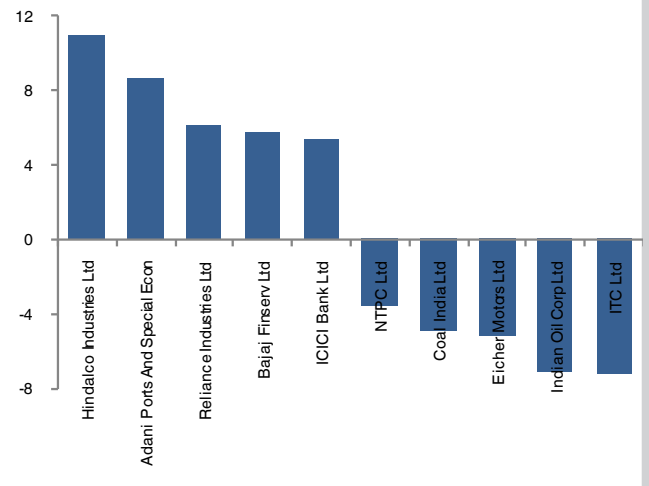
FII/FPI & DII TRADING (IN RS. CRORES)



NIFTY MIDCAP100 TOP GAINERS & LOSERS (1W)



NSE NIFTY TOP GAINERS & LOSERS (1W)



Source: Karvy Research

BEAT THE STREET - TECHNICAL ANALYSIS

Tech Mahindra Ltd



STOCK	TECHM
CMP	989
ACTION	BUY
ENTRY	980-984
AVERAGE	942
STOP LOSS	921
TARGET 1	1075
TARGET 2	1150

On the technical front, TECHM has higher highs and higher lows on the daily charts and is currently placed above the long-term EMAs in the daily frame. In the recent past, after clocking a low of 921 levels, the stock has witnessed a bounce and rallied to the current levels. At the current juncture, the stock has formed a base at 921 levels on the lower side and is all set to move higher. The overall chart structure of the counter looks bullish from current levels and is witnessing a bounce from the support zone around 942 levels. This may trigger a fresh round of buying which may take the stock towards 1075 plus levels. The stock is currently performing in line with the broader markets indicating the inherent strength in the counter and is trading well above the major long-term support levels. On the Bollinger band (20,2) the stock price is trading above the mean with the upper band facing in the northward direction indicating the price likely to move higher. Analyzing the recent volume price action, the volumes have been encouraging in the recent up move indicating strong hands have started accumulating the stock at current levels. On the oscillator's side, RSI (14) is trading in a comfortable zone of above 50 levels indicating the intact bullishness in the stock. We expect the counter to continue its outperformance in the coming trading days as well and may move towards 1150 levels in the medium-term. Any correction towards the recent support levels of 942 levels may be utilized to average the positions.

SBI Life Insurance Company Ltd



STOCK	SBILIFE
CMP	899
ACTION	BUY
ENTRY	890-895
AVERAGE	860
STOP LOSS	825
TARGET 1	975
TARGET 2	1025

On the technical front, SBILIFE has higher highs and higher lows on the daily charts and is currently placed above the long-term supports. In the recent past, after clocking the high of 954 levels, the stock has witnessed a round of profit booking which dragged the counter towards the short-term moving average of 21- EMA on the daily charts. At the current juncture, the stock is forming a base around 825 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 975 plus levels. The stock's performance is in line with the broader markets indicating the inherent strength in the counter and is trading well above the long-term support levels. On the Bollinger band (20,2) the stock price is plotting above the mean indicating the price likely to trend higher. Analyzing the recent volume price action, the volumes have been encouraging in the recent up move indicating strong hands have started accumulating the stock at current levels. On the oscillator's side, RSI (14) is trading in a comfortable zone of above 50 levels indicating the bullishness in the stock. We expect the counter to continue its outperformance in the coming trading weeks as well and may move towards 1025 levels in the short term. Any correction towards the recent support levels of 860 levels may be utilized to average the positions.

INDEX SNIPPETS

NIFTY (15163.30): Indian equity benchmark index Nifty 50 closed higher by 1.60% during the week. During the last ten 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 the strong bullish strength of the index. However, the index may resume its bearish bias if it breaches and sustains below 13595-13635 levels in future sessions. On the global front, Shares in Australia and Japan struggled for gains on Friday where trading volume was relatively low as many markets in the region are closed for the start of the Lunar New Year holiday. European stocks retreated slightly on Friday, as investors monitor a fresh batch of economic data and the gathering pace of vaccinations against Covid-19. Stateside, futures tied to the major US equity benchmarks dipped in overnight trading as Wall Street appeared on course to close the week with modest gains. The major averages have climbed to record levels, though a strong rally seen in early February seems to have taken a breather. Domestically, for the week, on the data front, investors may focus on the WPI Inflation (YoY) (Jan) releasing on Feb 15. On the derivatives front, open interest data suggests that the index may find its supports around 15100 followed by 15000 levels while on the higher side, 15200 and 15500 levels may act as resistance.



NIFTY IT INDEX is the best performing index this week with gains of 3% vs Nifty's gains of 1%. After gaining nearly 144% from covid correction's lows, the index has formed a double top and corrected till support zone of 24300. From the peak of 27176 hit on 14 Jan, the index has corrected nearly 12% and started rallying from Feb 1 2021. Since budget is a non-event for the sector, the index rallied from budget day in line with buoyancy in broader markets. The index has started the week on a negative note but rallied and ended the week strongly with gains of 3%. After criss-crossing around 21 DMA, during the week, the index has finally ended the week above 21 DMA. Fundamentally, with results season coming to an end and all sector majors declaring robust Q3FY21 numbers, with upbeat demand commentary, there are no fundamental negative triggers for the index. However, currently Nifty IT is hovering around resistance zone of 24600, which happens to be the valley-low of double top. So technically, there are chances that the IT index to consolidate for some time around these levels. During the week, except L&T Infotech all the index components ended in green with L&T Infotech losing -2.05%. Info Edge is the top performer of the week with gains of 11.5% for the week. Mid cap and large cap IT stocks ended with decent gains. We expect the index to face resistance around 26300 and 27176. On the downside, we expect the index to see some support at 25515, followed by 24470.



NIFTY FMCG ended flat for the week, as against 1.8% upward move for the benchmark index. With most major results for Q3FY21 announced and on expected lines, the index was more in correction mode. ITC witnessed largest profit booking amongst stocks in the sector as the post budget rally and the impact of Q3 numbers faded. However, in terms of long term investment, we continue to be bullish on ITC. In line with our comments in the previous edition, the index consolidated at current levels. With valuations of large caps continuing to be expensive, mid caps in the space had witnessed intense buying but is now tailing off from its highs. However, high quality mid and small caps continue to be in focus with a long term view as on account of market share gains despite the economic troubles. Near term pressures include rising commodity prices but with the large caps not deterred by the same and already continuing with steps to hike prices, it will also help the smaller companies (price followers) to maintain margins. Hence, the medium to long term outlook continues to be steady with the economy expected to show a good revival in FY22 (economic survey puts India's GDP growth rate at 11% for the fiscal). We expect consolidation to continue for the index in the coming week. Support levels for the FMCG index are 33100 and 31850 while resistance can be seen at 34560 and 35000

