

TECHNICAL OUTLOOK

NIFTY WEEKLY CLOSE – 11214.05 (↑ 140.60)

Last week, Nifty began on a mild note and moved lower till 10882. At this level, Nifty saw some buying and recovered to close the week at 11214 with a gain of 140 points.

As mentioned in our earlier report, the 'dark cloud cover' on weekly chart, indicated some volatility. The daily as well as weekly RSI is placed above its average. Nifty is placed above its key averages on daily as well as weekly charts.

Going ahead, 11500 would be the resistance level. On the other hand, immediate support is placed at 10900. At the lower level, 10600 would act as an important support. We maintain a cautious outlook.



WEEKLY MARKET REVIEW**Nifty maintains 11,000 level**

Indian markets logged modest gains in the week with the Nifty staying above the 11,000-mark. The Sensex closed above the 38,000-mark. Sentiment was boosted after the RBI left key interest rates unchanged and allowed banks to restructure certain loans as part of efforts to revive the economy. Ratcheting US-China tensions and mounting COVID-19 cases capped gains.

In the week ended on Friday, 7 August 2020, the Sensex advanced 433.68 points or 1.15% to settle at 38,040.57. The Nifty 50 index gained 140.60 points or 1.27% to settle at 11,214.05. The BSE Mid-Cap index rose 459.76 or 3.34% to settle at 14,218.87. The BSE Small-Cap index rallied 646.93 points or 4.97% to settle at 13,668.69.

Hero MotoCorp rose 1.15%. The company said its month-on-month sales growth saw rapid recovery for the third consecutive month in July 2020 since operations resumed. Hero MotoCorp sold 5,14,509 units of motorcycles and scooters in July 2020, registering a sequential growth of 14% over 4,50,744 sold in June 2020. Sales fell 4% in July 2020 compared with 5,35,810 units sold in July 2019.

Maruti Suzuki India jumped 6.69%. It reported total sales of 1,08,064 units in July 2020, up 88.2% as against 57,428 units sold in June 2020. Annually, the total sales have fallen 1.1% from 1,09,264 units sold in July 2019. While total domestic sales rose 1.3% to 1,01,307 units, total exports sales have fallen 27% to 6,757 units in July 2020 over July 2019.

Mahindra & Mahindra fell 0.97%. M&M's total tractor sales during July 2020 were at 25,402 units, up by 27% from 19,992 units sold in the same period last year. It reported 36% decline in total automobile sales to 25,678 units in July 2020 from 40,142 units in July 2019. Sequentially, the total auto sales have jumped 32.6% as compared to 19,358 units sold in June 2020. M&M reported 97% drop in net profit to Rs 68 crore in Q1FY21 from Rs 2,260 crore in Q1FY20. Revenues declined 56% y-o-y to Rs 5,589 crore.

Bajaj Auto slipped 0.08%. Total vehicle sales tanked 33% to 2.55 lakh units in July 2020 from 3.81 lakh units in July 2019. Total two-wheeler sales declined 26% to 2.38 lakh units in July 2020 over July 2019. Total

commercial vehicles sales slumped 71% Y-o-Y to 17,276 units in July 2020. On m-o-m basis, total vehicles sales declined 8.27% in July 2020 from 2.78 lakh units in June 2020.

TVS Motor Company rallied 8.58%. The two-wheeler manufacturer registered a sales growth of 27% in July 2020 at 2,52,744 units compared with 1,98,387 units in June 2020. The total sales are, however, lower by 9.6% compared with 2,79,465 units sold in July 2019.

Tata Motors surged 13.75%. The auto major reported a consolidated net loss of Rs 8,438 crore in Q1 June 2020, higher than net loss of Rs 3,698.34 crore in Q1 June 2019. Net sales in Q1 June 2020 stood at Rs 31,481.86 crore, falling 48% from Rs 60,830.16 posted in Q1 June 2019.

UPL gained 0.44%. The consolidated net profit surged 93.3% to Rs 551 crore in Q1 June 2020 compared with Rs 285 crore in Q1 June 2019. Consolidated revenue from operations stood at Rs 7,833 crore in Q1 June 2020, declining 1% compared with Rs 7,906 crore in Q1 June 2019. Consolidated EBITDA jumped 29% year on year to Rs 1,704 crore in Q1 June 2020 as against Rs 1,319 crore in Q1 June 2019.

Axis Bank edged higher by 0.37%. It launched its qualified institutional placement with a floor price of Rs 442.19 per share. The bank is reportedly targeting a base deal size of Rs 8,000 crore, with an option to up size the deal by Rs 2,000 crore.

HDFC lost 0.27%. It declared the opening of the QIP issue on 5 August. The company has set the floor price at Rs 1,838.94 per share for the QIP issue.

The IHS Markit India Services Business Activity Index registered 34.2 in July 2020, and despite rising slightly from 33.7 in June 2020, signalled a further rapid reduction in service sector output. India's fiscal deficit reached Rs 6.62 lakh crore, or 83.2% of the budgeted estimate in the quarter ended June 2020. The gap between the revenue and expenditure during the same period in 2019-20 stood at 61.4% of the budgeted target.

Source: www.capitalmarket.com



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