

## Highlights of the Week

### DOMESTIC:

- MEIL hands over second oil rig to ONGC; to supply 21 more by 2022
- Wockhardt ties with Jemincare for novel respiratory antibiotic Nafithromycin
- NHPC signed MoU with PFC for mutual cooperation for undertaking Hydropower Projects
- Tata Steel signs MoU with MOL to develop and deploy environment friendly shipping solutions
- Isgec Heavy Engineering receives major order for EPCC plant from Prominent Refinery
- Tata Power's subsidiary commissions 150MW Solar PV Project in Rajasthan
- Lupin-led arm launches Luforbac for asthma and COPD treatment in UK
- ABB expands manufacturing capacity for Low Voltage (LV) motors at Faridabad facility
- Airtel board to meet on August 29 to mull capital raising options
- Infosys signs major core technology contract with UCAS
- Adani Enterprises arm Ordefence Systems incorporates new subsidiary PLR Systems
- Ambuja Cements starts trial of greenfield integrated plant in Rajasthan
- Zydus Cadila gets USFDA nod to market Tofacitinib ER tablets
- SAIL aims at reducing net debt to Rs15,000-20,000cr in FY22

### ECONOMY:

- SBI Research pegs Q1 growth at 18.5%
- FM Nirmala Sitharaman discusses key areas of cooperation for supporting recovery of BRICS nations
- Foreign direct investments rise to USD12.1bn in May: Piyush Goyal

### INDUSTRY:

- FM launches National Monetisation Pipeline to raise Rs6 lakhcr by 2025
- India to achieve target of USD400bn merchandise exports in 2021-22: Piyush Goyal
- Auto parts industry may see 20-23% jump in revenue during current fiscal: Report

### FUNDAMENTAL PICK:

#### **Pondy Oxides & Chemicals Limited**

CMP- Rs383 | Target Price- Rs525 | Industry-Other Non-Ferrous Metals

### COVERAGE NEWS:

**Cipla Ltd:** The company has announced the execution of a JV with Kemwell Biopharma Pvt Ltd in order to develop, manufacture and commercialise biosimilars for the global markets. Under the terms of the agreement, the JV would leverage the complementary strengths for end-to-end product development, clinical development, regulatory filings, manufacturing and commercialisation of biopharmaceutical products.

**Thermax Ltd:** Thermax Babcock and Wilcox Energy Solutions (TBWES), a wholly owned subsidiary of Thermax Limited, has concluded a Rs293cr order for a boiler package comprising 3x Oil & Gas fired boilers on EPC basis for a refinery and petrochemical complex in western India.

**Aurobindo Pharma Ltd:** Aurobindo Pharma Ltd announced that its subsidiary Eugia Pharma Specialities has received a 505(b)(2) NDA approval from the USFDA for its Cyclophosphamide injection. The product shall be launched in the US market in the near term and will be manufactured in Eugia's manufacturing facility in India. The approved product has an addressable market size of USD170mn for the twelve months ending June 2021 according to IQVIA.

### The Week That Went By:

Continuous pressure in mid and small-cap stocks dented the bullish sentiments of the markets and pulled the markets lower, but IT stocks continued to deliver the much-needed support to the Index. In the mid-week, Index tried to surpass its previous record levels but weakness in financial counters dragged the Index lower; however, on the flip, Energy and FMCG sectors held their gains. On the last day of the week, quick recovery was seen from the lower levels as Metal and Pharma counters came to the rescue. Mid-session was dominated by cement and IT stocks which pushed the Index higher to end the week at the record levels.

Nifty50=16705.20

BSE Sensex30=56124.72

Nifty Midcap 100=27705.55

Nifty Smallcap100=10039.70

**Result Synopsis**

Company	Result This Week
<b>Transpek Industry Ltd</b> CMP: Rs2053 Target: Rs2700	<p>The company has reported net sales of Rs1217mn as compared to Rs747mn in the same quarter last year, growth of 63%. The Ebitda margins for the quarter under review stood at 14.8% as compared to 11.9% in the corresponding quarter last year. The net profit came in at Rs135mn as against Rs38mn in the same quarter last year. EPS for the quarter under review stood at Rs24.19 as compared to Rs6.74 in the corresponding quarter last year.</p> <p><b>Outlook and Recommendations:</b> The company has started reporting good numbers, on the revenue as well as on the margins front. Contract volumes seem to be picking up and are anticipated to come back to the optimum volumes (to pre-covid levels). The company is looking at newer products as well as newer chemistries which is one step ahead of the current line of business and chemistries of acid chlorides. The company aims to look at products related to speciality chemistry, polymer and pharma profiled customers. The Management is looking at a conscious balanced strategy to grow. The capex whenever initiated will a big booster to the growth / revenue profile of Transpek. Conscious efforts of the company to de-risk its customer, product and regional concentration are some of the agendas which the Management is currently working on. The company believes that the situation will further improve in terms of volume growth, with stable working capital cycle with absence of any large capex (currently), established presence in the industry and strong relations with customers, comfortable liquidity of the company are some of the major triggers which continue to remain intact for Transpek and thus <b>we scale our target back to Rs2700.</b></p>

**NIFTY (WEEKLY)**



**BANK NIFTY (WEEKLY)**



**MARKET OUTLOOK**

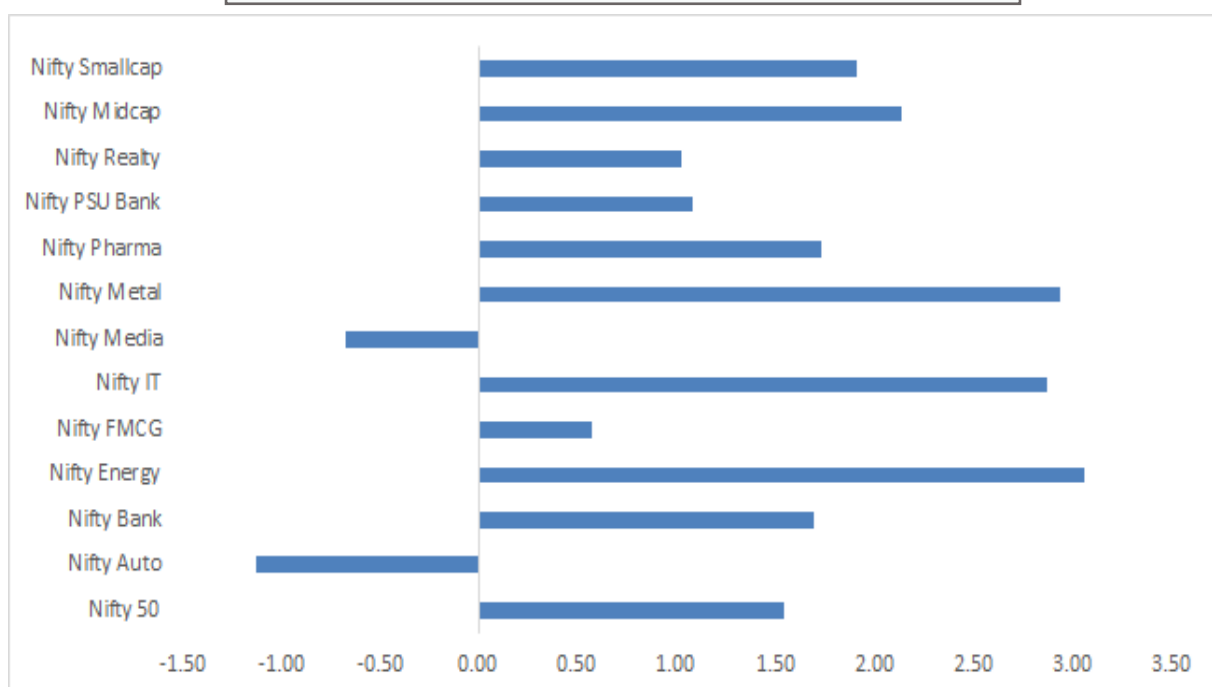
**Auto sector** is forming an advance harmonic pattern (Bullish Bat), some downside is still left before reversing (2% -3%). **BankNifty** has to breach 36,250 for a strong rally, **HDFC Bank** has given a breakout from a triangle pattern, **IDFC First Bank** reversed from the lower levels after completing the Bullish Gartley pattern. **SBIN** has made a double bottom at 400 which is a strong support zone also which indicating reversal. **Energy sector** strongly reversed from the lower end of the channel which suggests the continuation of the uptrend. (**Reliance** can be a dark horse). **FMCG sector** is moving like two-step ahead one step backward (**Britannia and HUL**). Extremely overbought condition is observed in the **IT sector** and it is recommended to book some profits. It looks like corrective moves are almost complete in the **Pharma sector**.

## NIFTY 50 COMPONENTS (WEEKLY PERFORMANCE)

Adani Ports	6.46	HDFC Life	5.45	ONGC	6.29
Asian Paints	-2.22	Hero Motocorp	-0.71	PowerGrid	-2.30
Axis Bank	1.79	Hindalco	9.03	Reliance	3.97
Bajaj Auto	-1.12	HUL	2.65	SBI Life	5.98
Bajaj Finserv	4.70	ICICI Bank	2.54	SBIN	1.35
Bajaj Finance	8.27	Indusind Bank	1.12	Shree Cement	2.40
Bharti Airtel	-3.56	INFY	-1.27	Sun Pharma	1.36
BPCL	3.71	IOC	2.37	Tata Consumer	0.80
Britannia	1.55	ITC	-1.13	Tata Motors	1.42
Cipla	3.60	Jsw Steel	-1.02	Tata Steel	1.07
Coal India	2.81	Kotak Bank	0.47	TCS	4.60
Divis Labs	1.89	LT	2.95	Tech Mahindra	3.21
DR Reddy's Labs	1.16	M&M	-1.41	TITAN	-2.69
Eicher Motors	-0.72	Maruti	-3.08	Ultratech	0.98
Grasim	-1.18	Nestle India	2.39	UPL	0.55
HCL Tech	3.75	NTPC	-0.96	Wipro	2.33
HDFC	0.15				
HDFC Bank	2.28				

\* Gain/ Loss in %

## SECTORAL PERFORMANCE



**SECTORAL GAINER**



With gains of 3.07%, **Energy sector** has outperformed Frontline Index. Major gainer was AdaniGreen (+11.89%) followed by ONGC (+6.29%) while PowerGrid and NTPC underperformed. As shown in the chart, the sector turned from lower end of the channel and continued to move in higher top higher bottom formation. Breakout of 6 weeks consolidation indicates extension of the upward journey.

**SECTORAL LOSER**



With a loss of 1.12%, **Auto sector** underperformed. Most of the components have ended the week with a loss. As an exception, Balkrishna Industries and Tata Motors ended the week with some considerable gains. Sector is forming an advanced harmonic pattern known as Bullish Bat and some more downside is left before reversing (2%-3%).

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