

MSEARCH

MORNING NEWSLETTER

Dated: 10 June 2019

Indices	CMP	%1D
Sensex	39616	0.22
Nifty	11871	0.23
BSE-Midcap	14906	-0.17
BSE-Smallcap	14657	-0.11
SGX Nifty	11959	0.52

Market Outlook

Indian markets indicates for a possible positive opening and consolidate in coming weeks in the range of 11700 and 12000. Asian markets are buoyant today on the back of positive close by the markets stateside. Trump announced last Friday that the U.S. and Mexico reached a deal to avoid the implementation of tariffs, originally set to kick in on Monday. Meanwhile, a drastic slowdown for U.S. jobs creation in May increased the odds that the country would go on an easier monetary policy. Technically markets have formed a small bullish candle which resembles a Doji on daily charts with key support level placed near 11794 and 11717 and if the index starts moving upward key resistance levels to watch out are 11922 and 11973.

Index	FY18	FY19E	FY20E
Sensex EPS	1327	1898	2078
P/E	27	19	17
Nifty EPS	445	601	649
P/E	24	18	17

Top Domestic News

- State Bank of India: Bank to introduce repo rate-linked home loans from July 1.
- HDFC Bank: Bank keeps MCLR unchanged in the range of 8.30-8.95 percent.
- Bharat Forge: Company is in joint venture with Germany's Refu Electronik, to hold 50 percent stake.
- Mindtree: L&T brings in open offer to acquire up to 5.13 crore shares in Mindtree, at Rs 980 per share. Open offer to open on June 17 & close on June 28.
- M&M: The company as part of aligning its production with sales requirements, would be observing 'No Production Days' ranging between 5-13 days in various plants of the Company and MVML during the first quarter of the financial year 2019-2020.
- Kotak Mahindra Bank: The Reserve Bank of India has levied a penalty of Rs 2 crore on the bank.
- Zodiac Clothing: ICRA revised the short term rating for Rs 80 crore Line of Credit to A2 from A2+.
- TVS Motor: Company becomes the official sponsor for the Bangladesh National Football team.
- Andhra Petrochemicals: ICRA upgraded its long-term rating from BBB to BBB+ and short term rating from A3+ to A2 assigned earlier to the Rs 94.18 crore Line of Credit of company. The outlook on the long-term rating has been retained at positive. Short term rating was revised from A3+ to A2.
- Xchanging Solutions: Promoter Xchanging Technology Services India to sell 87.99 lakh shares of the company via offer for sale on June 10-11, with an option to additionally sell 87.99 lakh shares. Floor price fixed at Rs 45 per share.
- Tata Power: CRISIL reaffirmed the company's long term AA – (Stable) and short term rating to A1+ post clearance of all dues.
- Zee Entertainment Enterprises: Upon a rating review by Brickwork Ratings India Pvt Ltd, the credit rating of 6% cumulative redeemable non-convertible preference shares, issued by the company as bonus to its equity shareholders in 2014, has been placed on 'AA (Credit Watch with Negative Implications), from AAA (Credit Watch with Developing Implications)'.
SREI Infrastructure Finance: Company and PFS join hands to facilitate financing in the energy value chain.
- Union Quality Plastics: Fire accident occurred on June 4 at Umbergaon manufacturing facility.
- KPR Mill: Buyback committee has fixed the record date as June 19 for buyback of equity shares of the company.

Global Indices	Current Value	%1D
DowJones	25,984	1.02
Nasdaq	7,742	1.66
DAX	12,045	0.77
Nikkei 225	21,127	1.16
FTSE 100	7,332	0.99
Hang Seng	27,504	2.00
Shanghai	2,833	0.17
Straits Times	3,191	0.78

Trading activity in cash Rs Cr				
Date	7 June	Net	MTD	FY20
FII		-479	1400	12137
DII		180	-895	-186

Forex Rate		
USD/INR	69.32	-0.17%
EUR/INR	77.82	0.32%
GBP/INR	87.87	0.20%
JPY/INR	64.12	-0.03%

Corporate Action		
Stock Name	Purpose	Ex Date
IMPAL	Interim Div Rs. 10	10-Jun
JUMPNET	Interim Div Rs. 0.01	10-Jun
EXCELCROP	Interim Div Rs. 6.25	11-Jun
SOTL	Buy Back Of shares	11-Jun

Global News

Wall Street's major indexes charged higher on Friday, as sharply slowing US job growth boosted hopes for Federal Reserve interest rate cuts while optimism about potential progress in US trade fights with China and Mexico added to risk appetites. The Dow Jones Industrial Average rose 263.28 points, or 1.02%, to 25,983.94, the S&P 500 gained 29.85 points, or 1.05%, to 2,873.34 and the Nasdaq Composite added 126.55 points, or 1.66%, to 7,742.10. Asian shares rose on Monday after the United States dropped its threat to impose tariffs on Mexico in a deal to combat illegal migration from Central America, while weak US jobs data raised hopes for US interest rate cuts. Japan's Nikkei gained 1.2 percent and South Korea's Kospi rose 0.55 percent while Australian markets were closed for a holiday, with MSCI's index of Asia-Pacific shares outside Japan almost flat.

G-Sec Yield	Price	Change%
1yr Bond Yield	6.14	-0.16%
10yr Bond Yield	6.97	0.58%

Results Calender	10-Jun-19
NIL	

F&O Ban List
DHFL, IDBI, PCJEWELLER

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Technical View

NIFTY



The eventful week was followed by a head start on Monday as we once again started our march towards the 12000 mark. During the week, we did manage to reclaim this milestone but somehow unable to sustain at higher levels. In fact on Friday, everything looked hunky dory and we were all set to hit fresh record highs. But suddenly from nowhere, top index heavyweights took a complete nosedive and within a blink of an eye, we were nearly 200 point off in Nifty. Fortunately, this selling was absorbed by buyers awaiting at lower levels and hence, a recovery thereafter pushed index above 11900 to register a highest ever weekly close. During the week, we clearly witnessed a consolidation and this is quite evident as the overall uncertainty is behind us post the favorable election verdict. In fact, it's a typical characteristic of a market, which never gives easy money when the trade becomes obvious and is known for giving sharper moves when they are least expected. Now as far as levels are concerned, 11600-11500 has become a near term base and for the forthcoming week, 11840 can be seen as a sacrosanct level. Till the time, we are above these levels, the bias remains positive and we expect a gradual march towards 12050-12200. However having said that one needs to be very fussy now while selecting a stock as we saw on Friday, we cannot just become complacent; because in between we may experience such reality check. During the week, the IT index had an encouraging move after recent under-performance. In fact, it was the only heavyweight pocket who could post steady gains throughout the week. Apart from this, there is nothing much to comment on the sectoral front and hence, we need to closely observe how individual pockets perform in first couple of days of the forthcoming week, which would give some idea about potential movers.



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