



Market Cues

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

The US stocks moved mostly higher during trading on Tuesday, although the Dow gave back early gains to end the session nearly unchanged. The broader Nasdaq and S&P 500 both closed firmly in positive territory. The Dow ended on a flat note to 27,995 while the Nasdaq jumped 133.67 points or 1.2 percent to 11,190.

UK stocks started off on a cautious note Tuesday morning, but kept edging higher and higher as the day progressed to eventually end the session on a firm note. The FTSE 100 rose by 1.3 percent to 6,105.

On domestic front, the Indian stock market opened on a bright note Tuesday morning, tracking cues from Wall Street where stocks rose sharply overnight thanks to a rally in technology stocks and positive news about potential coronavirus vaccines. The benchmark BSE Sensex was up by 0.7 percent to 39,044.

News Analysis

- Aurobindo gears up for multiple Covid-19 vaccines, ties up with CSIR

Detailed analysis on Pg2

Investor's Ready Reckoner

Key Domestic & Global Indicators

Stock Watch: Latest investment recommendations on 150+ stocks

Pg7 onwards

Top Picks

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)
Persistent Systems	Others	Accumulate	1,154	1,276	10.5
IDFC First Bank	Bank	Buy	31	36	15.9
Hind. Aeronautics	Defence	Buy	834	1,125	34.9
Endurance Tech	Others	Buy	1,149	1,297	12.9

More Top Picks on Pg3

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	0.7	287	39,044
Nifty	0.7	82	11,521
Mid Cap	0.8	127	15,014
Small Cap	1.4	219	15,363
Bankex	1.7	434	25,541

Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	0	2	27,995
Nasdaq	1.2	134	11,190
FTSE	1.3	80	6,105
Nikkei	(0.4)	(105)	23,455
Hang Seng	0.4	93	24,732
Shanghai Com	0.6	18	3,295

Advances / Declines	BSE	NSE
Advances	1,544	1,105
Declines	1,194	768
Unchanged	174	89

Volumes (₹ Cr)	
BSE	2,750
NSE	53,882

Net Inflows (₹ Cr)	Net	Mtd	Ytd
FII	(157)	(1,113)	31,217
*MFs	(640)	(2,928)	7,971

Top Gainers	Price (₹)	Chg (%)
IDFC	34	14.7
AEGISLOG	248	10.4
IFBIND	641	10.3
VINATORGA	1,193	9.5
TRENT	751	8.1

Top Losers	Price (₹)	Chg (%)
BLUEDART	2,780	-7.3
TAKE	47	-6.7
CENTURYTEX	363	-3.6
PRESTIGE	255	-3.6
PVR	1,265	-3.4

As on Sep 15, 2020



News Analysis

Aurobindo gears up for multiple Covid-19 vaccines, ties up with CSIR

Hyderabad-based Aurobindo Pharmaceuticals is gearing up to develop and manufacture multiple Covid-19 vaccine candidates. It has taken help from the Department of Biotechnology (DBT) for its own vaccine candidate and has also tied up with the Council of Scientific and Industrial Research (CSIR) for the multiple vaccine candidates the latter is developing. Biotechnology Industry Research Assistance Council (BIRAC), a not-for-profit enterprise set up by the DBT, has facilitated the establishment of the r-VSV vaccine manufacturing platform for Aurobindo. The company is developing a Sars-Cov-2 vaccine through its wholly-owned US-based subsidiary Auro Vaccines based on its proprietary replication-competent attenuated (weakened) recombinant vesicular stomatitis (VSV, VesiculoVax) vaccine delivery platform, the company said. To put in simple words, the vaccine technology uses a VSV or vesicular stomatitis virus that has been genetically engineered. Similar technology was used to develop Ebola vaccine.

Economic and Political News

- Retail prices of tomatoes, onions, potatoes rise due to supply disruptions
- Govt aims to enhance digital economy's contribution to 20% of GDP in 5 yrs
- Karnataka govt to resume iron ore mining at Donimalai after 2 years
- August exports shrink 12.6%, trade deficit hits 4-month high of \$6.77 bn

Corporate News

- Blackstone, Partners Group Holding in race to acquire Piramal Glass
- IRB Infra arm inks pact with NHAI for Vadodara-Mumbai Expressway stretch
- Adani, GMR among 20 firms keen on rebuilding New Delhi railway station



Top Picks

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
Reliance Ind.	15,19,123	2,302	2,543	10.5	Reliance Industries Ltd. (RIL) is India's largest company with a dominant presence in Refining, Petrochemicals, Telecom and Retail businesses. Telecom business to witness robust growth over next few years due to tariff hikes and shift of subscribers from Vodafone Idea to other telecom players.
Swaraj Engine	1,965	1,620	1,891	16.8	Swaraj Engines is engaged in the business of manufacturing diesel engines and hi-tech engine components. Diesel Engines are specifically designed for tractor application. Going forward, we expect recovery in the tractor industry (due to robust Rabi crop production, hike in MSP & the forecast of a normal monsoon) will benefit players like Swaraj Engines.
IDFC First Bank	17,613	31	36	15.9	We believe efforts to build 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.
Endurance Tech.	16,158	1,149	1,297	12.9	Post Covid19, evolving consumer preference for lower ticket priced means of private transport amid pressurized incomes & awareness around social distancing are expected to act as tailwinds for domestic 2-Ws in India, 4-Ws across developed nations.
Persistent Systems	8,822	1,154	1,276	10.5	Company has won a large deal during the quarter which will ramp up over the next few quarters. We expect the company to post revenue/EBITDA/PAT growth of 11.6%/21.4%/19.7% between FY20-FY22 given negligible impact of Covid-19 on FY21 numbers strong deal wins, ramp up of existing projects along with margins expansion.
Zensar Technologies	4,068	180	204	13.1	Company was adversely impacted in FY2020 due to ramp down in the retail and consumer group segment. However Company has won deals worth USD 150mn during the quarter and management has said that the deal pipeline is very strong at USD 1.5bn as compared to USD 1.0bn a quarter ago. We expect the company to post revenue/EBITDA/PAT growth of 4.5%/17.8%/19.7% between FY20-FY22 given that the worst is over for the company in terms of client ramp downs.
JK Lakshmi Cement	3,185	271	328	21.2	JK Lakshmi is predominantly a north India cement company with capacity of 13.3 Mn Mt. Currently, north India is favorable location for the cement industry as it is consolidated to a large extent as well as demand and supply outlook is better compared to other locations. It is also trading at a significant discount compared to other north based cement companies
Cholamandalam Inv & Fin Comp	19,031	232	280	20.6	The Cholaman.Inv.&Fn has diversified product mix which helps them to capture growth in tractor and 2 W segment. Adequate capital adequacy (20%+) and declined trend in Cost of fund and strong parentage provide comfort.



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Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
Hawkins Cooker	2,686	5,078	5,682	11.9	Gaining market share with peer, strong demand post Covid-19 and increase in penetration of cooking gas to drive higher growth.
VIP Industries	4,574	324	348	7.5	Market leader (~50%+ share) with strong brand and wide distribution network. Recent correction provides investment opportunity in high quality stock from long term perspective
Chalet Hotels	3,177	155	200	29.1	Company has posted strong sequential revpar growth in July. Future improvement is expected over next few months led by increased occupancy
Metropolis Healthcare	9,790	1,922	2,156	12.2	We are positive on the company given expected long term growth rates of ~15% CAGR. Stable margins profile and moderating competitive intensity
Inox Leisure	3,014	293	350	19.5	Share prices have corrected more than 40% as all theatres are closed down due to covid-19 issue. Although, long term fundamentals are intact. Covid-19 can lead to further consolidation in the industry
Hind. Aeronautics	27,881	834	1,125	34.9	HAL is one of the premier defense PSU in India along with BRL and has over the years showcased research. Currently the company has an order backlog of ~Rs. 52,000 cr which is expected increase substantially over the next few years as the company is likely to get many new orders.