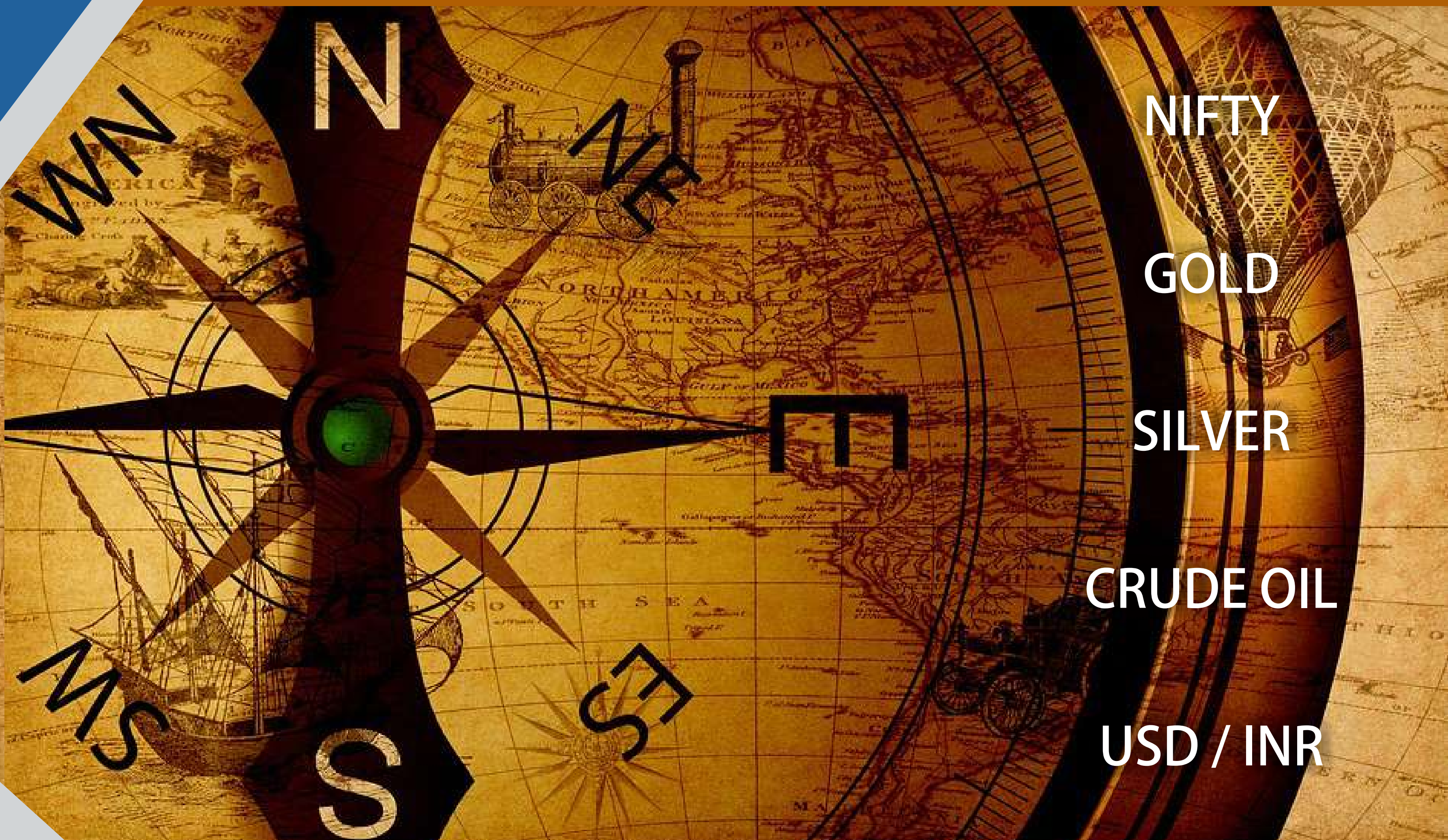
KHANDWALA SECURITIES LIMITED

COMPASS

MONTHLY INVESTMENT RESEARCH

Monday
01st March, 2021

SENSEX



NIFTY

GOLD

SILVER

CRUDE OIL

USD / INR

Dear Valued Reader,

The bull market at Dalal Street that started in the Covid-19 dark days of March 2020 passed a hercules milestone in the Feb 2021— Nifty scaled above psychological 15000 mark and wen on to register a fresh all-time-high at 15,431.75 mark.

The positive takeaway was that Dalal Street was one of the few bright spots amongst equity markets globally. The street is now setting its bullish eyes on March 2021 on backdrop of a whopping 98% gains in Nifty —— from March lows of 7500.

We are ready with our Mar-Apr-May 2021 forecast.

Honestly speaking, after a volatile end to Feb 2021, perma-bulls find themselves back in a similar position —— volatile movements + lots of panic attacks.

More carnage at Dalal Street?

Well, fingers crossed as the benchmarks, Sensex and Nifty have slipped hard in last week of Feb 2021 and most importantly, after scaling fresh all-time-highs in February 2021 at 52516.75 and 15431.75 respectively to end the second month of 2021 on a nervous footing on backdrop of extremely volatile and negative global cues, FIIs camp probably returning on sell side, and global economic growth seen fading on fears of 2nd wave of COVID-19 in India and internationally.

Also blame the negative backdrop to extremely overbought technical conditions —— the near term outlook for Dalal Street looks blurred indeed. That's primarily on backdrop of deteriorating liquidity conditions.

Digging deeper, it appears the prudent winning strategy is to buy aggressively at each time in a crisis and exiting out of the market when greed is all over the street.

The idea that future returns at our stock markets should continue to look exciting depends on three catalysts:

1. Flow of liquidity.
2. The present pandemic crisis.
3. Rebound in global economy.

We firmly believe; the markets dream run to continue in 2021, but having said that, there will be definitely frequent shocks and volatility. The battle will be between overbought technical conditions, fundamentals and sentiments.

Now, before we get into detail and start a brand new-innings of trading this March 2021, let's review how the major indices listed at Dalal Street fared in February and January 2021 and December 2020 and also their performance in the year 2021.

Yes, we are ready with our March – April – May 2021 forecast but before that, we wish great health and good luck to all our clients and their families during these unprecedented trying times.

Market recap:

Instruments	Prices as on 26th Feb 2021	Feb 2021 % Change	Jan 2021 % Change	Dec 2020 % Change	2021 % Change
Sensex	49100	+6.08%	-3.1%	+8.2%	+2.82%
Nifty	14529	+6.56%	-2.5%	+7.8%	+3.92%
BSE Auto Index	22938	+3.66%	+6.3%	+3.4%	+10.22%
BSE Bankex Index	38981	+12.46%	-3.4%	+5.9%	+8.62%
BSE Capital Goods Index	21519	+10.46%	+3.9%	+10.1%	+14.80%
BSE Consumer Durables	31758	+5.51%	-1%	+12.4%	+4.49%
BSE FMCG	11967	-2.06%	-3.1%	+7.53%	-5.16%
BSE Healthcare	20856	+1.1%	-4.9%	+6.7%	-3.8%
BSE Metal	13719	+24.4%	-4.9%	+13.5%	+18.27%
BSE Mid-Cap	19979	+10.5%	+0.8%	+6.1%	+11.3%
BSE Small-Cap	20155	+12%	-0.6%	+7.2%	+11.4%
BSE Power	2005	+20.7%	-2.8%	+3.1%	+17.9%
BSE Realty	2787	+15.2%	-2.4%	+20.2%	+12.8%
BSE Oil/gas	15543	+12.5%	-2%	+6.3%	+10.5%
BSE IT	24424	-1.6%	+2.36%	+13.33%	+0.76%

Price Forecast

INSTRUMENT	26th Feb 2021	1 Month	2 Month	3 Month	1 year
SENSEX	49100	46160	43375	48701	54001
NIFTY	14529	13596	12801	14001	16001
USD / INR	73.46	73	74.05	72.75	75
GOLD	45767	44001	48225	52001	56191
SILVER	67475	61000	70001	74001	78001
CRUDE OIL	4603	4100	3845	3501	4000

The Back Story: `Sensex/Nifty tanks after smashing 52,000 and 15400 mark.

The benchmarks Nifty and Sensex recorded stunning gains of around 6%+ in February 2021. The key takeaway was that the benchmark Sensex and Nifty did hit psychological milestone of 52000 mark and 15400 for the first time ever. Interestingly, the benchmarks have nearly doubled from the lows of March 2020. The Sensex took a little over 221 trading sessions to move from around 26,000 in March to its psychological 52,000 levels.

Liquidity continues to be the driving force as FPIs have injected Rs 25,787 crore in February. As per NSDL data, so far, in the financial year 2021-22, net FPIs into equities stood at Rs 2.63 lakh crore, the highest ever FPI inflow into the country.

In last week's trade, the FIIs turned net sellers for the first time since September last year, selling Rs 12,096.69 crore worth of shares in the week ended January 29.

Investors however saw no reason to celebrate as profit booking immediately emerged and the indices gave up gains towards the end of the Feb month. Our stock markets almost crashed in the last the last week of February, down 3.52% after roaring back to uncharted territory.

Amusingly, despite the spectacular performance by Nifty and Sensex in February, the benchmarks have underperformed the broader markets as Nifty Mid-Cap 100 and the Nifty Small-Cap 100 have jumped over 12%+ each.

The biggest outperformers amongst the sectoral indices were Nifty PSU Bank, up 32%, Nifty Metal index up 24% and Bank Nifty up by 14%. Nifty Auto index was laggard, up only 3.64% while the worst underperformers were Nifty IT and FMCG indices which slipped around 1.40% and 2.05% respectively in February.

The key positive catalysts were:

1. A market-friendly speech from the Fed Chairman signaling staying the course with loose monetary policy. Fed Chairman Powell reiterated the central bank's focus on supporting the US economy and employment.
2. FM Sitharaman's announcement that private banks can get govt business (embargo lifted) gives the bulls a signal to keep running.
3. Vaccine roll-out: From 1st March, people above 60 years of age and those above 45 years of age with co-morbidities will be vaccinated at 10,000 government and over 20,000 private vaccination centers.

Let's now have a look at other key catalysts from last month:

- FM Sitharaman's Budget was indeed "like never before" as the first digital Budget 2021 ticked all the right boxes for the Dalal Street. Bullish investors have cheered to positive catalysts like:

  1) Big thrust on Capital Expenditure.
  2) Absolutely no increase in capital market taxation, absence of the much-feared COVID cess and most importantly —— no surcharges on personal Income Tax.
  3) Hike in foreign direct investment (FDI) limit in insurance from 49% to 74%.
  4) Scrappage policy for vehicles.
  5) Proposal of monetisation of assets.

The Bank Nifty (up 13.87%) was one of the star performers of last month, with PSU Bank (up 31.88%) rallying the most after the Budget. The key positive catalysts in the Budget favoring banks were:

1. Proposal of a 'bad bank.
2. Privatization of PSU banks.
3. Recapitalisation of PSU banks.
4. creation of a Development Financial Institution for infrastructure financing.

- Meanwhile, the Reserve Bank of India (RBI) kept the rates steady and reiterated that it will continue to support the recovering economy by ensuring ample rupee liquidity in the banking system. The repo rate or RBI's key lending rate was held at 4% while the reverse repo rate or its borrowing rate was left unchanged at 3.35%. The central bank had slashed the repo rate by 115 basis points since late March 2020 to support growth.

- Government approved scrappage policy, which will come into effect from April 2022.

- The International Monetary Fund raised its forecast for global economic growth in 2021 but warned that there was still "extraordinary uncertainty" about the outlook. IMF projects impressive 11.5% growth rate for India in 2021. China is next with 8.1% growth in 2021 followed by Spain (5.9 per cent) and France (5.5%). With the latest projections, India regains the tag of the fastest developing economies of the world.

- As was widely expected, the U.S central bank left its benchmark fed funds rate near zero while indicating it will continue buying bonds at the current $120 billion a month pace until it witnessed "substantial further progress" in employment and on its inflation goals.
- US gross domestic product grew at an annualized rate of 4% in the fourth quarter. Barring last quarter's record leap, the end-of-year gain is the largest since 2014.
- Investors were seen keeping an eye on the negotiations in Washington over President Joe Biden's proposed $1.9 trillion economic aid package. The passage of a fiscal stimulus and coronavirus-relief bill in the U.S. doesn't appear imminent, but a $600 billion Republican counter-proposal to President Joe Biden's $1.9 trillion package at least presents a starting point in negotiations. The consensus among investors and economists seem to be that there will be another round of stimulus sooner rather than later.
- SEBI barred Future Group Chief Executive Officer Kishore Biyani from accessing the securities market for a period of one year.
- India's forex reserves jumped by $4.85 billion to a record high of $590.18 billion in the week ended January 29, driven by an increase in foreign currency assets.
- Sentiments were buoyed by reassurance by Chairman Jerome Powell that monetary policy is likely to continue supporting markets and the economy and that the Federal Reserve is unlikely to consider raising rates or reducing bond purchases for the foreseeable future.
- President Joe Biden and Democrats in Congress have continued their push for a potential $1.9 trillion relief package. Legislation that would include direct payments of $1,400 to Americans - a key part of Biden's stimulus plan - and tax credits was advanced by the House Ways and Means Committee.
- U.S. President Joe Biden held his first phone conversation with Chinese President Xi Jinping. The talk offers hope of a good relationship between the two superpowers.
- Defence Minister Rajnath Singh has said that India and China have agreed on disengagement along Pangong Lake where they have been in a standoff for months.
- In the initial part of February, Asia witnessed lackluster trade on account of the Chinese Lunar Year holiday of the Ox.

- Union Finance Minister Nirmala Sitharaman sought Parliament's approval for an additional Rs 4.12 trillion, one of the highest, in the second supplementary demand for grants of the current fiscal year.
- India Ratings and Research (Ind-Ra) estimates India's gross domestic product (GDP) to bounce back to 10.4 per cent growth in FY22 driven by base effect, signalling that a meaningful recovery will not happen before FY23.
- Global rating agency Moody's has said that India's economic recovery reduces the risk of a sharp deterioration in public sector banks' (PSBs) mildly improving asset quality.
- Retail inflation in India touched a 16-month low as vegetable prices continued to fall. The Consumer Price Index-based inflation stood at 4.06% in January 2021 compared with 4.59% in December, according to data released by the Ministry of Statistics and Programme Implementation.
- Wholesale inflation in India jumped to the highest since February 20 as prices of manufactured products rose. The Wholesale Price Index-based inflation stood at 2.03% in January 2021 compared with 1.22% in December.
- The Index of Industrial Production (IIP) grew by 1% in December on a year-on-year (YoY) basis compared with a 2% decline in the previous month The Index of Industrial Production (IIP) grew by 1% in December on a year-on-year (YoY) basis compared with a 2% decline in the previous month.
- The Office for National Statistics said that UK's gross domestic product shrank 9.9% in 2020, its biggest decline on record.
- Larsen & Toubro reported a consolidated profit of Rs 2,466.7 crore in Q3FY21 against Rs 2,352 crore in Q3FY20 while revenue fell to Rs 35,596.4 crore from Rs 36,243 crore YoY.
- Hindustan Unilever reported a profit of Rs 1,921 crore for December quarter (Q3FY21) against Rs 1,616 crore in Q3FY20. Revenue of the company jumped to Rs 11,862 crore from Rs 9,808 crore in the year-ago period.
- Bajaj Auto Q3 consolidated PAT grew at 30% YoY to Rs 1,716 crore. Bajaj Auto has said that its exports sales of 6.87lakh were the highest-ever despite shortage of containers. Bajaj Auto's stock price appears to be a screaming buy for long term investors.

- NMDC announced higher production of 3.86 million tonnes in January 2021 against 3.31 million tonnes in January 2020, and sales at 3.74 million tonnes against 2.96 million tonnes in the same period. NMDC reported sharply higher profit at Rs 2,108 crore in Q3FY21 against Rs 1,375 crore in Q3FY20, and revenue jumped to Rs 4,355.1 crore from Rs 3,006.4 crore YoY.

- Sun TV Network reported a higher consolidated profit at Rs 445.41 crore in Q3FY21 against Rs 384.69 crore in Q3FY20. Revenue rose to Rs 994.14 crore from Rs 847.81 crore YoY.

- Tata Steel Q3 results beats estimates as the firm reported a consolidated profit of Rs 3,989 crore for the quarter ended December 2020, driven by improved realisation-backed strong operating income. The loss in corresponding period was Rs 1,166 crore. The numbers were ahead of analysts' estimates.

- Tata Group to buy 68% stake in BigBasket for over Rs 9,000 crore.

- G7 leader's in their virtual meeting stated that they will intensify cooperation on the health response to COVID-19. Working with, and together to strengthen, the World Health Organisation (WHO), and supporting its leading and coordinating role, we will: accelerate global vaccine development and deployment; work with industry to increase manufacturing capacity, including through voluntary licensing; improve information sharing, such as on sequencing new variants; and, promote transparent and responsible practices, and vaccine confidence.

- Media reports suggested that the government is considering mid-sized to small banks for its first round of privatisation to test the waters. The four banks on the shortlist are Bank of India, Bank of Maharashtra, Indian Overseas Bank and the Central Bank of India.

- IT sector to grow by 2% to $194 bn, add 138,000 employees in FY21: Nasscom

- Bharti Airtel back in black. The firm posted a consolidated Q3 net profit of Rs 854 crore, driven by exceptional gains. The average revenue per user (ARPU) rose to Rs 166 for the quarter. Highlights of the quarter was 13 million 4G customers added in Wireless business. Bharti Airtel to acquire 20% stake in Bharti Telemedia from Lion Meadow Investment Ltd, a Warburg Pincus entity.

- MSCI has said that Bharti Airtel will be a part of the February 2021 Quarterly Review.

- NALCO's to open its share buyback worth Rs 749.1 crore on February 25 and close on March 10.

- IDFC First Bank gained 20% in the week gone by, scaling its 52-week high as the banks' board approves fund raising.

- Ambuja Cement reported higher profit at Rs 497.1 crore for Q4CY20 against Rs 454.9 crore in Q4CY19, while revenue increased to Rs 3,515.1 crore from Rs 3,135.9 crore YoY.

- As per the monthly traffic data released by the aviation regulator, DGCA ——India's domestic air passenger traffic declined around 40% to 7.7 million in January 2021 over the year-ago period as the pandemic continues to hit air travel demand.

- FPIs pumped in Rs 24,204 crore into equities and Rs 761 crore in the debt segment, taking the total net investment to Rs 24,965 crore during February 1-19.

- Brent oil rose above $60 a barrel for this first time in more than a year, on backdrop of renewed optimism about a global economic recovery. Interestingly, oil has advanced 25% in 2021 itself. WTI Crude Oil was up 18.04% for February month at $61.62 a barrel.

- Comex gold was down 6.37% for February month at $1732.45 an ounce.

- Copper prices have spiked to their highest level in nearly a decade as investors in the commodity anticipate rising demand for infrastructure and construction projects in the post-pandemic economy.

- FIIs were net buyers for the month of February at Rs. 42,044.46 crores while DIIs were net sellers at Rs.16,358.10 crores.

Gainers over 1-Month

Stocks	LTP (26th Feb 2021)	Change %	52 Week H/L
SBIN	390.20	38.9%	426/150
INDUSINDBANK	1063.30	24.9%	1153/236
ONGC	111.15	21.7%	121/52
NTPC	107.20	15.1%	112/74
ULTRATECH	6114.60	14.0%	6586/2913

Stocks at 52 Week High

Stocks	LTP (26th Feb 2021)	52 Week High
ARVIND	80.40	83.35
BAJAJHLDNG	3631.25	3784.80
BEML	1079.10	1097.80
DALBHARAT	1434.75	1570.00
EVEREADY	311.70	311.70
-	-	-

Losers over 1-Month

Stocks	LTP (26th Feb 2021)	Change %	52 Week H/L
MARUTI	6872.65	-13.9%	8400/4002
TCS	2896.05	-12.0%	3345/1504
HUL	2132.05	-11.1%	2614/1756
ASIANPAINTS	2277.45	-9.4%	2871/1432
BAJAJ AUTO	3800.70	-8.8%	4361/1793

Stocks at 52 Week Low

Stocks	LTP (26th Feb 2021)	52 Week Low
RAILTEL	121.40	104.60
-	-	-
-	-	-
-	-	-

FII / DII - monthly break up and compare to January 2021.

FII (February) Rs. In Cr.	FII (January) Rs. In Cr.	DII (February) Rs. in Cr.	DII (January) Rs. In Cr.
42044.46	8980.81	-16358.10	-11970.54

Looking Ahead: The high-flying bull market might have its wings clipped.

Sensex: 49,100.
Nifty: 14,529.

For the month of March, the only strange eyebrow-raising prediction is: Volatility, volatility and volatility with slight negative bias!

Yes, volatility to be the hallmark for the rest of 2021 ——just like a pendulum between extreme wildfires —— from joy, rediscovery and optimism to exhaustion, anxiety and great sadness.

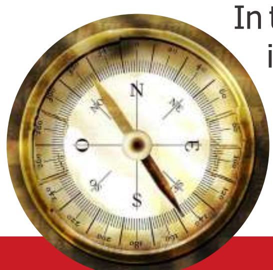
We hope, perma-bulls ears are fully perked. This prediction had to do with real future flow of money and the biggest catalyst on work is likely to be the disruption of the entire global economy on backdrop active caseload of Covid-19 which continues to rise over past few days sparking fears of a fresh wave of the pandemic in the country and across globe.

It appears that the road to recovery for the Indian and global economy is likely to be a long and uneven one. The potential pitfall that commands attention is if the government begins to open the valve of economic activity then that would result in a significant uptick in new coronavirus cases, the expectations of a quick return to normality from here may prove to be too optimistic. The market will not appreciate that a bit.

The next biggest negative catalyst from here on could be the higher bond yields which could spoil the party at global stock markets. The rising Treasury yield simply keeps rising. The 10-year Treasury yield rose to 1.60% —— hitting a one-year high as fears of higher inflation resurfaced despite Federal Reserve Chairman Jerome Powell downplaying the risks of increasing price pressures. Powell has said that it might take more than three years for inflation to hit the Fed's target of 2%, indicating that rates won't be lifted any time before 2023.

Our chart of the month says, at the moment there are more of headwinds than tailwinds. This was a market which was seen rising despite all the negativities.

In times like these, it makes lots of sense to keep low profile. Remember that cash is a position and even if we see a rebound in near future. Going all in long is not advisable until we have closed in bullish territory and confirming to the upside the following day.



Technically speaking, confirmation of strength only above Nifty's only above its intermediate high at 15157 mark.

Establishing long positions advisable only if market breadth; indicating the overall health of the market stays positive for couple of days.

Please note, Nifty's 200DMA at 12127 mark. The price action for Nifty is suggesting that we are likely to see a 13,501- 15200 range in near term with negative bias.

So, if our stock markets attempt a steep, logic-confounding rally from here on then we recommend investors' should not overstay on any excessive bounce from here on.

Pullbacks quite likely on any excessive strength as near term months are likely to be troublesome and treacherous. Investors' will need to brace for volatility, volatility and volatility. The benchmark Nifty is likely witness waves of flare-ups, and then consolidation, followed by flare-ups and equally sharp down moves.

Bottom-line: Conventional wisdom suggests that dismal economic period is still far from over.

The most probable positive scenario could be that the benchmarks take a breather. This also sounds obvious as Nifty & Sensex are up around 98% from the March 2020 lows.

The other key catalysts on the horizon are:

The consensus view in the perma-bulls camp of investing world right now is the fact that central banks across the globe will use all their available policy options to limit the economic fallout on backdrop of COVID-19 pandemic. It appears that the Federal Reserves' has its foot so firmly on the economic gas pedal that stocks across globe cannot fall. Honestly speaking, the unprecedented stimulus from the Federal Reserve is driving a tremendous amount of money into equities, even as the economy was reeling.

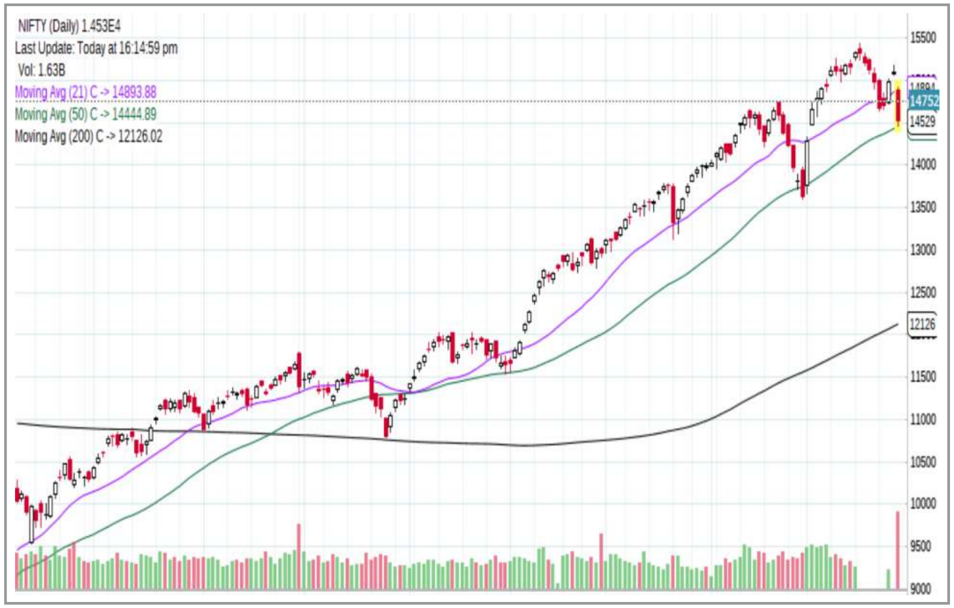
The latest good news from Washington is that the House passed President Biden's $1.9 trillion Covid-19 relief package —— sending the legislation to the Senate. Lawmakers are likely to alter the legislation before passing it in the Senate, meaning the House will then need to approve the amended bill before sending it to the president's desk. Democrats are racing to finish the package before March 14.

The five key positive catalysts for Dalal Street:

1. The December quarter GDP data indicates that India is out of recession with 0.4% Quarterly Growth: The Indian economy has exited recession after two consecutive quarters of de-growth as the gross domestic product (GDP) expanded by 0.4% in the three months ended December 2020 as against a contraction of 7.3% in the September quarter. India is among the few major economies to post growth in the last quarter of 2020.
2. India is on a recovery path with declining COVID-19 infections.
3. Western world is seeing a strong second wave of coronavirus infections.
4. GST collections on the rise since October 2020.
5. In the February month, the net foreign portfolio investments (FPI) into the Indian equities in February was Rs 25,787 crore. Liquidity continues to be the driving force. As per NSDL data, so far, in the financial year 2021-22, net FPIs into equities stood at Rs 2.63 lakh crore, the highest ever FPI inflow into the country.

Bullish looking stocks	Bearish looking stocks
COROMANDEL INTERNATIONAL, CDSL, JB CHEM, ALEMBIC PHARMA, SIS, TATA ELXSI, BALAJI AMINE, BIRLA CORPORATION, TATA STEEL, SAIL, BHEL, HINDALCO, RATNAMANI METALS, IDFC FIRST BANK, CANARA BANK, NMDC, NTPC, PNB, JUBILANT FOODS	APOLLO TYRES, INDIGO, ZEE ENTERTAINMENT, COAL INDIA, SUN TV, AXIS BANK, ASHOK LEYLAND, BHARAT FORGE, INDIGO, LIC HOUSING FINANCE, HAVELLS, PEL, ITC, EICHER MOTORS, RBL BANK, PVR.

Daily chart of Nifty:



It's unfortunate that Dalal Street's incredible 11-month bull run has most probably come to a crashing halt. The high-flying bull market might have its wings clipped. With uncertainty still high on the backdrop of rising U.S treasury yields it would be a good idea to keep a low profile on the buy side.

Nifty's downside risk at 14271/13596; hurdles at 14837/15207.

Preferred Trade on Nifty:	**CMP** 14529	Technically spoeaking, from a chartist standpoint, extremely overbought technical conditions still prevail despite the long term landscape remaining in a super-bullish mode with all investors' eye now at Nifty's next hurdles at 16000 mark. The price action for Nifty is suggesting that we are likely to see a 13,501- 15200 range in near term with negative bias. Please note, Nifty's 200DMA at 12127 mark. Confirmation of strength only above Nifty 15207. The ongoing panic buying and wisdom of the crowds suggests Dalal Street will take a pause on the buy side and the gyan mantra for aggressive traders is to sell on any strength. Sell between 14800-14900 zone. Targets at 14221-14271 zone and then aggressive targets at 13597 mark with stop at 15307.

The single-most conviction idea for March 2021.

Sell M&M FINANCIAL (CMP 204. Targets at 183):

Incorporated in the year 1991, Mahindra & Mahindra Financial Services is a Large Cap company and now having a market cap of Rs 25,767 Crore operating primarily in NBFC sector that provides asset finance and other financial products and services to buyers in rural and semi-urban markets.

Mahindra Finance began as a captive financier of Mahindra Utility Vehicles in the early 90s. From Mahindra UVs to tractors to non-Mahindra products, the company has diversified into a financial services provider with a whole suite of financial solutions tailored to the under-served customer in under-penetrated rural markets.

The firm's product portfolio consists of vehicle finance, which includes financing of passenger vehicles, utility vehicles, tractors, commercial vehicles, construction equipment; and pre-owned vehicles and SME finance, which includes project finance, equipment finance, working capital finance and bill discounting services to SMEs. The company also undertakes mutual fund distribution, fixed deposits and personal loans tailor-made to suit its unique customer set.

With over 33,000 employees, Mahindra Finance has a presence in every state in India and a footprint in 85% of its districts. It has a network of over network 1200 offices, serving customers in more than 3, 80,000 villages– that's one in every two villages in the country. And has assets under management (AUM) of over Rs. 81,000 crores.

The firm has recently witnessed a mixed quarter as its Net interest income remained largely flat (+0.9% YoY to Rs. 1,383cr), mainly impacted by de-growth in interest income Rs. 2,542cr (-1.5% YoY). The firm registered net loss of Rs. 274cr (vs. net profit of Rs. 365cr) owing to higher provisioning recorded by the company in Q3FY21. The firm intends to maintain NPA at ~4% levels, while coverage ratio would be around ~36% to bring stability in coming quarters.

The biggest negative catalyst are the asset quality which are seen deteriorating sequentially and also competition also likely to intensify from major private banks in car financing, especially in the in rural areas, which is typically serviced by the NBFCs.

The street will also spy with one big eye on the uncertainty evolving around Indian economy amidst general concerns about the 2nd wave of Covid-19 outbreak and fears of volume losses on backdrop of renewed lockdown are likely to dent on sentiments

We believe, in near term, the stock is likely to underperform on the bourses primarily on backdrop of concerns on macros; hence, we initiate a 'SELL'. Technically, M&M Financial stock price pattern appears ugly at current levels.

Firstly, overbought technical conditions prevail on the daily charts on backdrop of a probable evening star pattern on the daily charts. The momentum oscillators are seen shifting in sell mode signaling further sharp corrective down move. The stock price is has already signaled a break down from a "higher consolidation zone" on the daily —— confirmation of the same below 191 mark. Aggressive downside risk below a 191 close is at psychological 150 mark.

The 200-DMA of the stock is around 145 levels.

Establishing short positions at CMP should be the preferred trading strategy, targeting 191/177.50 and then aggressive targets at 150-155 zone. Stop above 227.05. Holding Period: 1-2 Months.

Contact:

Khandwala Securities Limited

Head Office:

Vikas Building, Ground Floor, Green Street,
Fort, Mumbai - 400 023. India
Call : 022-40767373

DISCLAIMER: This is solely for information of clients of Khandwala Securities Limited and does not construe to be an investment advice. It is also not intended as an offer or solicitation for the purchase and sale of any financial instruments. Any action taken by you on the basis of the information contained herein is your responsibility alone and Khandwala Securities Limited, its subsidiaries or its employees or associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained in this recommendation, but Khandwala Securities Limited or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this recommendation or any action taken on basis of this information.

Technical analysis studies market psychology, price patterns and volume levels. It is used to forecast future price and market movements. Technical analysis is complementary to fundamental analysis and news sources. The recommendations issued herewith might be contrary to recommendations issued by Khandwala Securities Limited in the company research undertaken as the recommendations stated in this report is derived purely from technical analysis. Khandwala Securities Limited has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; Khandwala Securities Limited makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The opinions contained within the report are based upon publicly available information at the time of publication and are subject to change without notice. The information and any disclosures provided herein are in summary form and have been prepared for informational purposes. The recommendations and suggested price levels are intended purely for trading purposes. The recommendations are valid for the day of the report however trading trends and volumes might vary substantially on an intraday basis and the recommendations may be subject to change. The information and any disclosures provided herein may be considered confidential. Any use, distribution, modification, copying, forwarding or disclosure by any person is strictly prohibited. The information and any disclosures provided herein do not constitute a solicitation or offer to purchase or sell any security or other financial product or instrument. The current performance may be unaudited. Past performance does not guarantee future returns. There can be no assurance that investments will achieve any targeted rates of return, and there is no guarantee against the loss of your entire investment.

POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)
Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.