

TECHNICAL OUTLOOK

NIFTY WEEKLY CLOSE – 9039.25 (↓ 97.60)

Last week, Nifty began on a mild note and remained under pressure through-out. Nifty faced resistance near 9200 and closed the week at 9039 with a loss of 97 points.

On daily chart, Nifty is below all its key EMAs. On weekly chart as well Nifty remains below all its key averages. Daily as well as weekly RSI is very close to its average.

Going ahead, 9200 remains an immediate resistance while 9400 is a resistance at higher level. On the other hand, Nifty would seek support near 8800. We maintain a cautious approach.



WEEKLY MARKET REVIEW**Sensex, Nifty drop amid volatility**

Domestic stocks drifted lower in the week amid high volatility. Rising tensions between Washington and Beijing and increasing number of Coronavirus cases worldwide impacted sentiment. The RBI's surprise rate cut and other steps to prop up the coronavirus-hit economy failed to enthruse investors.

In the week ended on Friday, 22 May 2020, the Sensex dropped 425.14 points or 1.37% to settle at 30,672.59. The Nifty 50 index slipped 97.60 points or 1.07% to settle at 9,039.25. The BSE Mid-Cap index fell 230.30 or 2% to settle at 11,270.02. The BSE Small-Cap index declined 164.63 points or 1.54% to settle at 10,524.23.

Among stocks, Cipla surged 12.07%. Consolidated net profit declined 33% to Rs 245.95 crore on a 0.7% rise in net sales to Rs 4,301.60 crore in Q4FY20 over Q4FY19. India Rx business grew by 12% on a y-o-y basis recording a third consecutive quarter of market beating growth. South Africa business continued the strong growth momentum to deliver growth of 10% on a y-o-y basis in local currency.

Index heavyweight Reliance Industries (RIL) fell 1.87%. RIL and Jio Platforms announced an investment of Rs 6,598.38 crore by General Atlantic, a leading global growth equity firm. General Atlantic's investment will translate into a 1.34% equity stake in Jio Platforms on a fully diluted basis. With this investment, Jio Platforms has raised Rs 67,194.75 crore from leading technology investors including Facebook, Silver Lake, Vista Equity Partners and General Atlantic in less than four weeks.

Bharti Airtel jumped 7.02%. It reported a consolidated net loss of Rs 5,327 crore in Q4 FY20 as against net profit of Rs 107.20 crore in Q4 FY19. Net sales jumped 15.1% to Rs 23,722.70 crore during the period under review. Its average revenue per user (ARPU) rose 25.20% to Rs 154 in Q4 FY20 from Rs 123 in Q4 FY19. Growth was broad based and all segments registered healthy underlying growth, the company said. The company total customer base increased by 4.9% to 42.3 crore customers.

UltraTech Cement rose 1.63%. Consolidated net profit surged 204.79% to Rs 3,243 crore on 13.07% decline in net sales to Rs 10,579 crore in Q4 FY20 over Q4 FY19.

Drug major Dr Reddy's Laboratories advanced 4.30% after consolidated net profit jumped 76% to Rs 764.20 crore on a 10% rise in revenues to Rs 4,431.80 crore in Q4 FY20 over Q4 FY19. EBITDA jumped 13.54% to Rs 1,001.3 crore from Rs 881.90 crore in Q4 FY19.

Bajaj Finance dropped 9.13%. The NBFC major's consolidated net profit declined 19% to Rs 948 crore on 36% increase in total income to Rs 7,231 crore in Q4 FY20 over Q4 FY19.

Bajaj Auto lost 4.28%. Consolidated net profit fell 3.9% to Rs 1,353.99 crore on 8.5% decline in net sales to Rs 6,610.90 crore in Q4 FY20 over Q4 FY19. The auto maker's total sales volume declined 17% to 9.91 lakh units in Q4 FY20 as against 11.93 lakh units in Q4 FY19.

Bajaj Finserv tanked 8.57%. Consolidated net profit slumped 76.81% to Rs 194 crore on 2.30% rise in total income to Rs 13,294 crore in Q4FY20 over Q4FY19.

Infosys rallied 6.12%. A class action lawsuit filed against the IT major and some of its employees in the United States District Court stands dismissed. In October 2019, a class action lawsuit was filed in the United States District Court against Infosys and certain of its current and former officers. The complaint, which was filed in the Eastern District of New York, was brought on behalf of a class consisting of persons or entities who purchased the company's publicly traded securities between 7 July 2018 and 20 October 2019, and alleged claims for violations of the US federal securities laws. On 21 May 2020, the plaintiff voluntarily dismissed the lawsuit without prejudice.

As per Indian Meteorological Department's (IMD) forecast, the southwest monsoon is likely to make a delayed onset this year, arriving over the Kerala coast on 5 June 2020, the India Meteorological Department (IMD) said on Friday. The forecast carries a model error of +/-4 days, according to the weather office. The normal onset date for the June-September rainy season is 1 June 2020.

Source: www.capitalmarket.com



SAJAG SECURITIES PVT. LTD.

MEMBER: NATIONAL STOCK EXCHANGE OF INDIA LTD.

MEMBER: BOMBAY STOCK EXCHANGE LTD.

DEPOSITORY PARTICIPANT: NATIONAL SECURITIES DEPOSITORY LTD.

DEPOSITORY PARTICIPANT: CENTRAL DEPOSITORY SERVICES LTD.

33/15 - B, KARVE ROAD, REGENT CHAMBERS, PUNE - 411004, TEL: 91-20-66014737, FAX: 91-20-25302555

email : business@sajag.co.in / investorgrievance@sajag.co.in

NSE TM ID - 07549

BSE TM ID - 3105

NSDL DP ID: IN303647

CDSL DP ID: 12062400

SEBI Regn. No. INZ000221337

Disclosure: This report is issued by Sajag Securities Pvt. Ltd. (SSPL), a stock broking company, which is regulated by SEBI and its research activities are as per SEBI Guidelines for Research Analysts December 2014. Registration Number: INH000001923. This report is prepared and distributed by SSPL for information purpose only. SSPL and the research analyst(s) who prepared this report do not have any long or short positions in derivatives markets in any of the above mentioned securities. SSPL or the research analyst(s) do not have ownership of 1% or more in the company. The research analyst(s) who prepared this research report hereby certifies that the views expressed in this research report accurately reflect the research analyst's personal views about all of the subject issuers and/or securities, that the analyst(s) have no known material conflict of interest and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific views or recommendations contained in this research report.

Disclaimer: Neither the information contained herein nor any opinion expressed should be construed or deemed to be construed as solicitation or as offering advice for the purposes of the purchase or sale of any security or investment or derivatives. The information and opinions contained in the report were considered by SSPL to be valid when published. The report also contains information provided to SSPL by third parties. The source of such information will usually be disclosed in the report. While SSPL has taken all responsible steps to ensure that this information is correct, SSPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his/her own risk and SSPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily a guide to future performance. The report does not have regard to the specific investment objective, financial situation and the particular needs of any specific person who may receive this report. Investor must undertake independent analysis with their own legal, tax and financial advisors and reach their own decision regarding the appropriateness of investing in any securities or investment strategies discussed and recommended in this report and should understand that statements regarding future prospects may not be realized. In no circumstances be it used or considered as an offer to sell or a solicitation of any offer to buy or sell the securities mentioned in it. The information contained in the research reports may have been taken from trade and statistical services and other sources, which we believe reliable. SSPL does not guarantee that such information is accurate or complete and it should not be relied upon as such. Any opinions expressed reflect judgments at this date and are subject to change without notice. The target prices mentioned in the report are based on certain assumptions as of the date appearing in the material and may be subject to change from time to time without notice.