

FRIDAY, 20-03-2020

BENCHMARK INDICES

NIFTY FUTURE INDEX

Nifty today closed at 8211.05 Down -222.65 points or -2.64 percent. Threat of economic fallout emanating from pandemic Corona virus (Covid-19) continued to weigh on investor sentiment. Worries about a case of community spread of the virus, investors fear further impact from Covid-19 and preferred cash instead of investments. All asset classes are seeing downward pressure. In intra-day deals, the benchmarks fell almost 7 percent in early morning deals but later recovered almost 10 percent. However, the indices fell again in later half of the trade to end 2 percent lower. FIIs have also been net sellers to the tune of Rs 40,000 crore this month, further putting pressure on the markets. However, pockets of value buying in quality stocks were seen during the session. Moreover, statements by global brokerages Morgan Stanley and Goldman Sachs that the corona virus has triggered a global recession spooked investors further. The Indian rupee is trading lower but off record low of 75.15 per dollar, amid volatile trade seen in the domestic equity market. It is trading lower by 82 paise at 75.08 per dollar against previous close 74.26. All sectors were also in the red with Nifty Auto declining the most, down 5.8 percent. Nifty Metal also shed 5.3 percent, while Nifty Realty lost 3.5 percent. Nifty IT fell 3 percent for the day and Nifty Bank was down 2.6 percent. Global markers were ravaged, with MSCI's broadest index of Asia-Pacific shares outside Japan falling 5 percent to a four-year low even as policymakers in Europe, the United States and Australia launched stimulus measures.



BANKNIFTY FUTURE INDEX

Bank nifty today closed at 19960.00 Down -557.95 or -2.72 per cent . The troubles for Rs 166 lakh crore banking sector are far from over. A few months ago when bank non- performing assets (NPAs) declined from its peak of over 10 per cent of the advances and profitability returned, the telecom AGR (adjusted gross revenue) liability and the Yes Bank debacle hit them hard both in terms of sentiment and loss in market valuations. The Covid-19 pandemic was like a bold from the blue. Over the last seven years, the banks had braved the first of its kind balance sheet clean up with RBI's asset quality review for stressed loans. The private sector lender has got support from its largest investor State Bank of India (SBI), which holds 48.21 per cent stake in the bank. SBI alone has invested Rs 6,050 crore into the bank. ICICI Bank and HDFC (Rs 1,000 crore each), Axis Bank (Rs 600 crore), Kotak Mahindra Bank (Rs 500 crore), Bandhan Bank and Federal Bank (Rs 300 crore each) and IDFC First (Rs 250 crore) have invested in Yes Bank. Asian markets traded lower in Thursday's session as fears over the economic impact of corona virus pandemic continued to weigh on equity markets. South Korea's KOSPI led the losses with a drop of 8 per cent. Hong Kong's Hang Seng index fell by 4 per cent and Japan's Nikkei erased early gains and to trade lower by 1 per cent. Initially, Asian markets climbed on the news but soon tumbled as investors contemplate months of economic hardship with countries around the world in lockdown to prevent the spread of COVID-19, which has now infected more than 200,000 people and killed almost 9,000. Bajaj Finance was the top loser, down 10 per cent, followed by Axis Bank, M&M, Maruti and Tech Mahindra. On the contrary, ITC, top Sensex gainer, rose nearly 7 per cent to re-enter the list of top 10 most valued companies. Bharti Airtel, Infosys, HDFC Bank and Kotak Bank were among gainers on index.



INTRADAY DERIVATIVES STOCK RECOMMENDATION

STRATEGY

HDFCBNK - UPSIDE TARGET

**BUY HDFCBNK AT 912 TARGET 920 ,
STOPLOSS 904**

TRAND IS UP AND MARKET ENDS
WITH BULISH Enthusiasm.

Intraday levels

We expect prices to trade at 912 and
price is expected to Rise up to 920



STRATEGY

INDUSLNBK - DOWNSIDE TARGET

**SELL INDUSLNBK AT 430 TARGET
420 STOPLOSS - 440**

TRAND IS DOWNTREND AND MARKT
ENDS WITH OVER BEARISHNESS .

Intraday levels

We expect prices to trade AT 430 and
price is expected to fall up to 420



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