

December 23, 2020



Yearly Technical Outlook 2021

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Technical Outlook CY21

Nifty (13470)

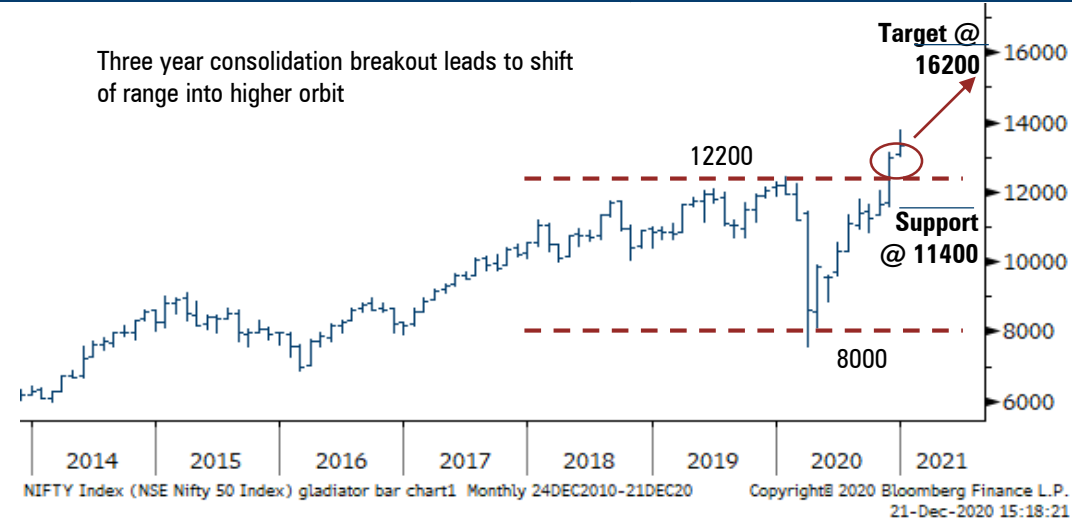
The Nifty witnessed a V-shaped recovery post a 40% correction, on the back of a host of positive news flow. At the current juncture, an important thought on everybody's mind is, how much of the good news is in the price and what lies ahead for equities in CY21?

What we expect

The Nifty is expected to remain in a [structural bull phase](#) with upside target of 16200 that is implied by the three year's consolidation breakout (12200-8000). Within the bull phase, a normal correction of 15-20% cannot be ruled out. However, such a correction should not be construed as negative. Rather it should be capitalised on as an incremental buying opportunity with key support at 11400.

Midcaps to lead equity outperformance in CY21, Emerging markets to outperform developed market peers

- [Nifty Midcap](#) and [Small cap indices](#) recorded resolute breakout from three year's bear phase signalling a secular bull market ahead, as breakouts are further validated by strong breadth thrust
- Indian midcaps and small caps have [strong correlation with developed market peers](#). As US and European midcap indices have already breached their multi-year highs, we expect secular outperformance to follow from Indian midcaps
- Over the past four decades, global equities have always generated [positive returns in a year following US elections](#), wherein Sensex gained average 37%. We expect rhythm to be maintained in CY21
- [MSCI Emerging Markets \(EM\) index](#) is breaking out of a decade long consolidation, after relatively underperforming developed markets (DM). Further, relative placement of EM index with S&P500 is at a long term cycle low and is poised for reversal
- [A weak dollar](#) has led the Nifty in dollar terms to break out of 12 year long consolidation. India is expected to lead within the EM space as it stays key beneficiary of FII inflows



Time Frame: 12 Months

Top Picks					
Scrip	I-Direct Code	Market Cap	Buying Range	Target	Upside%
Infosys	INFTEC	501,048	1170-1235	1,410	18%
United Spirits	UNISPI	40,150	530-570	660	20%
Bharat Electronics	BHAELE	27,277	105-115	140	27%
Relaxo Footwares	RELFOO	19,108	750-800	985	27%
Dr. Lal Pathlabs	DRLAL	18,330	2100-2230	2,840	31%
Timken India	TIMIND	8,320	1050-1110	1,360	26%
Can Fin Homes	CANHOM	6,268	440-475	580	27%

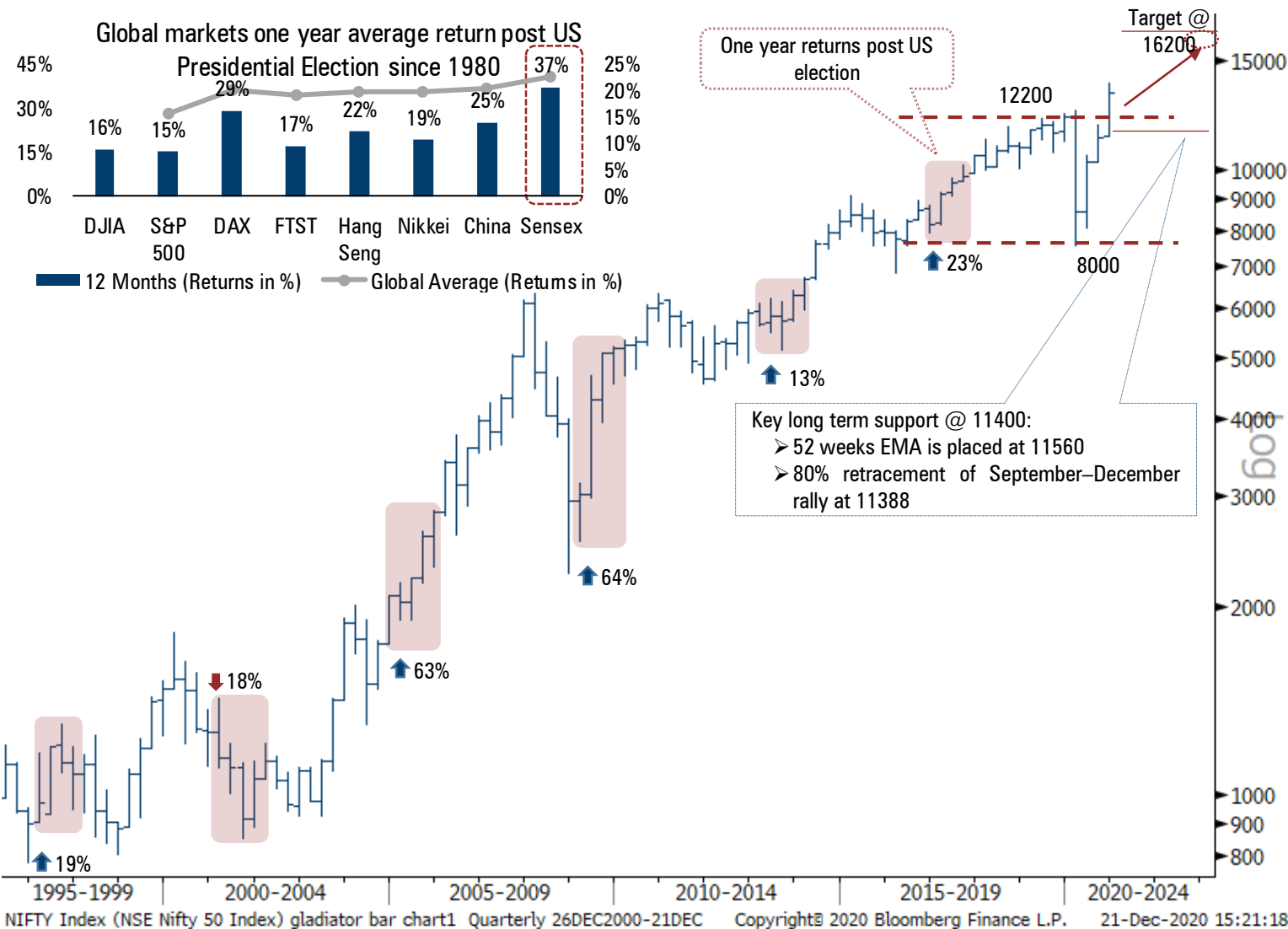
* Market cap as per BSE as on 21st December 2020

Equities outperform in year post US election; Nifty @ 16200 as per conventional methods

- Three year range breakout (12200-8000) indicates shift to higher orbit with projected target around 16200
- Over four decades, in post US election year, global equities have generated positive returns

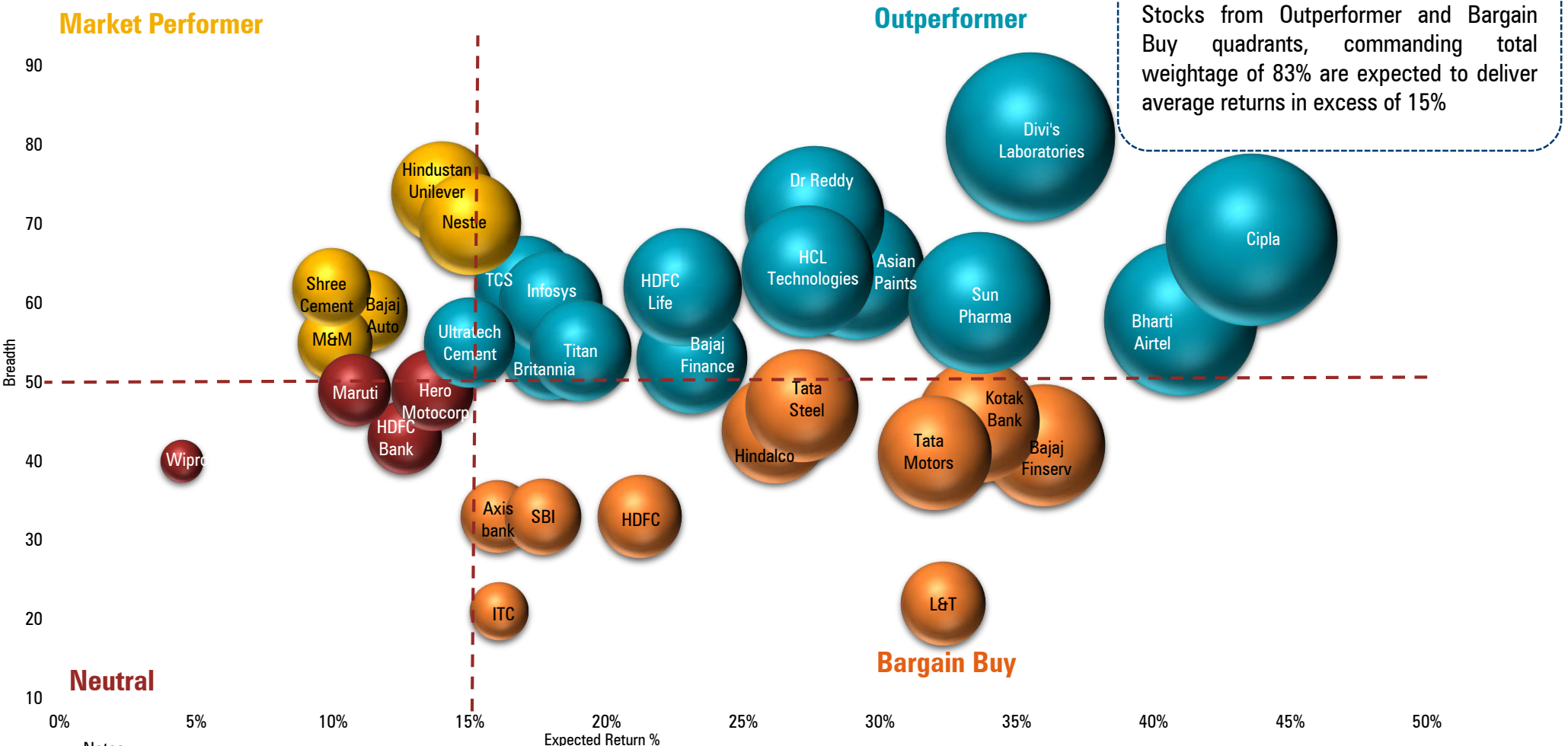
Intermediate corrections around 13% always offered fresh entry in bull markets

Year	Correction	Year	Correction
Jan-05	-11	Feb-12	-15
Mar-05	-13	May-13	-18
Oct-05	-14	Sep-16	-12
Jul-06	-10	Jan-18	-11
Dec-06	-10	Sep-18	-15
Feb-07	-16	Jun-19	-12
Jul-07	-14	May-20	-11
Jun-09	-17	Sep-20	-9
Jan-10	-12	Average	-13



... as majority of Nifty constituents indicate secular bull market

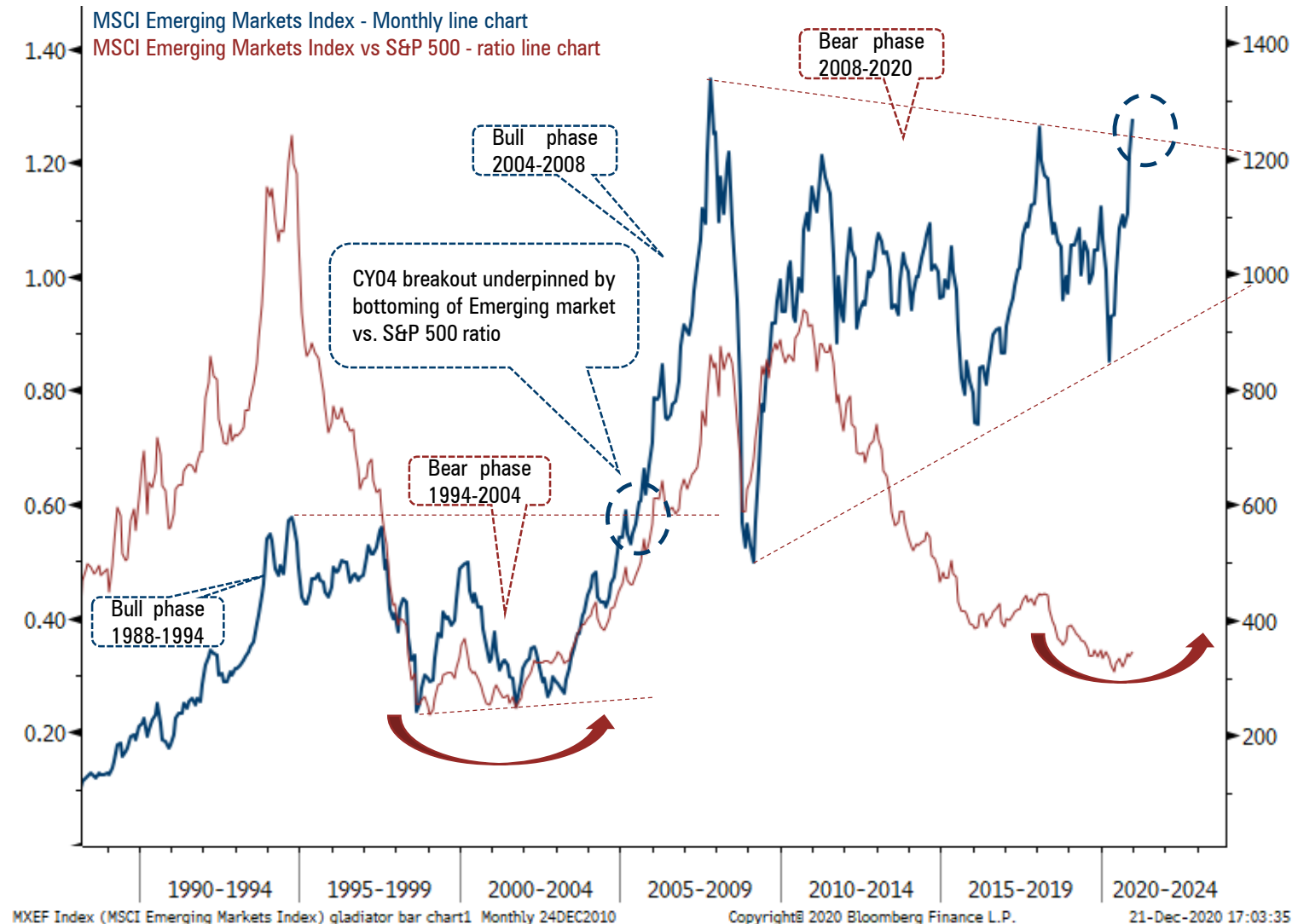
The size of the bubble is the product of breadth and expected price performance



- Notes:
- Y-Axis: The summation of the weekly positive candle and number of weeks closing above 52 weeks SMA in each of Nifty constituents.
 - X-Axis: The expected return of the Nifty Constituents calculated on the closing price of 18th December 2020

Emerging markets to take on leadership from developed markets after decade long underperformance...

- MSCI Emerging markets (EM) index, resolving out of 12 year consolidation. Similar breakout in CY04 laid foundation of multi year bull phase
- EMs' relative return to S&P 500 poised at long term cycle low and turning up signalling outperformance of EM in CY21



India at forefront of emerging market outperformance...

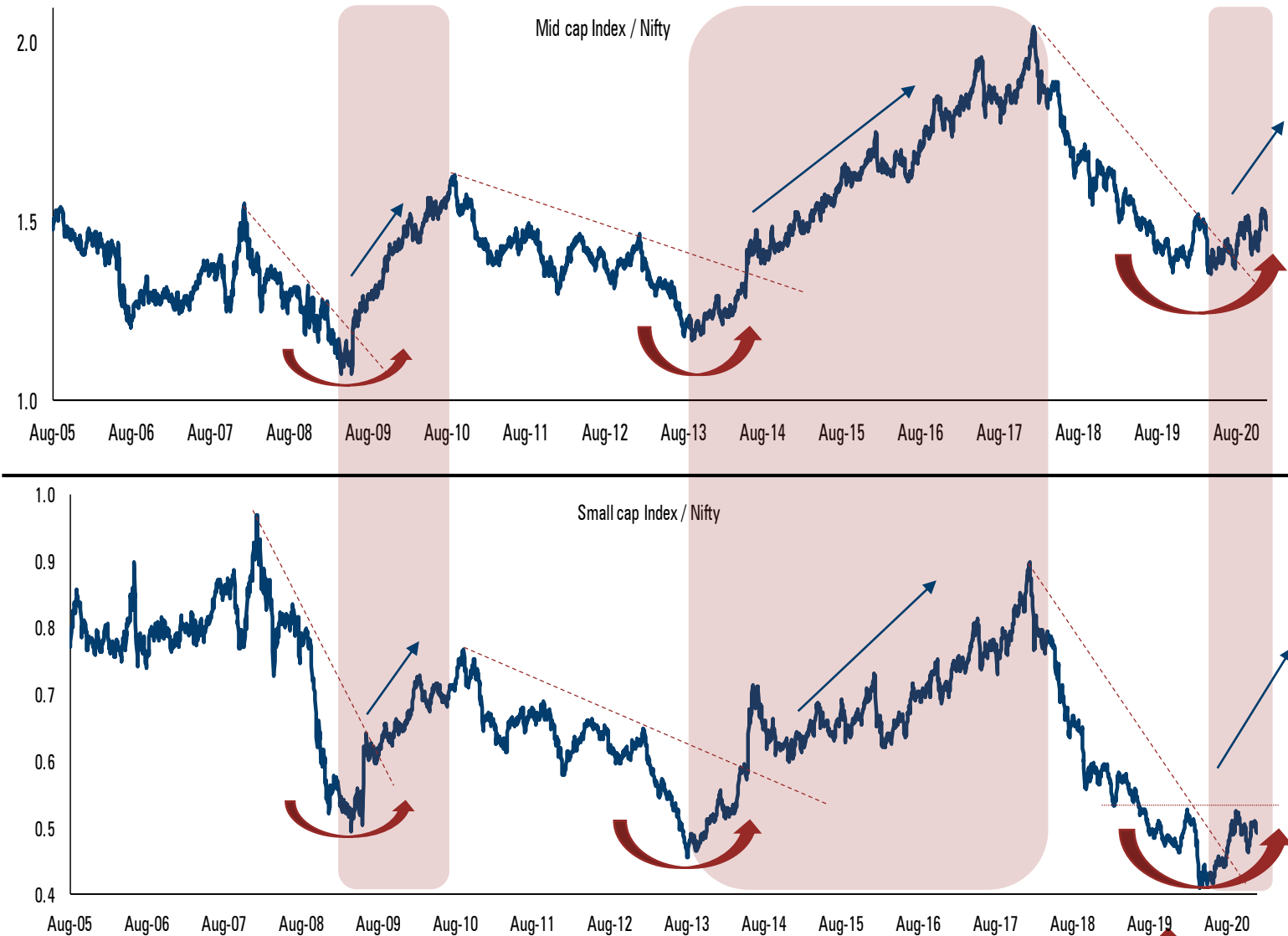
- The Nifty (in dollar terms) has logged resolute breakout from 10 year's range, led by long term dollar reversal signifying strong bull market ahead
- Dollar index has given a breakdown from nine year long rising trend line indicating structural weakness ahead
- Historically, India remained a key beneficiary of weak US dollar as strong inflow of foreign capital in domestic equities augurs well. We expect this rhythm to continue in CY21



Source: Bloomberg, ICICI Direct Research
December 22, 2020

Rotation into midcaps to accelerate as they are poised for secular outperformance

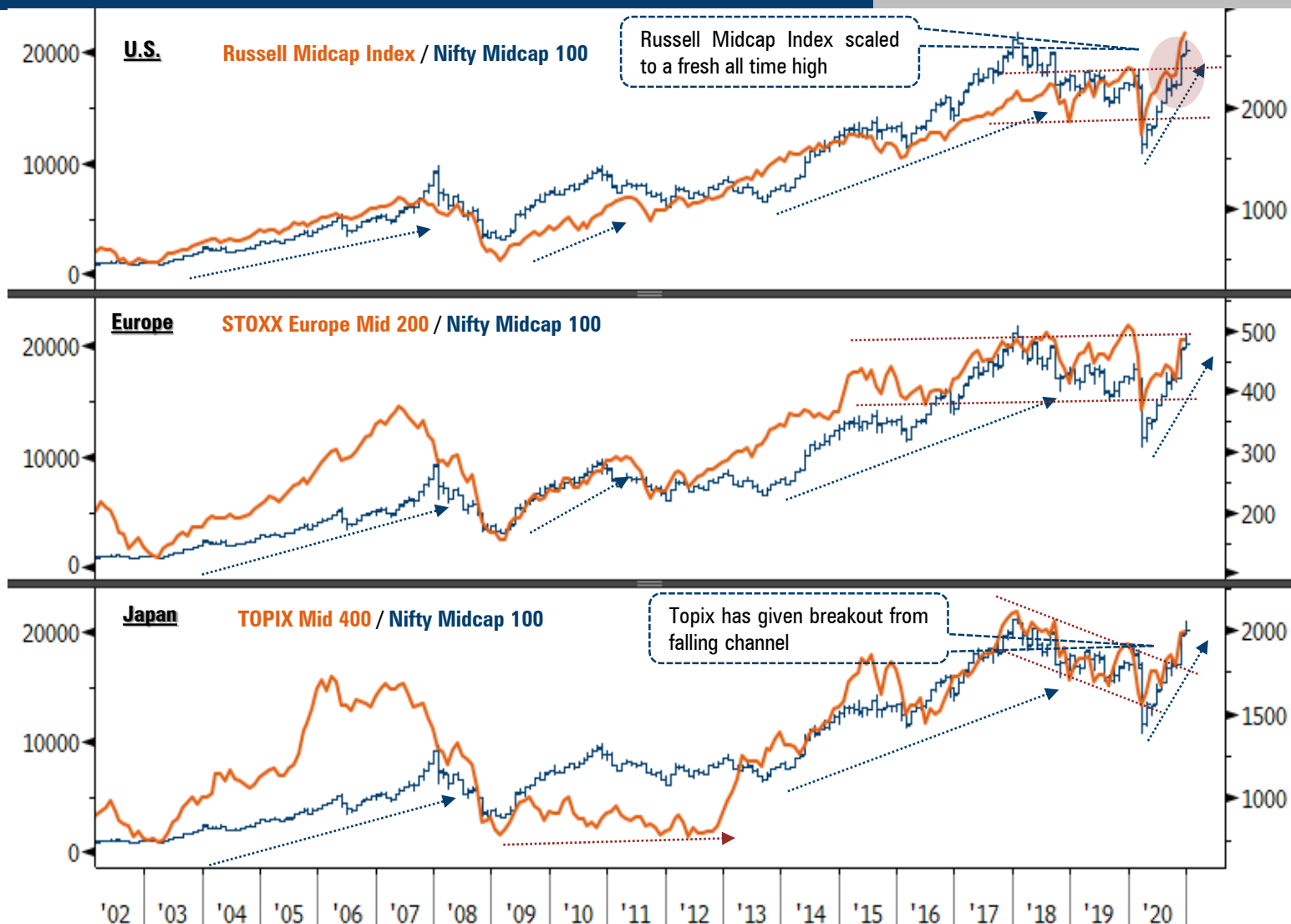
- Relative performance of midcaps against the Nifty is reversing from long term down cycle favouring secular phase of relative strength
- Breakout in Midcap and Small cap indices coupled with positioning of relative return line augurs well for



Source: Bloomberg, ICICI Direct Research
December 22, 2020

Midcap breakout in sync with global peers

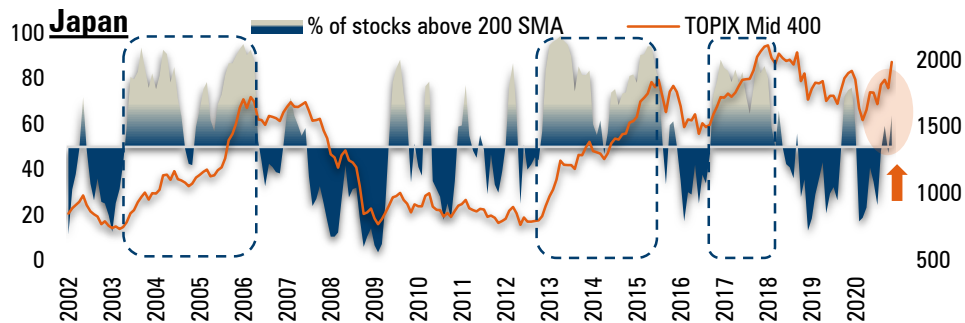
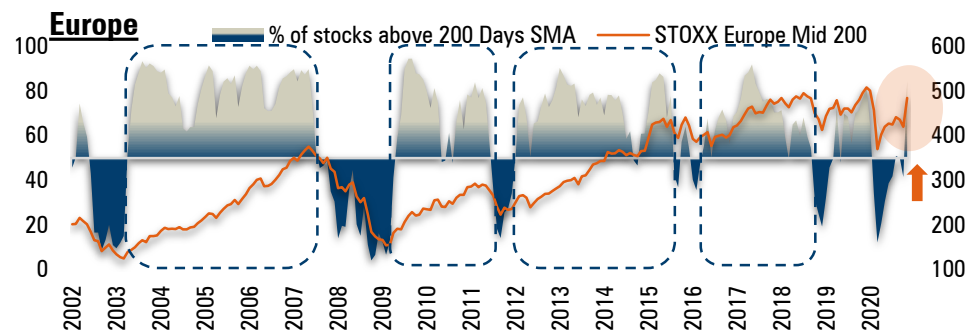
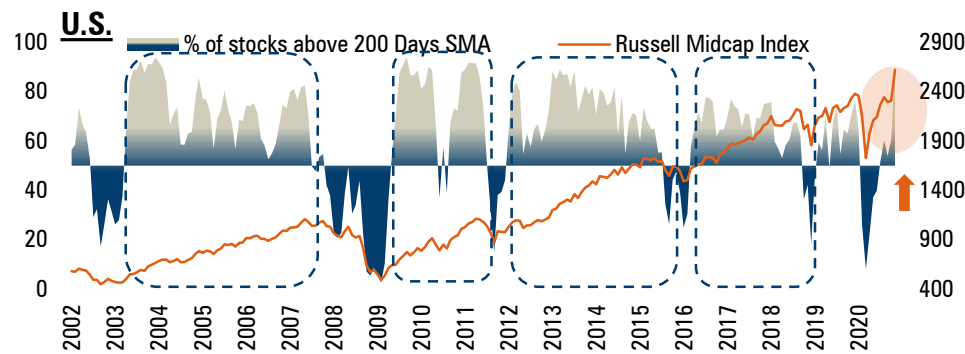
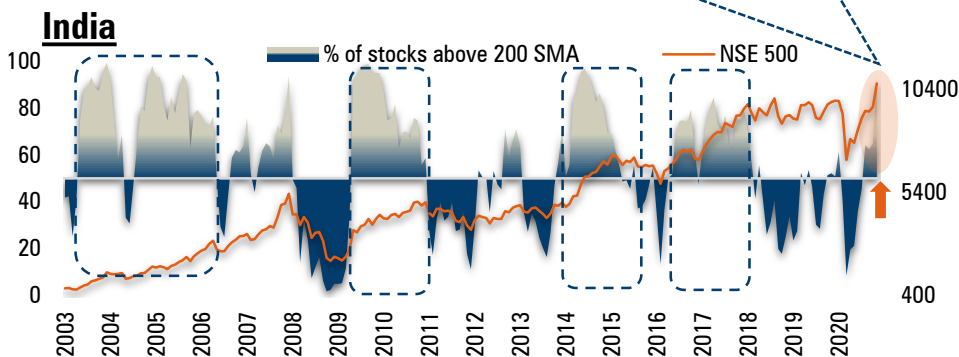
- Indian midcaps have extremely favourable correlation with global midcaps over past two decades. We expect this relationship to continue
- Currently, developed market indices of US, Europe and Japan have recorded resolute breakout from multi year trading range
- Nifty Midcap index has posted strong breakout from falling channel post three year bear phase signalling continuance of positive correlation



Source: Bloomberg, ICICI Direct Research
December 22, 2020

..durability of breakouts validated by strong market breadth across global markets

- **Grey shaded area** signifies rejuvenation of breadth sustaining above key threshold (50), providing durability to multi-year breakout
- Past few months' sharp rally supported by strengthening market breadth helped US index to scale new life-time highs. Emerging markets are following US market and approaching life-time highs

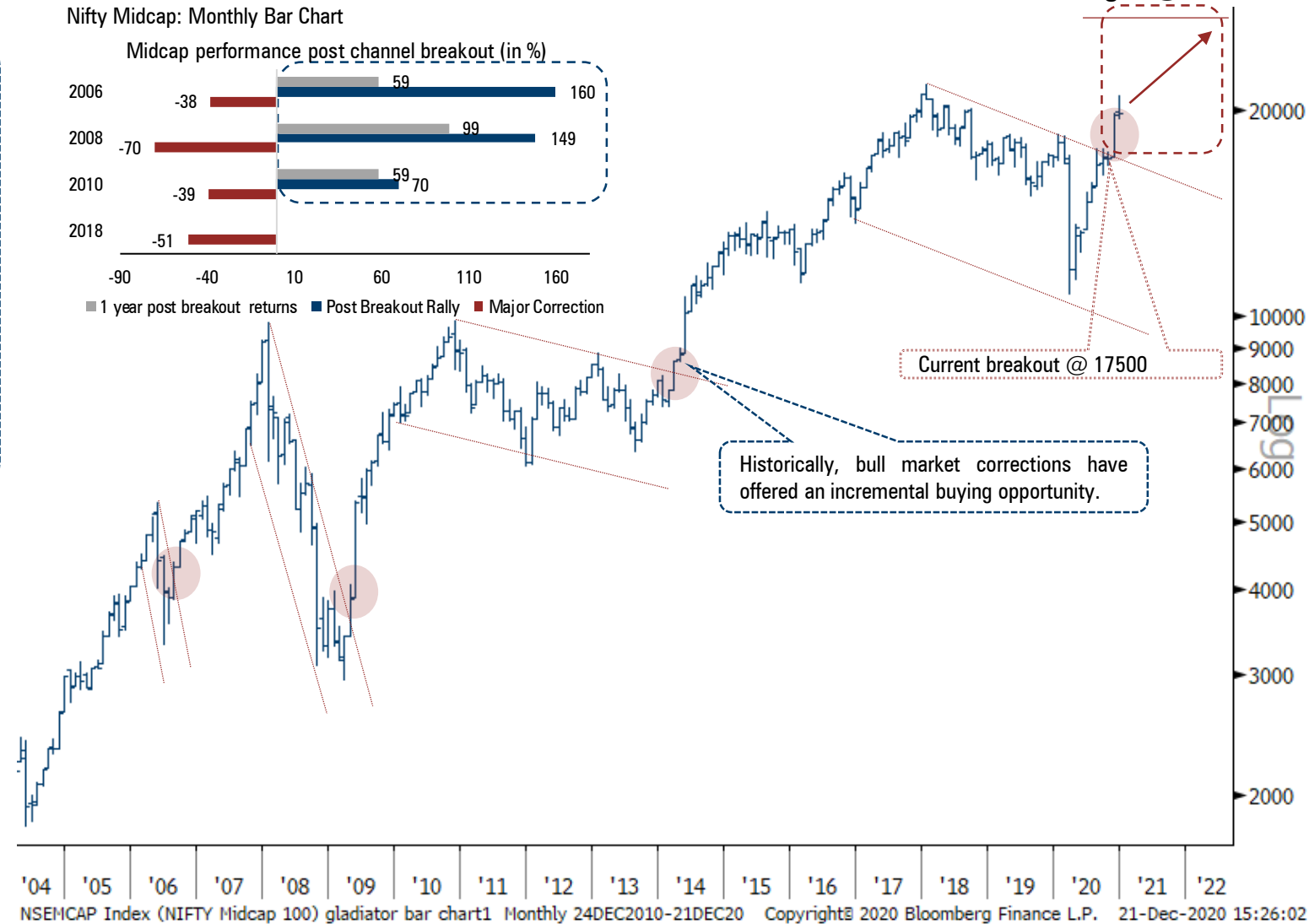
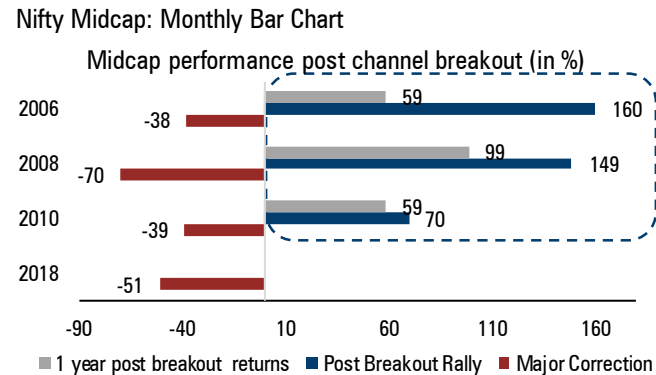


Source: Bloomberg, ICICI Direct Research
December 22, 2020

Nifty Midcap index: In early stage of secular bull phase

Target @ 30000

- Index ended three year's bear phase, signified by resolute breakout from falling channel, indicating new bull market
- Past three comparable breakouts have produced average return of 72% in the following 12-15 months
- Breakout is durable as backed by better market breadth (68% components were above 200 days SMA compared to 46% in CY14),



Intermediate corrections around 14% always offered fresh entry in bull markets

Year	Correction	Year	Correction
Feb-07	-18	Jan-13	-18
Jul-07	-15	Jan-14	-10
Jun-09	-15	Jul-14	-9
Oct-09	-12	Aug-15	-21
Jan-10	-12	Oct-16	-15
May-10	-9	Apr-20	-9
Feb-12	-17	Sep-20	-9
Average			-14%

Source: Bloomberg, ICICI Direct Research
December 22, 2020

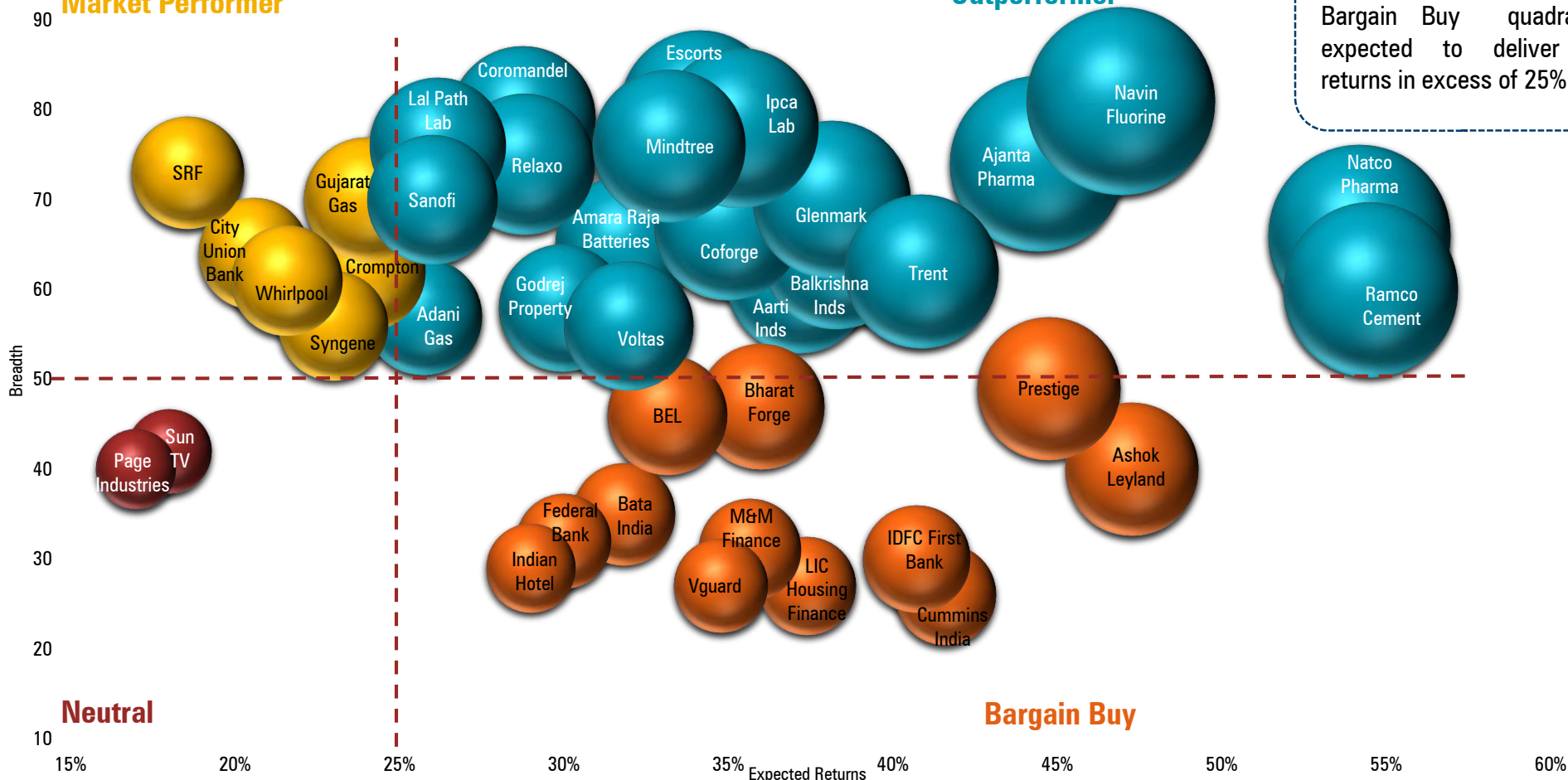
Nifty Midcap: Overwhelming majority of constituents paused for above normal gains

The size of the bubble is the product of breadth and expected price performance

Market Performer

Outperformer

Stocks from Outperformer and Bargain Buy quadrants, are expected to deliver average returns in excess of 25%



Notes:

- Y-Axis: The summation of the weekly positive candle and number of weeks closing above 52 weeks SMA in each of Nifty constituents.
- X-Axis: The expected return of the Nifty Constituents calculated on the closing price of 18th December 2020

Source: Spider Software, nseindia.com, ICICI Direct Research
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Nifty Small cap Index: Strong breakout signals new bull market

Target @ 10600

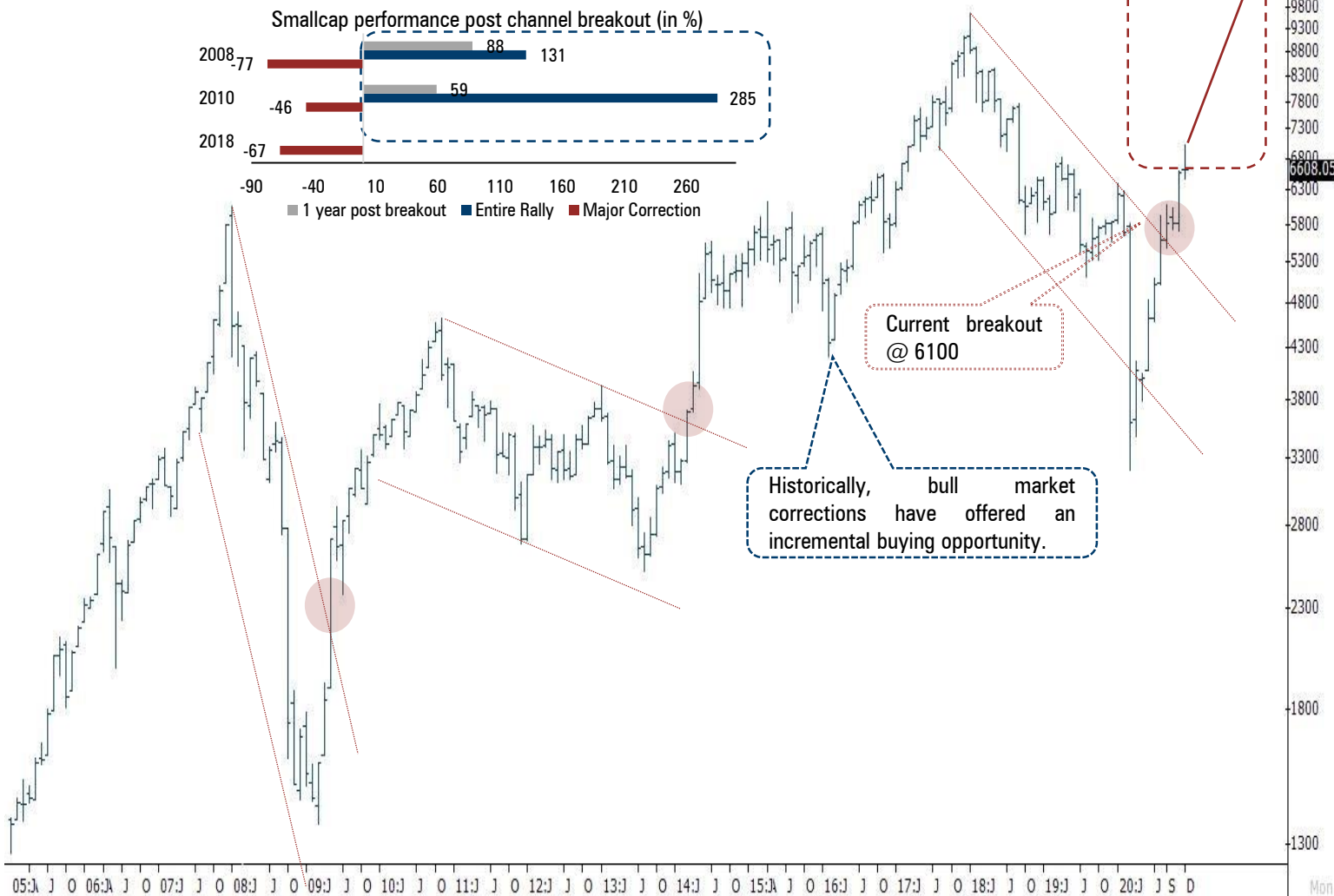
- Strong breakout from three year falling channel post correction >45% signals new secular bull phase
- Past two similar breakouts have produced average return of 74% in the following 12-15 months
- Durability of breakout is backed by better market breadth (71% components were above 200 days SMA compared to 64% in CY14)

Intermediate corrections around 14% always offered fresh entry in bull markets

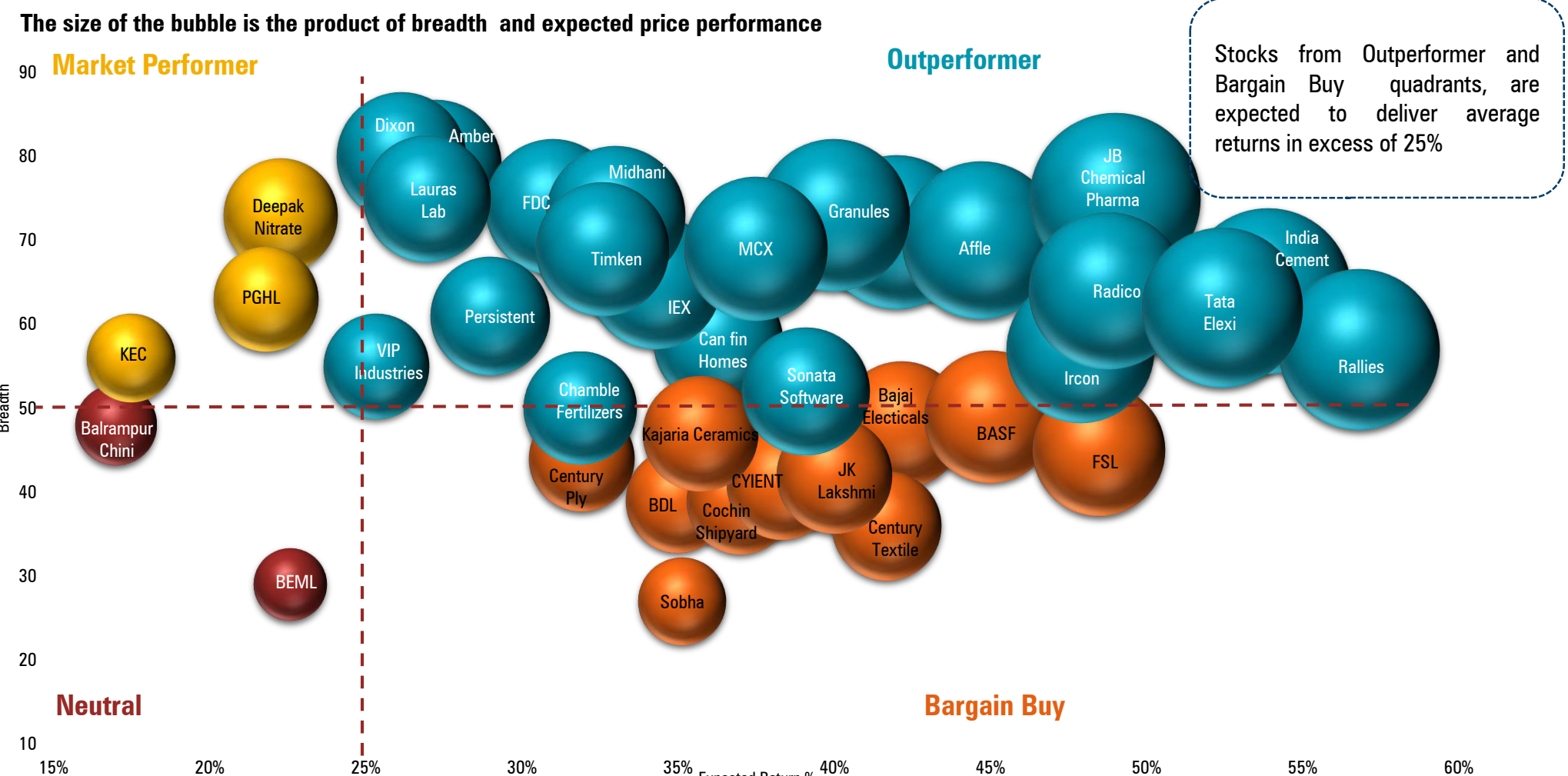
Year	Correction	Year	Correction
Jul-06	-9	Jun-14	-15
Feb-07	-15	Apr-15	-31
Jul-07	-10	Nov-16	-17
Jun-09	-19	Jul-17	-12
Oct-09	-12	Apr-20	-9
Jan-10	-10	Sep-20	-10
Jan-14	-11		
Average			-14%

Source: Spidersoftware ICICI Direct Research
December 22, 2020

Nifty Small cap: Monthly Bar Chart



Nifty Small cap: Overwhelming majority of constituents paused for above normal gains




Notes:

- Y-Axis: The summation of the weekly positive candle and number of weeks closing above 52 weeks SMA in each of Nifty constituents.
- X-Axis: The expected return of the Nifty Constituents calculated on the closing price of 18th December 2020

Source: Spider software, nseindia.com, ICICI Direct Research
December 22, 2020

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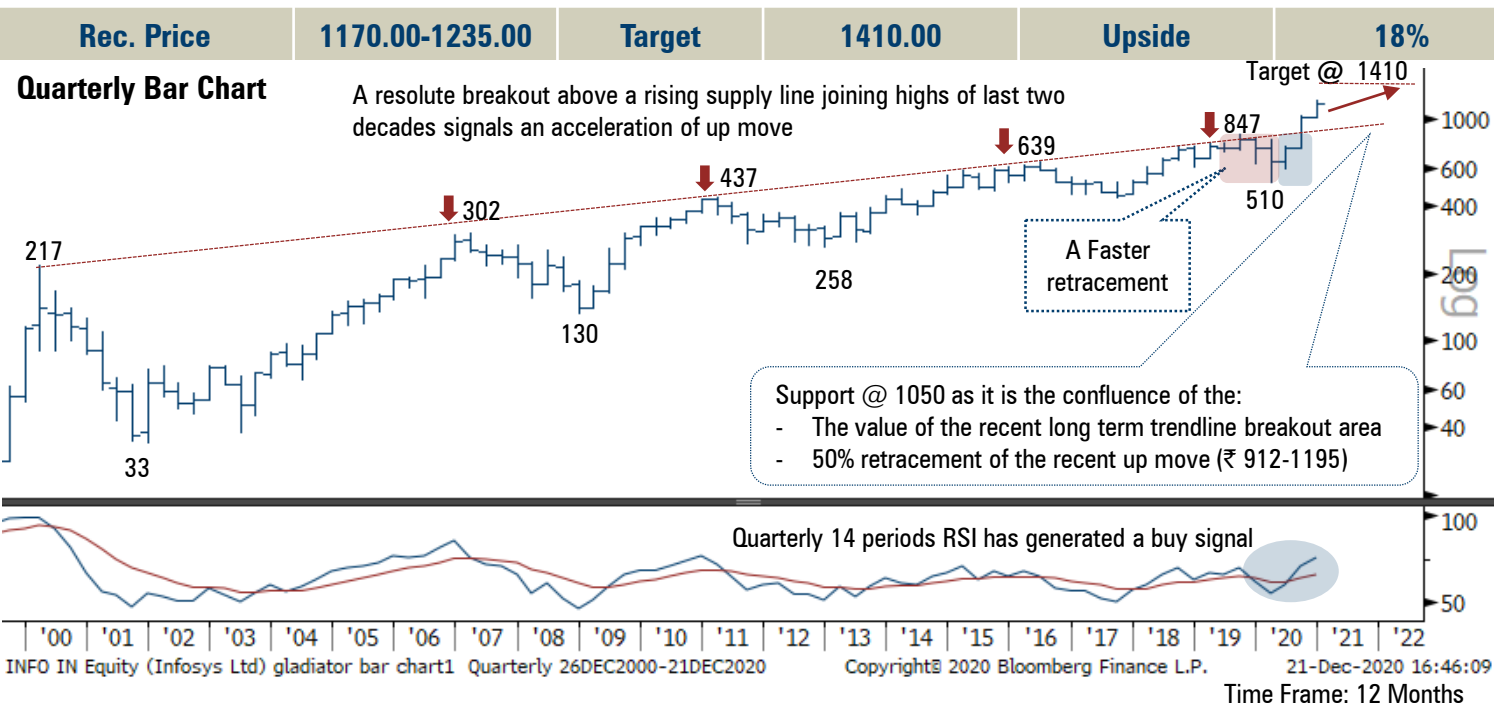
Top Picks CY21

[Click here to go to top](#) 

Infosys (INFTEC): Long term rising supply line breakout signals acceleration of up move...

Technical Outlook

- The IT sector has been a major outperformer in the CY20. We expect the outperformance to continue. IT major Infosys is our top pick on the basis of below technical observations:
 - It has generated a resolute breakout above the rising supply line joining major highs of the last two decades
 - A faster retracement of the last falling segment as seven month's decline (₹ 847-510) was completely retraced in less than four. A faster retracement in half the time interval signals a robust price structure
- We expect the stock to extend the current rally and head towards ₹ 1410 levels in the coming year as it is the 123.6% extension of the previous major rally (₹ 258-639) as projected from the CY2020 low (₹ 510) signals upside towards ₹ 1410 levels



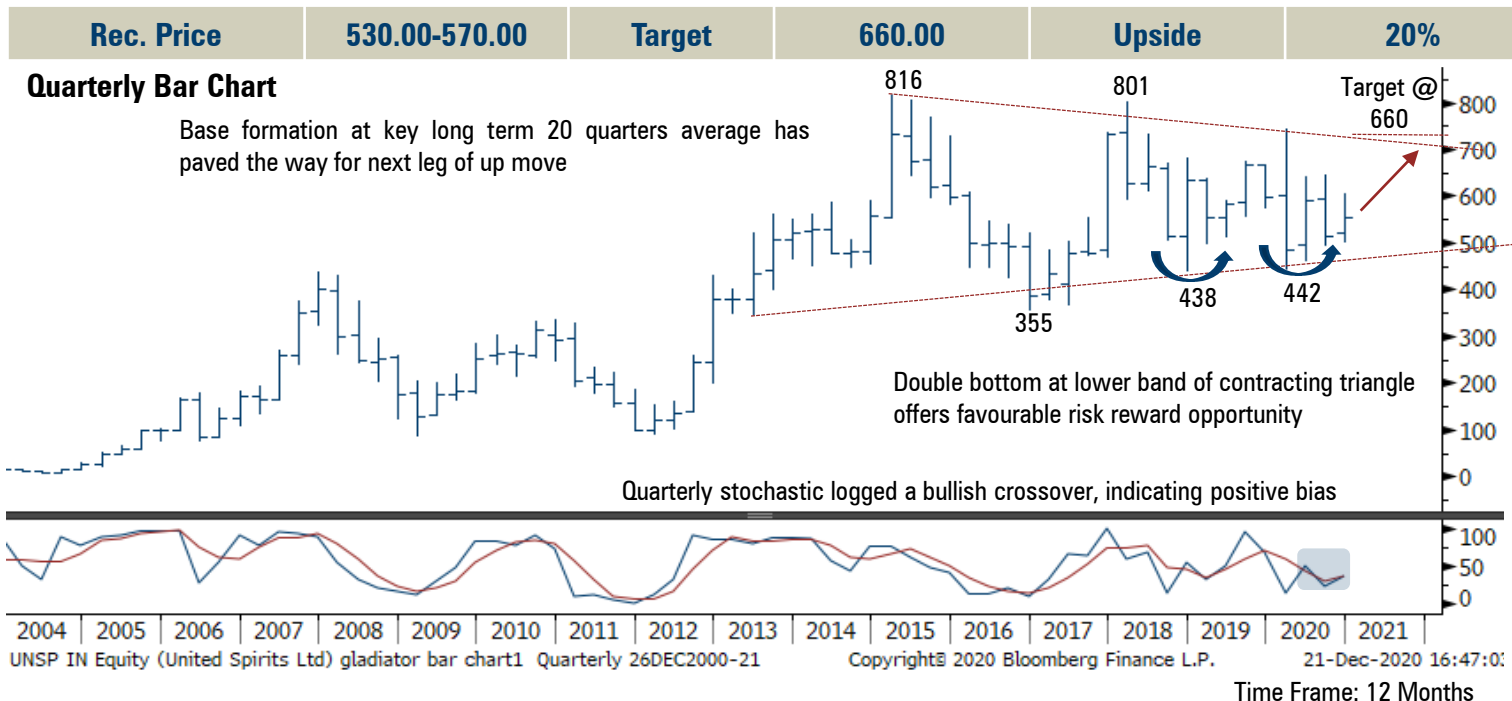
Fundamental Outlook

- Infosys is an IT service company catering to various segments like banking & insurance (~31% of revenues), communication (~13%), manufacturing (~10%), life science (~6%) hi tech (~8%), energy, utilities, resources & services (~13%), Others (3%) and CPG & Retail (~16%)
- Geographically the company generates ~62% revenues from Americas, ~24% from Europe and ~14% from Rest of the world. Infosys has shown a visible improvement in performance since the change in management
- We expect the company to continue to make a steady improvement in financials in coming quarters. Digital acceleration, large deal wins vendor consolidation and cost rationalisation remain key long term drivers
- Further, Infosys has maintained healthy cash flow generation and has a consistent dividend payout policy. In addition, the company has narrowed its revenue and margin gap with TCS warranting a re-rating. Hence, we remain positive on the stock

United Spirits (UNISPI): Double bottom at key value area = long term buying opportunity

Technical Outlook

- The share price has been consolidating in a broad range (₹ 800-350) in the past seven years that has taken shape of a contracting triangle. Currently, the stock has bounced from a lower band of the triangulation pattern, indicating elevated buying demand. Hence, it offers a fresh entry opportunity with favourable risk reward
- Key point to highlight is that, stock has formed a Double Bottom formation at 20 quarters average, which has been held since September 2012, signifying inherent strength
- We expect the stock to resolve higher and head towards our earmarked target of ₹ 660 in coming quarters as it is 61.8% retracement of 2015-16 decline (₹ 816 – 355), placed at ₹ 640 coincided with upper band of contracting triangle at ₹ 694



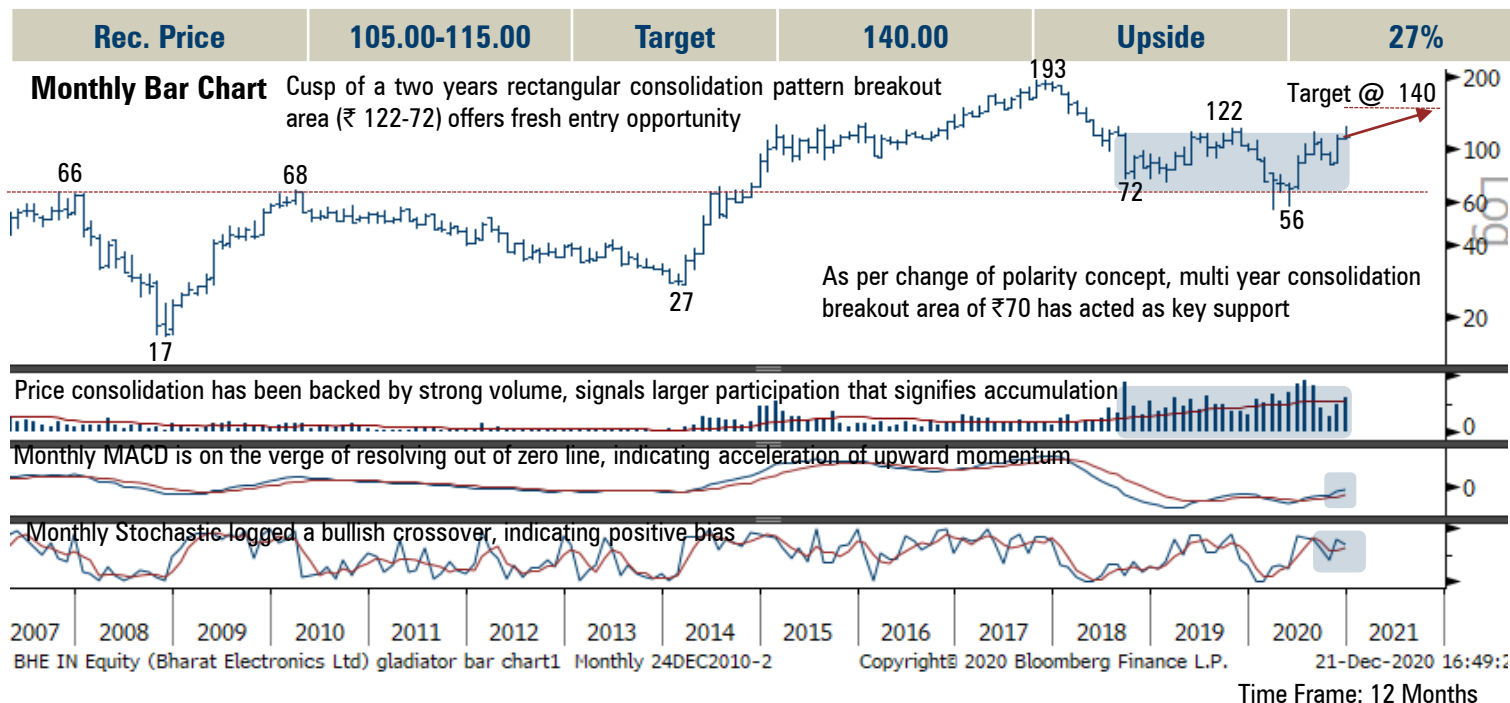
Fundamental Outlook

- USL has 80 brands of Scotch, IMFL, brandy, rum, vodka and gin; of which, 11 brands sell more than a million cases annually. During H1, USL relaunched its two biggest prestige segment brands McDowell's No. 1 and Royal Challenge with an innovative packaging and new blends
- The company's journey of premiumisation is on course with two-third of revenues being contributed by Prestige and Above segment
- On the balance sheet front, the company has improved its WC position, thereby lowering net debt by ₹ 780 crore (short term debt) in H1FY21 and also, improved its CFO generation (2.5% yield)
- Going ahead, pick-up in consumption due to festive season and opening of on-trade channels remain key triggers for the stock, along with long term trend of home delivery of alcohol
- Given the experience of working across distribution models coupled with strong consumer patronage, we expect USL to benefit from formalisation of sector

Bharat Electronics (BHAELE): On cusp of breakout above last two year's rectangular consolidation pattern...

Technical Outlook

- The defence sector has witnessed strong buying demand in the second half of CY20. Among defence stocks, Bharat Electronics is our preferred pick
- The stock is currently on the cusp of breakout above the last two year's rectangular consolidation pattern (₹ 122-72), indicating resumption of primary up trend
- We believe the stock has formed a strong base formation at ₹ 70 as it is confluence of the a) previous major breakout area and b) 80% retracement of 2014-17 rally (₹ 27-193)
- We expect it to log a resolute breakout from ongoing consolidation and accelerate upward momentum towards ₹ 140 in coming quarters as it is 61.8% retracement of 2017-20 decline (₹ 193-56), at ₹ 140



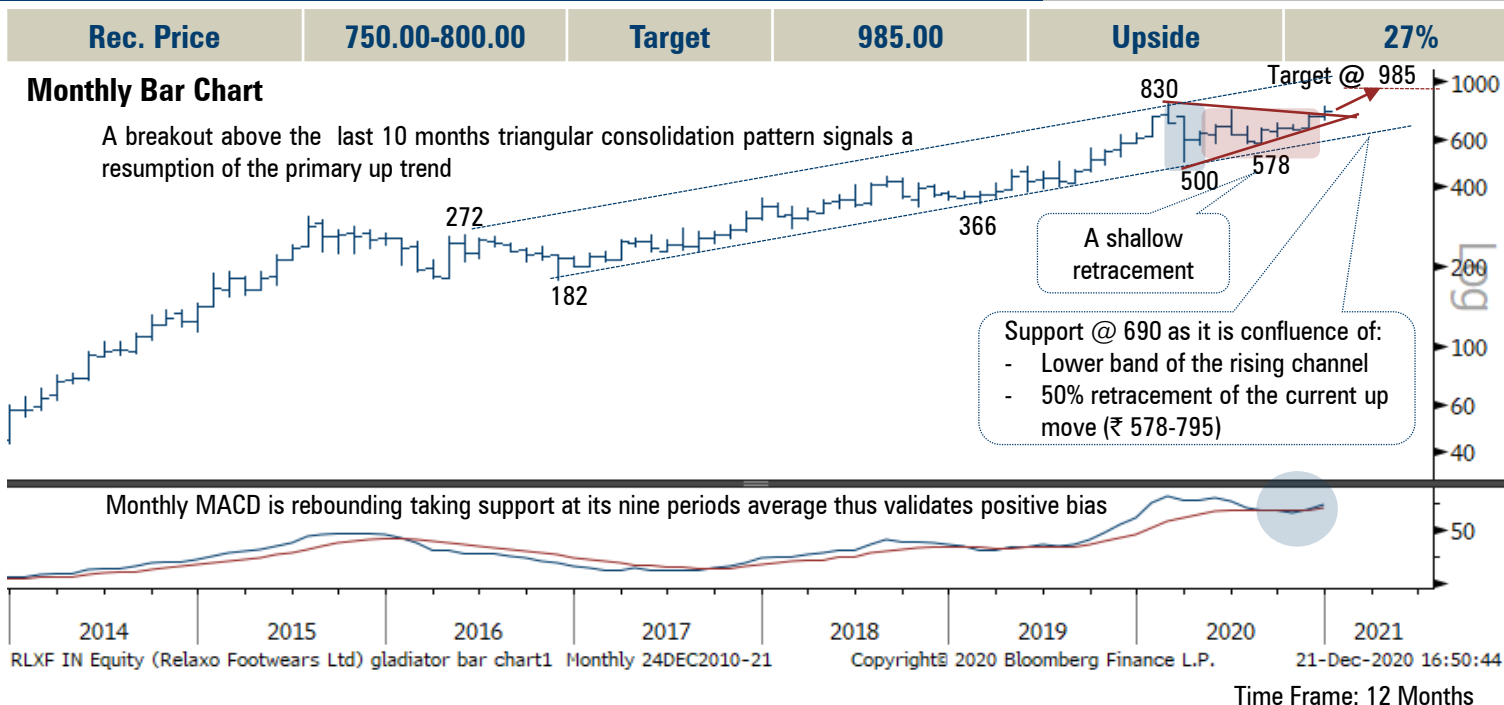
Fundamental Outlook

- Bharat Electronics (BEL) primarily manufactures advanced electronics products for Indian Armed Forces
- BEL is targeting a healthy growth of 12-15% during FY21E. Segments like radar and missile systems, communication and network centric systems, anti-submarine warfare & sonar systems, tank electronics, gun upgrades, electro optic systems and electronic warfare & avionics systems will continue to drive the company's growth in coming years
- BEL is targeting order inflows of ~ ₹ 15000 crore for FY21E (vs. ₹ 13000 crore in FY20). It expects orders like Avionics package for LCA, Akash weapon system, naval equipment, fuses, fire control systems, LRSAM, smart city business, Electronic warfare systems etc despite challenging times
- As part of strategy to diversify and sustain operating performance, BEL has envisaged to focus on increasing contribution from non-defence segment to from current ~7% of revenue to ~15%-20% over the next three to five years. Also, it aims to increase services business to ~25% of revenue over the next five years growing at a CAGR of 10% to 15%
- Overall, BEL reported strong execution for Q2FY21 and is expected to maintain the momentum stable for H2FY21E. Overall strong order book of ₹ 52700 crore continues to provide strong revenue visibility and better operating performance for BE

Relaxo Footwears (RELFOO): Long term upward sloping channel signifies robust price structure...

Technical Outlook

- Consumption sector to continue with its primary up trend with outperformance from the midcap consumption stocks. Technically we are constructive on Relaxo Footwears, which we expect to outperform on the basis of following observations:
 - A breakout above triangular consolidation pattern of the last 10 months
 - The entire rally since CY17 is well channelled highlighting sustained demand at elevated levels
 - A shallow retracement as the stock has already taken five months to retrace just 61.8% of the previous up move April-May 2020 up move (₹ 500-785)
- We expect the stock to head towards ₹ 985 levels in the coming year as it is the 138.2% external retracement of the entire CY20 decline (₹ 830-500) placed at 985 levels



Fundamental Outlook

- Relaxo is India's leading footwear manufacturing company, boasting of largest capacity of 7.5 lakh pairs per day. Over the years, Relaxo has consistently posted a superior performance, depicting the fundamental strength of the company
- In the current scenario, as most people are working from home, sales of sandals and flip flop have witnessed significant surge in demand. Relaxo Footwears being a dominant player in the aforesaid categories (open footwear constitutes ~80% of sales), through its strong portfolio of brands ('Flite', 'Bahamas', 'Sparx') has witnessed swift recovery in volumes and captured market share from the unorganised players in H1FY21.
- Given the dominant presence in Tier II/III cities and being the market leader in value priced segment (~18 crore pairs sold annually), Relaxo is well placed to further consolidate its market share. Its operations are almost at pre Covid levels (93% of sales) & having robust liquidity position (₹ 256 crore cash & investments)
- Relaxo has, over the years, established a healthy distribution network, with 800+ distributors catering to ~50000 retailers. Relaxo has geo-tagged ~100000 outlets, which signifies an immense opportunity to penetrate new territories through appointing new distributors and dealers. It has also strengthened its e-commerce platform by leveraging partnerships with major players
- Relaxo has maintained balance sheet prudence with controlled working capital cycle (NWC days: 65 days), healthy asset turns of 2.5x and generating RoCE of 20%+. We build in earnings CAGR of 16% in FY20-23E. Relaxo, through its strong balance sheet and brand patronage, is expected to tide over the current situation better than small peers

Source: Bloomberg, Spider Software, ICICI Direct Research
December 22, 2020

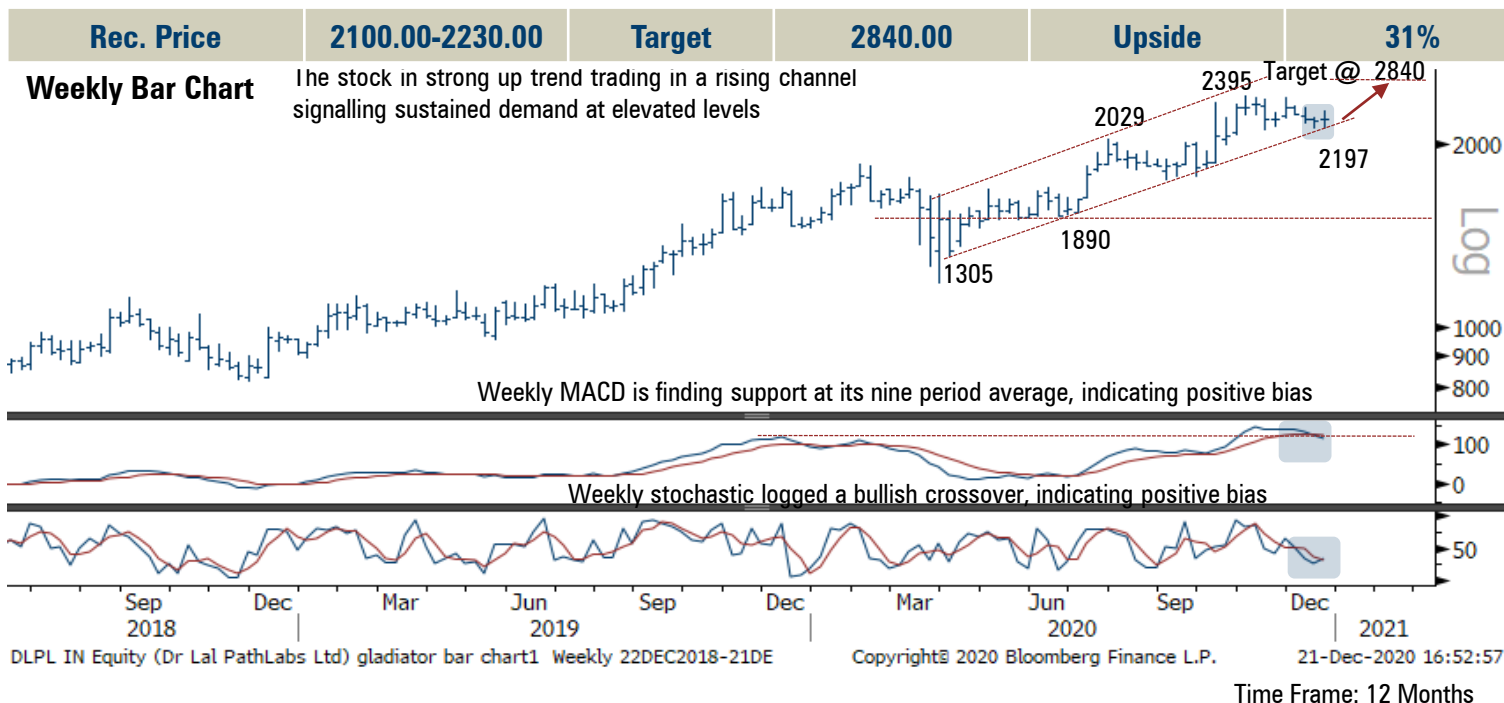
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Recommendation initiated on i-click to gain at 15:04 on December 22, 2020

Dr Lal PathLabs (DRLAL): Base formation at lower band of rising channel offers fresh entry opportunity...

Technical Outlook

- The pharma sector has been in the limelight in the CY20, with majority of the stocks rallying to a fresh all-time highs
- The share price of Dr Lal Pathlabs has been trading in an upward sloping channel since April, indicating elevated buying demand. Currently stock is poised at lower band of upward sloping channel and 20 days EMA, which has acted as strong support for the stock. Hence, it offers fresh entry opportunity with a favourable risk reward set-up
- We expect the stock to form a higher base at lower band of rising channel that would pave the way to head towards ₹ 2840 in coming quarters as it is 161.8% extension of 2018-20 rally (₹ 813-1846), projected from March low (₹ 1180), at ₹ 2848 coinciding with upper band of rising channel



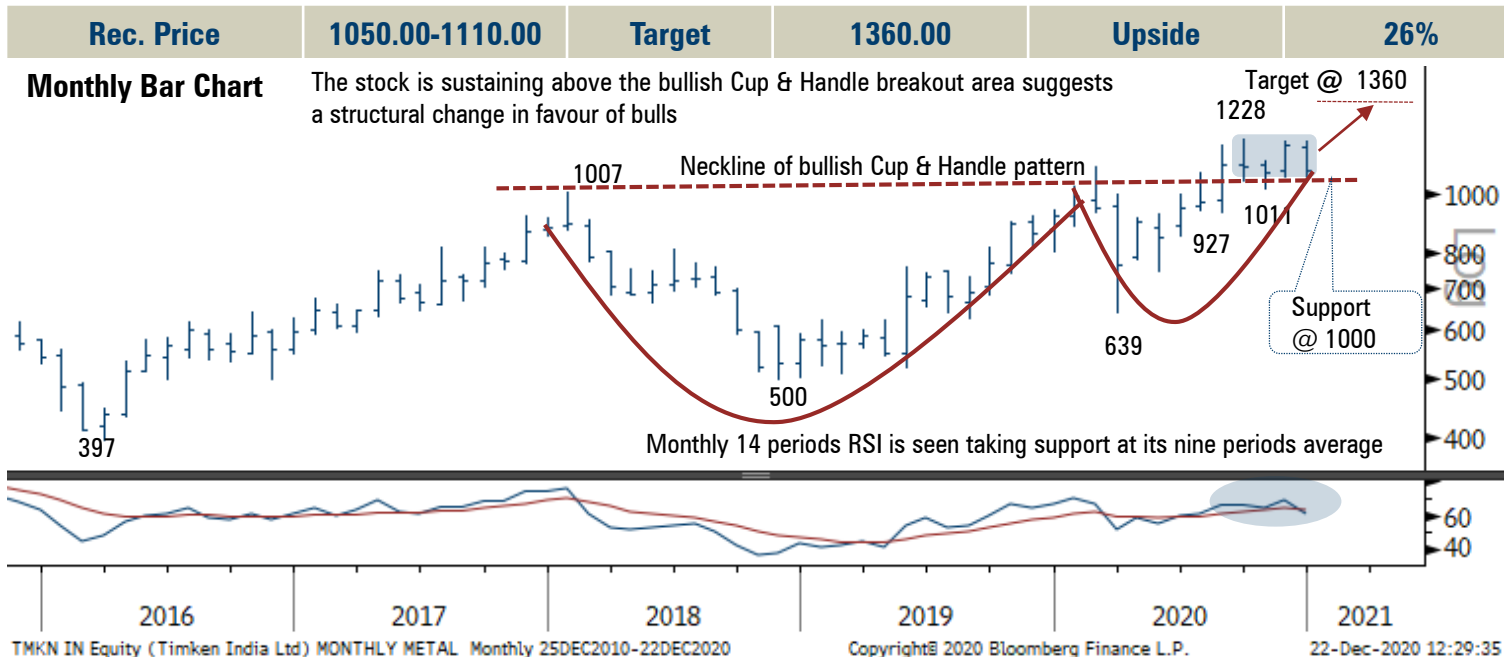
Fundamental Outlook

- Established in 1949, Dr Lal Pathlabs is a proxy for Indian organised diagnostics sector with strong management pedigree and pan India presence
- With a cumulative offering of ~4900 diagnostic and related healthcare tests and services, Dr Lal possesses proven capabilities in performing most of the diagnostic tests backed by strong testing and logistics network based on hub and spoke model
- Besides favourable macro dynamics such as demand for preventive & wellness checks amid growing incidences of communicable and chronic diseases, the upheaval caused by Covid-19 bodes well for organised players like Dr Lal in the backdrop of faster shift from unorganised to organised market, potential inorganic opportunities in current environment and scalability benefits. generation
- Revenues have grown at a CAGR of ~14% to ₹ 1325 crore in FY16-20 mainly due to ~15% growth in sample collections on the back of geographical expansion. Lean balance sheet, strong margins profile and healthy return ratios are some of the legacy attributes for the company

Timken India (TIMIND): Price sustaining above bullish Cup & Handle breakout augurs well for next up move...

Technical Outlook

- The capital goods space, after the last few year's underperformance, is witnessing a catch up activity. We expect the recent up move to continue. Among capital goods stocks, Timken India is our preferred pick
- The stock recently generated a resolute breakout above the bullish Cup & Handle pattern and is seen sustaining above the same in the last three months highlighting a structural change in favour of bulls, thus providing a fresh entry opportunity
- We believe the lower band of the last three month's breather around ₹ 1000 would act as major demand area for the stock
- We expect the stock to head toward ₹ 1360 as it is the 123.6% extension of the previous up move (₹ 927-1228) as projected from the recent trough of ₹ 1011 signals upside towards ₹ 1360 levels.



Time Frame: 12 Months

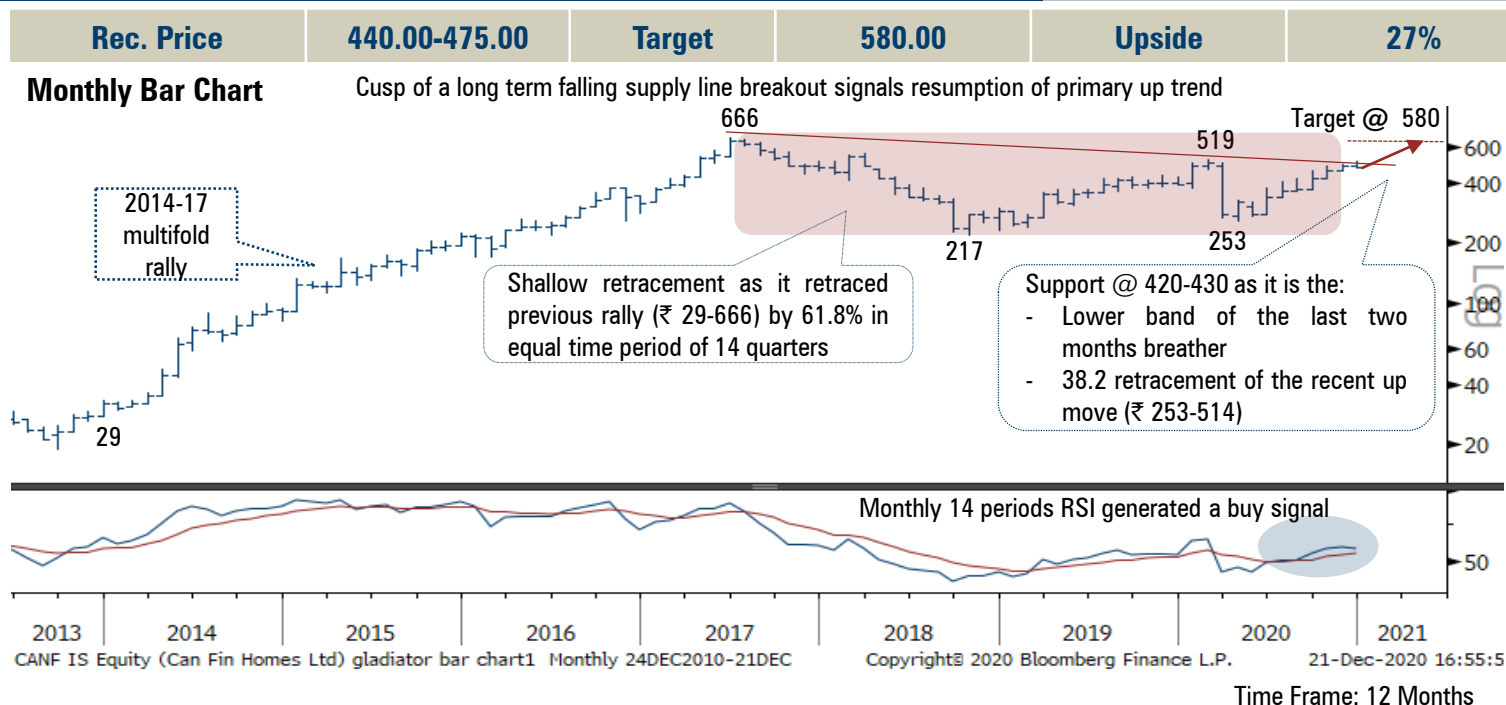
Fundamental Outlook

- Timken's wind segment saw sturdy recovery post lockdown with demand coming from turbine manufacturers in EU, whereas demand for tractors also remains buoyant led by a good monsoon and relatively lesser impact of Covid in rural areas. However, CV segment is yet to pick up momentum
- Exports as part of revenue declined to 26% in Q2FY21 vs 28% in Q2FY20. Nonetheless, the management expects exports to ramp up on the back of a solid order book and is expecting to improve utilisation levels at ABC Bearings plant from where it would be exporting Timken branded products
- Railway segment has emerged as one of the key contributors to Timken's topline in recent times. Conversion of conventional coaches to LHB coaches, upcoming metro projects & DFC corridor together make an annual market of ₹ 1500 crore to ₹ 1800 crore for Timken. Timken's expertise in tapered roller bearing would play a crucial role and provide it with a sustainable growth path in the railway segment, albeit at a moderate pace
- Timken has successfully improved its EBIDTA margins on the back of supply chain integration and better optimisation leading to improvement in yield from steel. Further, MNC status, debt free balance sheet & superior return ratios bode well for the company

Can Fin Homes (CANFIN): On cusp of long term falling supply line breakout signals resumption of primary up trend...

Technical Outlook

- The NBFC sector is resuming its primary up trend after a corrective decline of the last three years. Can Fin Homes is our top pick among NBFC stocks based on the below observations:
 - Placed on the cusp of a long term falling supply line breakout joining highs since June 2017, signalling an end of corrective phase and resumption of a primary up trend
 - Shallow retracement as already taken 14 quarters to retrace just 61.8% of the previous 14 quarter's rally (₹ 29-666)
- We expect the stock to accelerate up move and head towards ₹ 580 levels as it is the 138.2% external retracement of previous decline (₹519-253) placed around 580 levels



Fundamental Outlook

- Headquartered in Bangalore, Can Fin Homes is a deposit taking NBFC that has 163 branches, 21 affordable housing loan centres and 14 satellite offices across 21 States And Union Territories
- The NBFC has a total loan book size of ₹ 20830 crore as on H1FY21, that has grown at 20.3% CAGR over FY15-20. Salaried & professionals contribute ~71% of the total loan mix while self employed make up ~29% of loan book, while builder loans are negligible. Low ticket size is one of the core strengths of Can Fin Homes, average ticket size of around ₹ 18 lakh for housing loans while non housing loans is ₹ 9 lakh
- Can Fin saw its NII grow at a healthy 17.5% CAGR over FY15-20 where its NIM increased from 3.2% to 3.5% , while net profit saw a strong CARG growth of 34.3% over FY15-20 to ₹ 376 crore for FY20. Can fin has a RoA of 1.9% and RoE of 17.5% for FY20 and return ratios have remained at healthy levels over past few years
- Over the years the company has been able to maintain a strong asset quality and on this parameter the company is one of the best in the HFC industry. Even during pandemic the company has maintained steady asset quality with GNPA ratio of 0.72% as of September 2020
- The company has a strong capital adequacy (CRAR of 24.77% as on September 2020) that would enable company to push for growth as situation improves and opportunities increase. While parentage and sufficient liquidity meets all its business obligations, it also has un-availed sanction limits from various banks

Yearly Technical Recommendation 2020 follow up

Rec. Date	Stock Recommended	Rec Price (₹)	Target (₹)	Stoploss (₹)	% Profit/Loss	Comment
19-Dec-19	SBI Life	955	1180	820	-14.0	Stoploss Triggered
19-Dec-19	Godfrey philips	1250	1740	990	-12.0	Square off at 1091
19-Dec-19	PNC Infra	190	249	158	-17.0	Stoploss Triggered
19-Dec-19	Persistent	665	890	545	3.0	Square off at 685
19-Dec-19	SBIN	315	405	267	-6.0	Exit at 295
19-Dec-19	Hindalco	210	250	174	-17.0	Stoploss Triggered
19-Dec-19	RPG Life	312	410	258	-17.0	Stoploss Triggered

Summary Performance - Recommendations till date

Total Recommendations	70		
Closed Recommendations	70	Yield on Positive recommendations	26.0%
Positive Recommendations	47	Yield on Negative recommendations	-16.0%
Closed at cost	3		
Strike Rate	70%		

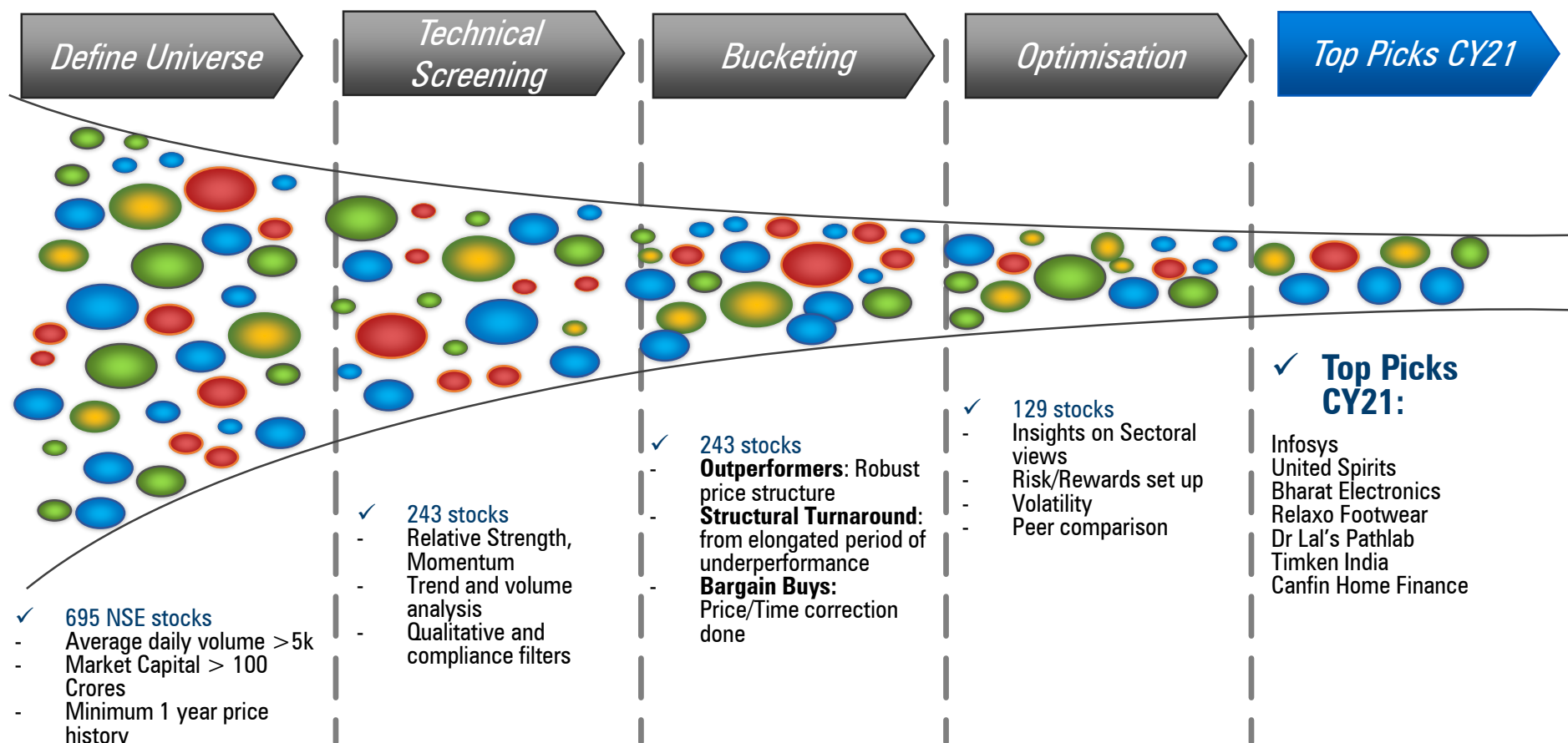


Appendix 1

Stock selection: Deciphering the bottom-up way...

Over the past few years, our emphasis on building a statistical model for stock selection, based on our in-house technical screeners, has provided rich dividends. Year on year, we have strengthened our parameters to adapt to changing market dynamics. The virtues of such a statistical approach are:

- (a) removing individual biases in stock picking; (b) efficient screening of market internals, which helps to build a holistic bottom-up approach;
- (c) achieving more objectivity in market analysis to arrive at high probability investment ideas



NSE Symbol	Company Name	Idirect Code	Market Capital (₹ crore)	Returns (6M) %	Returns (12M) %	Outperformer	Market Performer	Bargain Buy
Auto and Auto ancilliary:								
AMARAJABAT	Amara Raja Batt.	AMARAJ	16085	42	29.00	✓		
ASHOKLEY	Ashok Leyland	ASHLEY	27858	80	23.49			✓
BAJAJ-AUTO	Bajaj Auto	BAAUTO	95213	21	1.81		✓	
BALKRISIND	Balkrishna Inds	BALIND	32029	44	81.56	✓		
BHARATFORG	Bharat Forge	BHAFOR	25095	52	22.64		✓	
ESCORTS	Escorts	ESCORT	18497	46	131.95	✓		
HEROMOTOCO	Hero Motocorp	HERHON	63813	39	37.09	✓		
M&M	M & M	MAHMAH	91499	56	45.56	✓		
MARUTI	Maruti Suzuki	MARUTI	233638	36	11.09		✓	
TATAMOTORS	Tata Motors	TATMOT	58664	59	11.21			✓
BFSI								
AXISBANK	Axis Bank	AXIBAN	191940	47	-12.39			✓
BAJAJFINSV	Bajaj Finserv	BAFINS	143645	73	1.14		✓	
BAJFINANCE	Bajaj Finance	BAJFI	288799	97	20.27		✓	
BANDHANBNK	Bandhan Bank	BANBAN	66766	54	-20.37			✓
BANKBARODA	Bank of Baroda	BANBAR	30657	41	-30.60			✓
<i>CANFINHOME</i>	<i>Can Fin Homes</i>	<i>CANHOM</i>	<i>6235</i>	<i>51</i>	<i>15.08</i>			✓

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NSE Symbol	Company Name	Idirect Code	Market Capital (₹ crore)	Returns (6M) %	Returns (12M) %	Outperformer	Market Performer	Bargain Buy
CUB	City Union Bank	CITUNI	12830	29	-23.94			✓
FEDERALBNK	Federal Bank	FEDBAN	13072	32	-21.65			✓
HDFC	H D F C	HDFC	412113	27	-0.26	✓		
HDFCBANK	HDFC Bank	HDFBAN	763133	40	10.91		✓	
HDFCLIFE	HDFC Life Insur.	HDFSTA	133214	31	15.59	✓		
IDFCFIRSTB	IDFC First Bank	IDFBAN	21328	46	-10.69			✓
IEX	Indian Energy Ex	INDEN	6647	28	57.89	✓		
KOTAKBANK	Kotak Mah. Bank	KOTMAH	376714	43	14.49		✓	
LICHSGFIN	LIC Housing Fin.	LICHF	17482	30	-18.49			✓
M&MFIN	M & M Fin. Serv.	MAHFIN	21004	81	-16.17			✓
MCX	Multi Comm. Exc.	MCX	8602	40	53.98	✓		
SBIN	St Bk of India	STABAN	240608	44	-13.99		✓	
Capital Goods:								
BDL	Bharat Dynamics	BHADYN	6247	40	18.58			✓
BEL	Bharat Electronics	BHAELE	27862	56	14.74			✓
BEML	BEML Ltd	BEML	3112	22	-24.18			✓
COCHINSHIP	Cochin Shipyard	COCCHI	4668	32	-8.32			✓
CUMMINSIND	Cummins India	CUMIND	16128	49	10.43		✓	
IRCON	Ircon Intl.	IRCINT	4134	-2	13.77			✓

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KEC	K E C Intl.	KECIN	9524	51	35.11	✓		
LT	Larsen & Toubro	LARTOU	167149	26	-6.93		✓	
SIEMENS	Siemens	SIEMEN	54730	39	4.93		✓	
<i>TIMKEN</i>	<i>Timken India</i>	<i>TIMIND</i>	<i>8552</i>	<i>25</i>	<i>38.25</i>	✓		
Consumption								
AMBER	Amber Enterp.	AMBEN	7862	65	128.65	✓		
ASIANPAINT	Asian Paints	ASIPAI	242600	54	47.45	✓		
BAJAJELEC	Bajaj Electrical	BAJELE	7043	48	96.16	✓		
BATAINDIA	Bata India	BATIND	20009	12	-8.43			✓
BERGEPAIN	Berger Paints	BERPAI	66024	37	36.99	✓		
BRITANNIA	Britannia Inds.	BRIIND	90055	11	22.24		✓	
CENTURYPLY	Century Plyboard	CENPLY	4896	100	37.58		✓	
CROMPTON	Crompton Gr. Con	CROGR	20863	41	37.05	✓		
DABUR	Dabur India	DABIND	90890	11	12.58			✓
DIXON	Dixon Technolog.	DIXTEC	14175	141	250.21	✓		
DMART	Avenue Super.	AVESUP	169921	10	50.99	✓		
HAVELLS	Havells India	HAVIND	51790	48	27.80	✓		
HINDUNILVR	Hind. Unilever	HINLEV	552475	11	16.05	✓		
ITC	ITC	ITC	261728	7	-9.72			✓

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JUBLFOOD	Jubilant Food.	JUBFOO	34012	51	65.06	✓		
KAJARIACER	Kajaria Ceramics	KAJCER	10431	79	26.10	✓		
MARICO	Marico	MARLIM	52205	20	18.96		✓	
MCDOWELL-N	United Spirits	UNISPI	43104	-3	1.39			✓
NESTLEIND	Nestle India	NESIND	177053	11	30.24	✓		
PIDILITIND	Pidilite Inds.	PIDIND	83905	14	25.14	✓		
RADICO	Radico Khaitan	RADKHA	6124	34	52.98		✓	
RELAXO	Relaxo Footwear	RELFOO	19712	25	29.00			✓
TATACONSUM	Tata Consumer	TATGLO	53473	51	85.36	✓		
TITAN	Titan Company	TITIND	126430	46	20.77	✓		
TRENT	Trent	TRENT	24061	25	35.81	✓		
VGUARD	V-Guard Industri	VGUARD	7995	4	-13.12			✓
VOLTAS	Voltas	VOLTAS	26944	47	19.85	✓		
WHIRLPOOL	Whirlpool India	WHIIND	26647	2	-9.44			✓
Metal & Mining								
HINDALCO	Hindalco Inds.	HINDAL	54513	65	21.90		✓	
MIDHANI	Mishra Dhatu Nig	MISDHA	3723	-2	34.69		✓	
TATASTEEL	Tata Steel	TATSTE	69957	88	51.75	✓		

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Energy								
ADANIGAS	Adani Gas	ADAGAS	39038	164	131.70	✓		
GUJGASLTD	Gujarat Gas	GUJGA	23959	19	54.10	✓		
MGL	Mahanagar Gas	MAHGAS	10240	4	1.22			✓
PETRONET	Petronet LNG	PETLNG	38243	1	-6.15		✓	
Pharmaceuticals and Healthcare:								
ABBOTINDIA	Abbott India	ABBIND	33127	-5	24.47		✓	
AJANTPHARM	Ajanta Pharma	AJAPHA	14701	12	72.03		✓	
ALKEM	Alkem Lab	ALKLAB	34892	23	39.91			✓
AUROPHARMA	Aurobindo Pharma	AURPHA	52664	13	107.84	✓		
BIOCON	Biocon	BIOCON	54450	16	56.72	✓		
CADILAH	Cadila Health.	CADHEA	48034	27	79.94			✓
CIPLA	Cipla	CIPLA	61524	19	68.36	✓		
DIVISLAB	Divi's Lab.	DIVLAB	99066	56	105.79	✓		
DRREDDY	Dr Reddy's Labs	DRREDD	84006	23	74.40	✓		
FDC	FDC	FDC	5864	37	67.87	✓		
GLENMARK	Glenmark Pharma.	GLEPHA	15010	33	60.76	✓		
GRANULES	Granules India	GRANUL	9662	92	212.61	✓		
IPCALAB	Ipca Labs.	IPCLAB	28182	39	108.80	✓		

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JBCHEPHARM	J B Chem & Pharm	JBCHEM	7737	45	137.28	✓		
LALPATHLAB	Dr Lal Pathlabs	DRLAL	18144	34	41.64	✓		
LAURUSLABS	Laurus Labs	LAULAB	17696	243	393.72	✓		
LUPIN	Lupin	LUPIN	42754	2	25.28			✓
NATCOPHARM	Natco Pharma	NATPHA	17482	52	65.29	✓		
PGHL	P & G Health Ltd	MERLIM	11035	59	58.99	✓		
SANOFI	Sanofi India	SANOFI	18391	0	14.91			✓
SUNPHARMA	Sun Pharma.Inds.	SUNPHA	135574	13	32.16			✓
SYNGENE	Syngene Intl.	SYNINT	23886	65	97.50	✓		
Realty & Infra:								
CENTURYTEX	Century Textiles	CENTEX	4316	23	-20.96			✓
DLF	DLF	DLFLIM	53925	39	0.51			✓
GODREJPROP	Godrej Propert.	GODPRO	32300	55	44.86	✓		
INDIACEM	India Cements	INDCEM	4562	13	102.13			✓
JKLAKSHMI	JK Lakshmi Cem.	JKLAKS	4052	40	26.27		✓	
PRESTIGE	Prestige Estates	PRESET	11559	51	-8.32			✓
RAMCOCEM	The Ramco Cement	RAMCEM	19639	35	8.21	✓		
SHREECEM	Shree Cement	SHRCEM	85531	10	18.16		✓	
ULTRACEMCO	UltraTech Cem.	ULTCEM	143248	31	22.92	✓		

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Technology								
AFFLE	Affle India	AFFIND	9342	144	173.16	✓		
CYIENT	Cyient	CYILIM	5260	118	23.13		✓	
FSL	Firstsour.Solu.	FIRSOU	5217	95	99.20		✓	
HCLTECH	HCL Technologies	HCLTEC	235220	50	59.20	✓		
INFOSYS	Infosys	INFTEC	512762	63	64.00	✓		
LTI	L & T Infotech	LTINFO	56845	72	97.11	✓		
MINDTREE	Mindtree	MINLIM	23670	58	94.87	✓		
NAUKRI	Info Edg.(India)	INFEDG	59059	67	83.69	✓		
PERSISTENT	Persistent Sys	PERSYS	9445	110	83.20	✓		
SONATSOFTW	Sonata Software	SONSOF	3682	54	17.38		✓	
TATAELXSI	Tata Elxsi	TATELX	10043	82	91.86		✓	
WIPRO	Wipro	WIPRO	203466	64	49.44		✓	
Telecommunications								
BHARTIARTL	Bharti Airtel	BHAAIR	275615	-11	13.01	✓		

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Agri& Chemicals								
AARTIIND	Aarti Industries	AARIND	21122	30	54.45		✓	
BASF	BASF India	BASF	6939	42	67.21	✓		
CHAMBLFERT	Chambal Fert.	CHAFER	9042	59	50.87	✓		
COROMANDEL	Coromandel Inter	CORINT	23455	19	57.56		✓	
DEEPAKNTR	Deepak Nitrite	DEENIT	11819	79	157.17		✓	
NAVINFLUOR	Navin Fluo.Intl.	NAVFLU	12643	61	185.88	✓		
RALLIS	Rallis India	RALIND	5555	17	58.69	✓		
SRF	SRF	SRF	31454	46	64.10		✓	
Others								
BALRAMCHIN	Balrampur Chini	BALCHI	3546	29	2.67		✓	
INDHOTEL	Indian Hotels Co	INDHOT	15228	38	-12.72			✓
INDIGO	Interglobe Aviat	INTAVI	66816	68	30.68		✓	
VIPIND	V I P Inds.	VIPIND	5186	45	-13.87			✓

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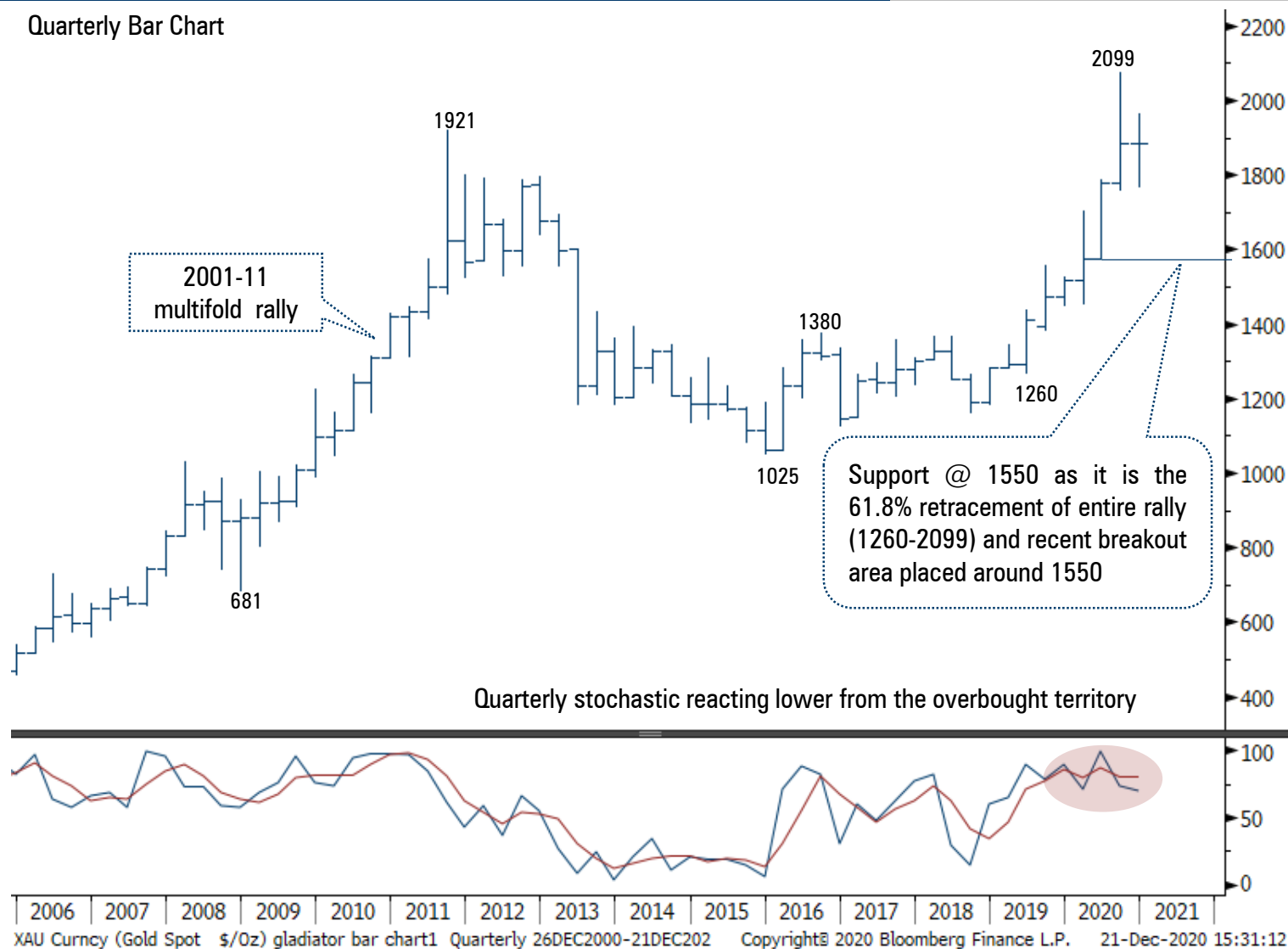
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Commodity and Currency Outlook

Gold spot (\$1883): Consolidation likely in range of \$1550-2000

- Gold prices after the strong up move in the last two year are witnessing profit booking from near the previous all time high of CY 2011 (1921) amid overbought placement of the quarterly stochastic. Hence, consolidation in the broad range of \$2000-1550 is likely in the coming year

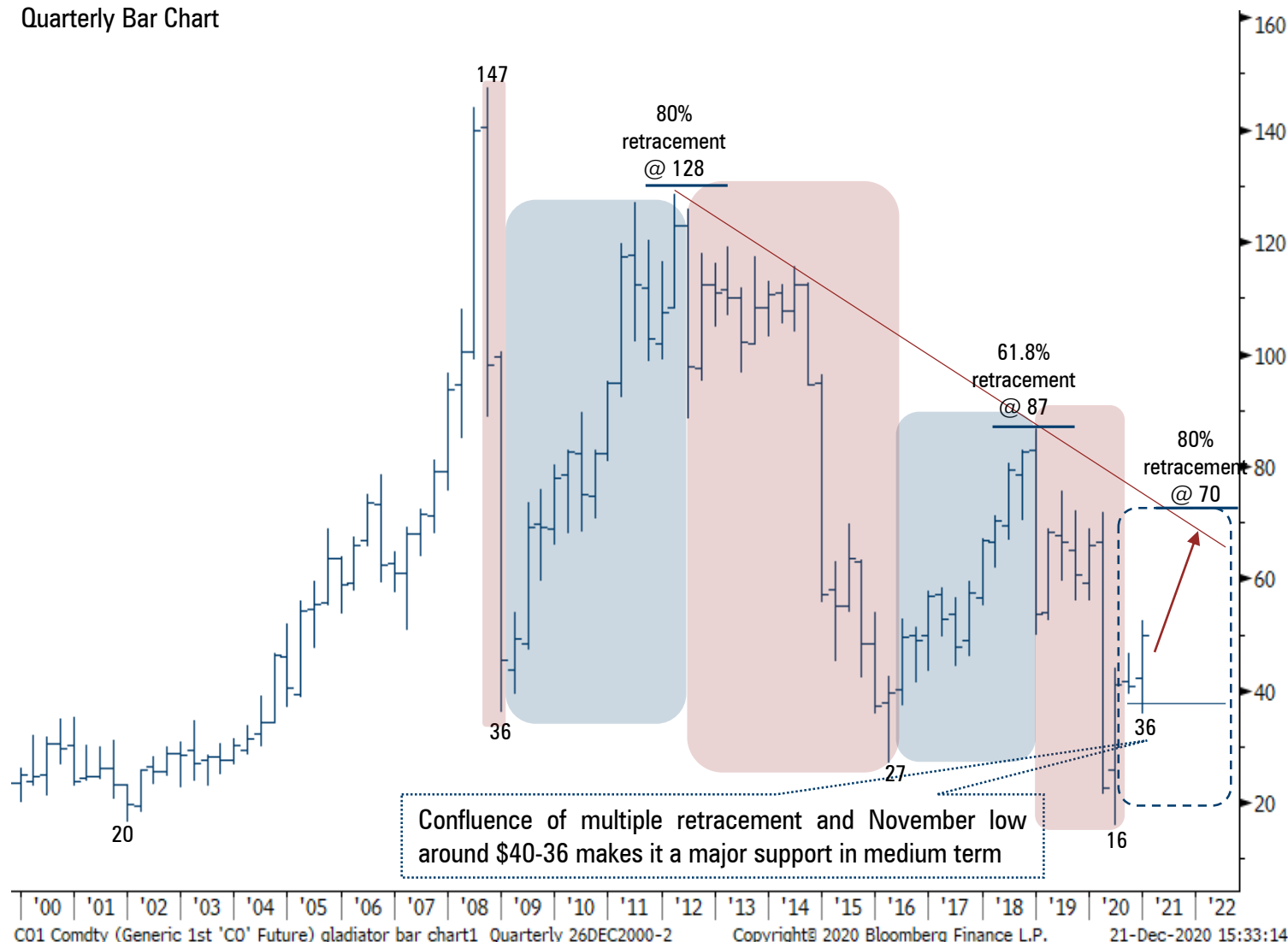
Quarterly Bar Chart



Brent Futures (\$50): Pullback towards \$68-70 in CY21...

Quarterly Bar Chart

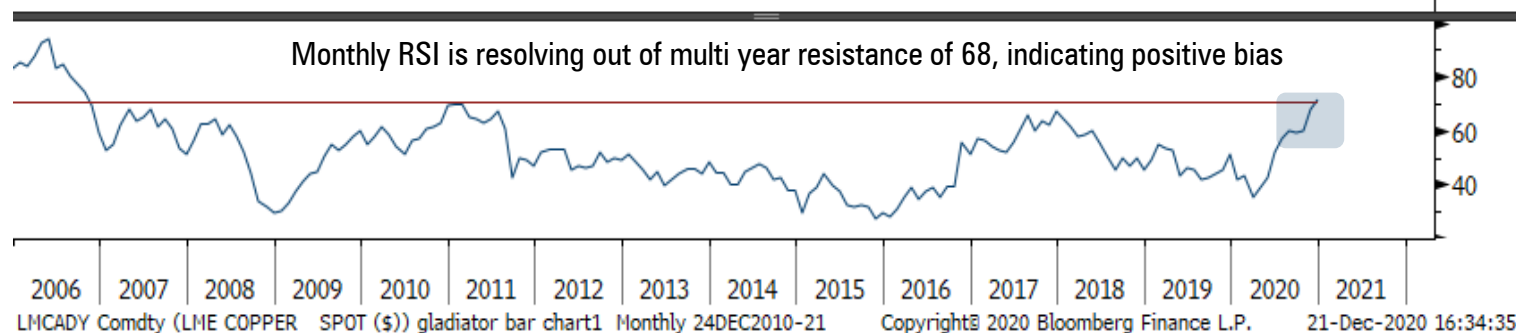
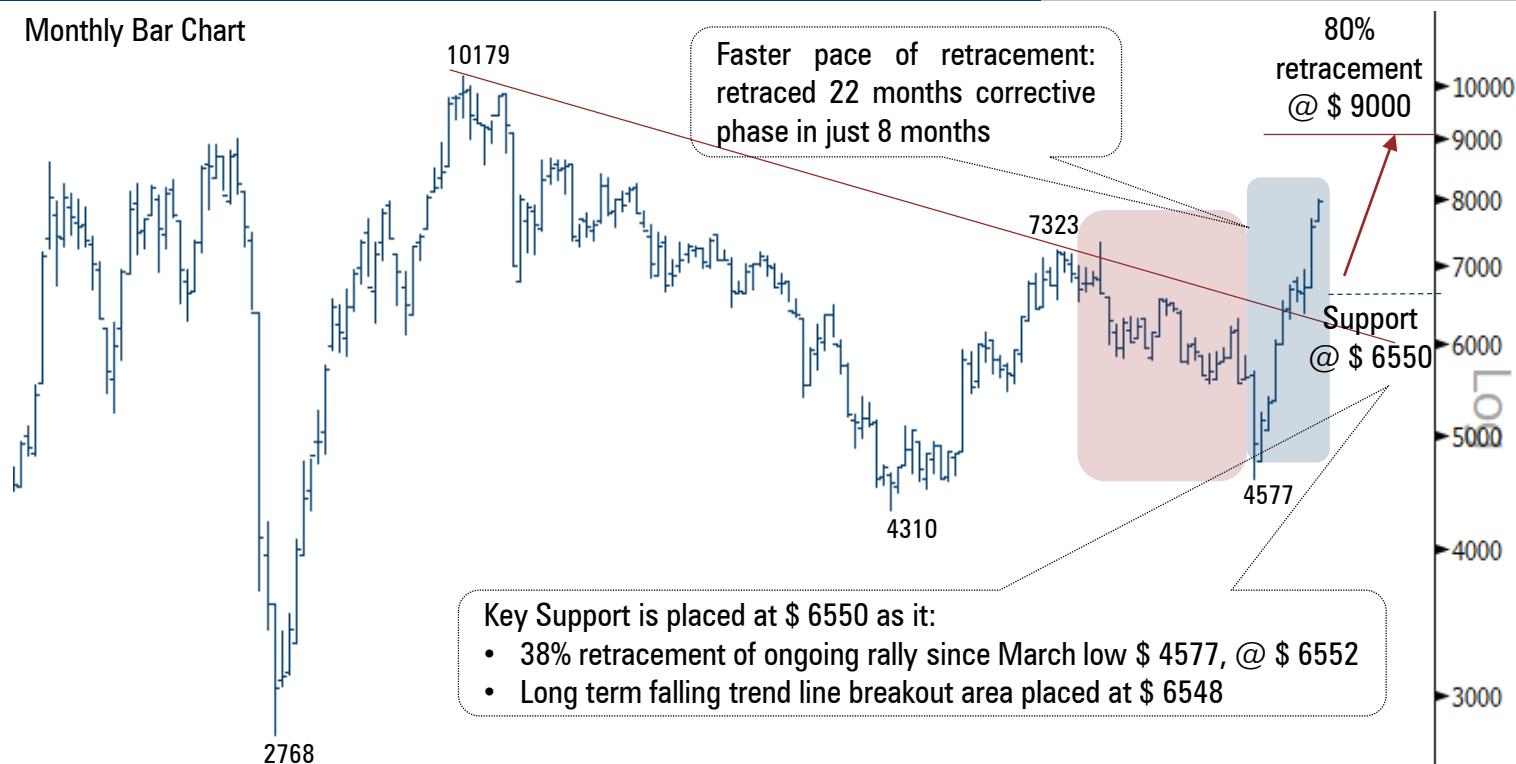
- Brent prices in the last decade have witnessed sharp decline of ~80% in three occasions (i.e. CY 2008-09, CY13-16 and CY19-20). In the subsequent pullback in each occasions it has retraced its previous decline by 70-80% as seen during CY09-12 and CY16-18
- We expect Brent prices to maintain the same rhythm and retrace the previous major decline (\$87-16) by 80% and head towards \$70 levels in CY21, which also confluences with the value of a falling supply line joining high since CY12



LME Copper (\$7750): Long term falling trend line breakout signifies structural turnaround...

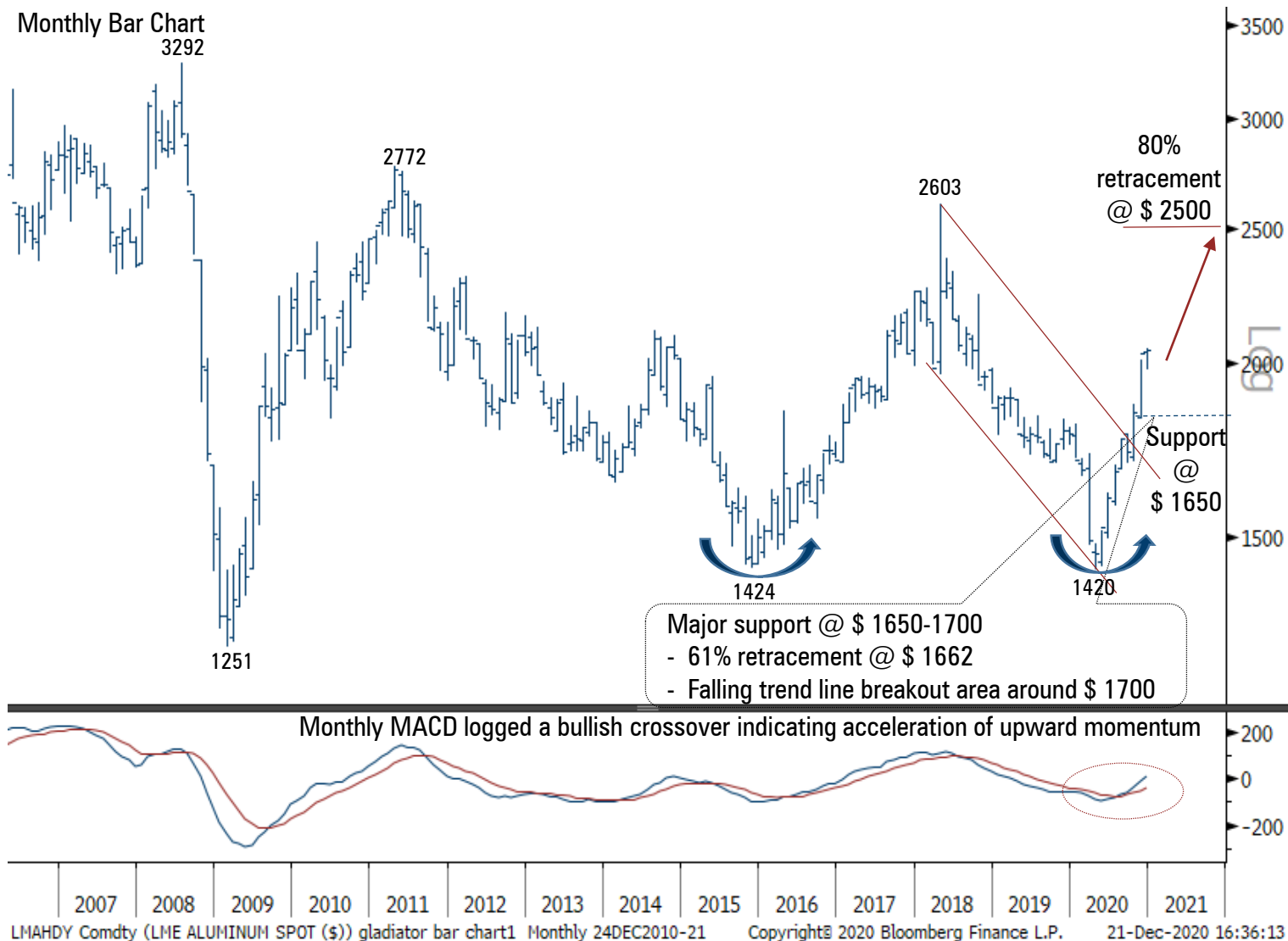
- The falling trend line breakout indicates conclusion of 10 year's corrective phase which has been backed by faster pace of retracement of last leg of decline signifying structural turnaround
- We expect copper to accelerate upward momentum and head towards \$9000 in the medium term

Monthly Bar Chart



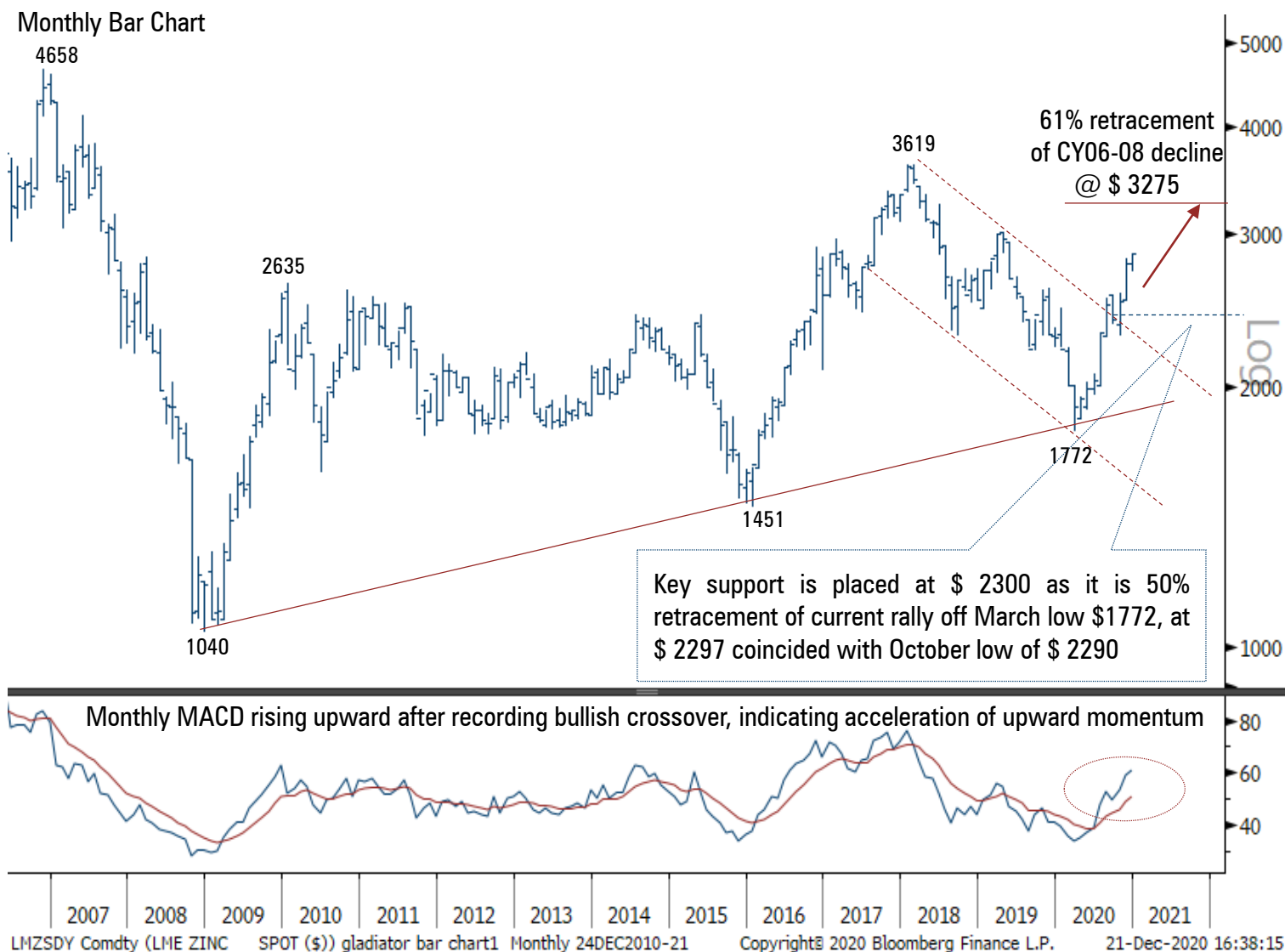
LME Aluminium (\$2070): Falling channel breakout augurs well for acceleration of upward momentum...

- The price logged a resolute breakout from falling channel after forming a double bottom formation at 2015 lows \$1420
- We expect aluminium prices to extend the ongoing rally and head towards 80% retracement of 2011-15 decline (\$2772-1424), at \$2500 coincided with 2011 highs of \$2600 levels



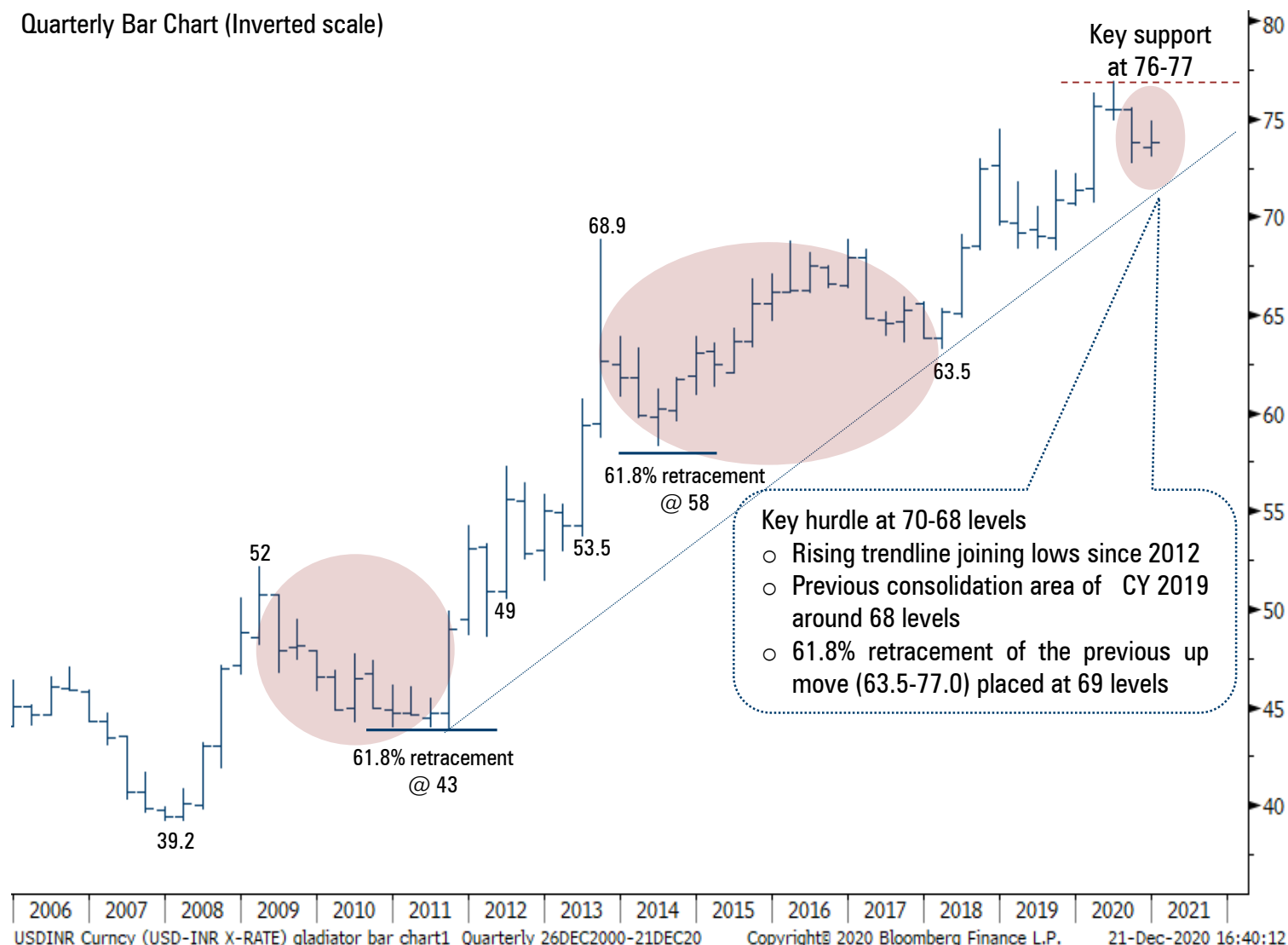
Zinc (\$2850): Three years falling channel breakout signifies resumption of primary up trend

- Price staged a resolute breakout from downward slanting channel after finding strong support from a long term rising trend line drawn adjoining major lows of 2008–16 (\$1040-1451), indicating conclusion of corrective bias that in turn signifies resumption of primary up trend
- We expect zinc to maintain its upward momentum and head towards \$3275 in the medium term



- In the last decade on three occasions the rupee has seen sharp depreciation of more than 30% as in CY 2008-09, 2013-14 and CY18-20. The sharp depreciation is followed by multi-year consolidation and in each occasion it retraced its previous decline by 61.8% of the previous major decline
- In the current scenario the 61.8% retracement of the immediate previous decline (63-77) is placed around 70 levels. Hence, we expect the rupee to consolidate with positive bias in the broad range of 70-77, with downside capped at 76-77 levels

Quarterly Bar Chart (Inverted scale)



- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- The recommendations are valid for twelve months and in case we intend to carry forward or exit the position early, it will be communicated on i-click to gain page of our website, mobile notification and email



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