



Market Cues

Indian markets are likely to open flat tracking global indices and SGX Nifty.

U.S. stocks moved mostly higher during trading on Monday, although the tech-heavy Nasdaq bucked the uptrend. The advance on the day lifted the Dow back within striking distance of last month's record highs. The Dow climbed 0.7 percent to 34,113 while the Nasdaq fell 0.5 percent to 13,895.

U.K. stocks rose on Friday amid economic optimism after data showed house prices in the country jumped at the fastest pace in 17 years. The benchmark FTSE 100 went up by 0.3 percent to 6,979.

Indian shares ended narrowly mixed on Monday after a sharp gap-down opening as the Supreme Court urged the Centre and states "to consider imposing a lockdown to break the chain in the interest of public welfare. The benchmark BSE Sensex dipped by 0.1 percent to 48,719.

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	-0.1	-64	48,719
Nifty 50	0.0	3	14,634
BSE MidCap	0.1	10	20,322
BSE SmallCap	1.6	341	22,011
BSE Bankex	-0.9	-335	36,970

Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	0.7	238	34,133
Nasdaq	-0.5	-68	13,895
FTSE	0.3	18	6,979
Nikkei	-0.8	-241	28,813
Hang Seng	-1.3	-367	28,358
Shang Com	-0.8	-28	3,447

Investor's Ready Reckoner

Key Domestic & Global Indicators

Stock Watch: Latest investment recommendations on 150+ stocks

Refer Pg7 onwards

Top Picks

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)
IDFC First Bank	Bank	Buy	54	77	42.6
Galaxy Surfactants	Chemicals	Accumulate	2,901	3,200	10.3
NRB Bearing	Auto	Buy	107	150	40.8
Escorts	Commercial Veh	Buy	1,126	1,573	39.7

More Top Picks on Pg3

Advances / Declines	BSE	NSE
Advances	1,779	1,166
Declines	1,258	786
Unchanged	177	106

Volumes (₹ Cr)

BSE	4,691
NSE	70,886

Net Inflows (₹ Cr)	Net	Mtd	Ytd
FII	3,307	22,020	36,837
*MFs	-1,118	-5,678	-18,659

Top Gainers	Price (₹)	Chg (%)
BAJAJHIND	9	19.9
BALRAMCHIN	324	16.3
DALMIASUG	297	17.3
DHAMPURSUG	272	19.6
EIDPARRY	404	16.7

Top Losers	Price (₹)	Chg (%)
TITAN	1,424	-4.6
CANFINHOME	547	-5.5
JKPAPER	134	-4.3
IIFL	254	-4.9
YESBANK	14	-4.4

As on May 03, 2021



Corporate News

- JSW Energy signs PPA for 540 MW of wind power projects
- RBI imposes Rs 3 cr fine on ICICI Bank for violating certain rules
- SBI Life profit nearly flat in Q4, net premium income jumps to Rs 15,556 cr



Top Picks

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
IDFC First Bank	33,479	54	77	42.6	We believe efforts to built liability franchise, fresh capital infusion and provision taken on wholesale book will help to tide over this difficult time. The IDFC First Bank is trading (0.7 x FY22ABV) at a significant discount to historical average valuations.
Galaxy Surfactants	10,286	2,901	3,200	10.3	Galaxy Surfactants is a market leader in oleo chemical-based surfactants, which is used in personal and home care products. The company has been increasing its share of high margin specialty care products in it's portfolio which now accounts for ~ 40% of it's revenues while the balance is accounted for by the performance surfactant business. The company has a very strong relationship with MNC clients like Unilever, P&G, Henkel, Colgate-Palmolive and supplies raw materials to them not only in India but also in US, EU and MENA region.
NRB Bearings	1,033	107	150	40.8	NRB is one of the leading suppliers of bearings to Auto companies. The company supplies bearings to two wheelers, PV, CV, Three wheelers and tractors OEMs and has a wide customer base. The company has also been focusing on exports markets in order to diversify its revenue base.
Escorts Ltd	15,180	1,126	1,573	39.7	Escorts is a prominent tractor player domestically with market share in excess of 11%. With rural India relatively less impacted due to Covid-19, record food-grain procurement by government agencies as well as better than expected Kharif crop in 2020, we expect the tractor industry will continue to outperform the larger automobile space in FY21. The company has also reported a strong growth of 25.7% YoY in Q3FY21 which is expected to continue into the fourth quarter driven by strong demand.
Federal Bank	15,930	80	110	37.8	Federal bank is one of India's largest old generation private sector banks with total assets of Rs. 1.9 lakh cr. with deposits of Rs. 1.56 lakh cr. and a loan book of Rs. 1.2 lakh cr in F21. NPA's have remained steady for the bank over the past few years with GNPA for Q3FY21 at 3.38% while NNPA ratio stood at 1.14%. PCR at the end of Q3FY21 stood at ~67% which we believe is adequate. Restructuring book is expected to be at Rs. 1,500-1,600 crore out of which Rs. 1,067 crore has already been restructured. This is against earlier expectations of total restructuring of Rs. 3,000-3,500 crore
Carborundum Universal	10,885	574	660	15.0	Carborundum Universal (CUMI) is part of the Murugappa group and is a leading manufacturer of abrasives, industrial ceramics, refractories, and electro minerals in India having application across diversified user industries. The company is expected to benefit from improving demand scenarios across its end user industries such as auto, auto components, engineering and others. While demand from the Auto sector has been robust we expect demand from metal industry pick up, given increased economic activity.



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Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
Shriram City Union	10,025	1,519	1,800	18.5	Shriram City Union Finance is part of the Shriram group and is in the high margin business of lending to small businesses, which account for 57.3% of the loan book as of end FY20. It reported a strong 50% sequential growth in disbursement for the quarter which led to a 3.7% qoq growth in AUM to ~ Rs. 28,500 crore. We are positive on the company as we believe that the worst is over in terms of asset quality, which along with growth momentum should lead to a rerating for the company.
GNA Axles	802	374	500	33.8	GNA Axles is one of the leading suppliers of rear axles to the Auto industry. GNA is expected to be one of the biggest beneficiaries of strong growth outlook for truck sales in US and Europe markets which are witnessing strong recovery in demand. US which accounts for almost 40% of the company's revenues has been registering strong class 8 truck sales. At current level the stock is trading at a P/E multiple of 9x FY23E, given inexpensive valuations we believe that the stock offers value at current levels.
PVR	6,915	1,138	1,800	58.2	PVR is the largest multiplex chain in India with 800+ screens across India and multiplex screens are gaining ground at the expense of single screen. Share prices have corrected significantly as most of the theaters are operating at very low capacity utilization due to the lack of major releases due to the Covid-19 crisis. However, with a significant decrease in Covid-19 cases over the past few months we believe that it's a matter of time before we see new releases by production houses post April 2021 which should lead to significant increase in business for the companies.
Cromptongreaves Consumer Electricals	23,619	376	480	27.6	CGCEL is of India's leading fast moving electrical goods (FMEG) company with a strong presence in the fan and residential pump category. The company is leveraging its strong distribution network to expand into other product categories like water pump, lightings and small appliances fan business up from 14% in FY17 and is expected to improve further. Moreover the company has posted a strong set of numbers for Q3FY21 with revenue growing by 25.8% YoY to Rs. 1348 crore. PBT for the quarter was up by 45.6% yoy at Rs. 202.5 crore.
Ashok Leyland	32,849	112	145	29.6	Ashok Leyland Ltd (ALL) is one of the leading players in Indian CV industry with a 32% market share in the MHCV segment and has strong presence in LCV segment also. While demand for the LCV segment has been growing smartly post the pandemic, demand for the MHCV segment has also started to recover over the past few months. We believe that the company is ideally placed to capture the growth revival in the CV segment and will be the biggest beneficiary of the Government's voluntary scrappage policy and hence rate the stock a BUY.
Apollo Hospitals	46,045	3,202	3,700	15.6	Apollo hospitals engage in the business of providing healthcare Service, Apollo hospitals is the largest private healthcare company in India. Company having 44 owned hospitals with Operational beds of 7500+. We expect the company to report very strong revenue growth in upcoming quarters as higher occupancy due to covid 2nd wave in India, we expect this quarter to report vacancy levels of more than 75% along with that We expect pharmacy growth and LOS to increase further. Company having capacity of 10300+ beds out of which 7500 beds are operational only, we expect these beds to come in operation soon and start contributing in revenue along with this company is not looking for any brown field expansion in upcoming years.

