

# MSEARCH

## MORNING NEWSLETTER

Dated: 22 May 2019

| Indices      | CMP   | %1D   |
|--------------|-------|-------|
| Sensex       | 38970 | -0.97 |
| Nifty        | 11709 | -1.01 |
| BSE-Midcap   | 14695 | -0.84 |
| BSE-Smallcap | 14293 | -0.61 |
| SGX Nifty    | 11751 | 0.21  |

### Market Outlook

Indian markets indicates for a possible Flat opening today and expect volatility a day before the Election verdict keeping markets on check. On overall short term basis Market is expected to be stable and continuity of FII inflow are keeping the markets positive. Globally Asian markets are trading subdued and cautiously as trade tensions continued to linger between the U.S. and China. Domestic markets were under pressure as Nifty index witnessed selling pressure some sort of profit attempts after big 3 days rally. While FII are in net inflows which give support for markets to cover support. Technically the key support level is placed at 11,633, followed by 11,557. If the index starts moving upward, key resistance levels to watch out are 11,834 and 11,959.

| 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

- Tech Mahindra Q4: Net profit down 6.6% at Rs 1,132.5 crore against Rs 1,206.8 crore, revenue down at Rs 8,892.3 crore versus Rs 8,943.7 crore, QoQ
- DLF Q4: Net profit up 78.7% at Rs 434.8 crore versus Rs 243.3 crore, revenue up 81.5% at Rs 2,500.4 crore versus Rs 1,377.7 crore, YoY
- JB Chemicals Q4: Net profit up 91.4% at Rs 42 crore versus Rs 22 crore, revenue up 19% at Rs 379 crore versus Rs 318.4 crore, YoY
- Triveni Engg Q4: Net profit at Rs 92.5 crore versus loss of Rs 109.5 crore, revenue up 16.3% at Rs 854.3 crore against Rs 734.3 crore, YoY
- Subros Q4: Net profit up 25.7% at Rs 76 crore, revenue up 7.9% at Rs 2,124.4 crore
- JSPL Q4: Net loss at Rs 2,713 crore versus loss of Rs 426 crore, revenue up 18% at Rs 10,159 crore versus Rs 8,599 crore, YoY
- KEI Industries Q4: Net profit up 21% at Rs 60 crore versus Rs 49.5 crore, revenue up 22.2% at Rs 1,258.7 crore versus Rs 1,030.4 crore, YoY
- Aarti Industries Q4: Net profit up 46.9% at Rs 124 crore versus Rs 84.7 crore, revenue up 17.7% at Rs 1,211.4 crore versus Rs 1,029.3 crore, YoY
- Crompton Greaves Consumer Q4: Net profit up 37.3% at Rs 141.7 crore versus Rs 103.2 crore, revenue up 7.2% at Rs 1,206.9 crore versus Rs 1,126.3 crore, YoY
- Somany Ceramics Q4: Net profit down 15.7% at Rs 19.8 crore versus Rs 23.5 crore, revenue down 2.2% at Rs 515 crore versus Rs 526.7 crore, YoY
- Arthur J. Gallagher & Co. to acquire minority stake in Edelweiss Insurance Brokers, a wholly owned subsidiary of Edelweiss Financial Services
- Infosys Finacle and Global Treasure Bank announced the successful implementation of the Finacle Core Banking solution at the Bank
- ICRA downgrades IDFC First Bank long-term rating to 'AA'
- Acuite Ratings & Research reaffirmed A1+ rating to the commercial papers of the Future Enterprises and AA/Stable to the NCDs
- Alkali Metals received an Establishment Inspection Report (EIR) from United States Food and Drug Administration (US FDA) for its Visakhapatnam Unit in Andhra Pradesh.
- Sintex Plastic approved to explore the sale of Auto Division of Sintex-BAPL, the wholly owned material subsidiary

| Global Indices | Current Value | %1D   |
|----------------|---------------|-------|
| DowJones       | 25,877        | 0.77  |
| Nasdaq         | 7,786         | 1.08  |
| DAX            | 12,143        | 0.85  |
| Nikkei 225     | 21,349        | 0.36  |
| FTSE 100       | 7,329         | 0.25  |
| Hang Seng      | 27,806        | 0.54  |
| Shanghai       | 2,902         | -0.15 |
| Straits Times  | 3,195         | 0.36  |

| Trading activity in cash Rs Cr |        |       |      |      |
|--------------------------------|--------|-------|------|------|
| Date                           | 21 May | Net   | MTD  | FY20 |
| FII                            | 1185   | -6501 | 6248 |      |
| DII                            | -1090  | 7239  | 3016 |      |

| Forex Rate |       |        |
|------------|-------|--------|
| USD/INR    | 69.55 | -0.88% |
| EUR/INR    | 77.57 | -1.11% |
| GBP/INR    | 88.54 | -1.32% |
| JPY/INR    | 63.14 | -1.39% |

| Corporate Action |                      |         |
|------------------|----------------------|---------|
| Stock Name       | Purpose              | Ex Date |
| FRONTSEC         | Buy Back of Shares   | 23-May  |
| KENNAMET         | Interim Div Rs. 2.0  | 24-May  |
| DBCORP           | Interim Div Rs. 8.0  | 27-May  |
| MANAPPURAM       | Interim Div Rs. 0.55 | 27-May  |

### Global News

Shares of technology companies helped lift Wall Street on Tuesday after the United States temporarily eased curbs on China's Huawei Technologies Co Ltd, alleviating investor concerns about pressure on future corporate results in the sector. The Dow Jones Industrial Average rose 197.43 points, or 0.77 percent, to 25,877.33, the S&P 500 gained 24.13 points, or 0.85 percent, to 2,864.36 and the Nasdaq Composite added 83.35 points, or 1.08 percent, to 7,785.72. Asian stocks were on shaky ground on Wednesday, as earlier relief over Washington's temporary relaxation of curbs against China's Huawei Technologies failed to offset deeper worries about trade frictions between the world's two largest economies. MSCI's broadest index of Asia-Pacific shares outside Japan initially edged up following gains on Wall Street but was last down 0.15 percent. Australian stocks slipped 0.25 percent, South Korea's KOSPI fell 0.45 percent and Japan's Nikkei edged up 0.05 percent.

| G-Sec Yield     | Price | Change% |
|-----------------|-------|---------|
| 1yr Bond Yield  | 6.41  | -0.06%  |
| 10yr Bond Yield | 7.30  | 0.04%   |

| Results Calender  | 22-May-19 |
|---|-----------|
| ALLCARGO, ASAHIINDIA, BAJAJHIND, BALAJITELE, BANKBARODA, CANBK, CAPPL, CENTRALBK, CIPLA, CUMMINSIND, FCONSUMER, GET&D, ICIL, IND NIPPON, INDUSINDBK, ITDCM, JINDALSAW, JKLAKSHMI, POWERMECH, Q UESS, RAMCOCEM, REDINGTON, SHK, SYMPHONY, WPIL |           |

| F&O Ban List                             |
|--|
| ADANIPOWER, IDBI, JETAIRWAYS, RELCAPITAL |

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**Technical View**

**NIFTY**

NIFTY 50



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The Nifty has managed to reverse from the 61.8% retracement of the recent up move and due to this, on weekly chart, '20-EMA' has been successfully defended on a closing basis. Going ahead, 11600 – 11800 these are the levels to watch out for in the upward direction and on the lower side, 11286 – 11050. The major trend will get confirmed only after Nifty giving a decisive breakout from the broader range of 11800 – 11050. But if we just have to guess on one possible direction, looking at current chart structure, we would remain hopeful as long as 'Multi-Month Trend Line' support of 11050 – 10900 remain unbroken on a sustainable basis. Below this, no brainer, we may see sharp declines and on the other hand, a move beyond the higher end would resume the broader degree up trend. Going by our recent articles, traders need to remain a bit light on positions and one should rather look to accumulate marquee propositions in a staggered manner. We would like to highlight one notable observation, the 'midcap index' which has not participated in last one and half a year, seems to be in a final stage of its price-wise as well time wise correction. So in case of favourable outcome, we expect midcap stocks to attract traders' attention.



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