

# MSEARCH

## MORNING NEWSLETTER

Dated: 3 June 2019

Indices	CMP	%1D
Sensex	39714	-0.30
Nifty	11923	-0.19
BSE-Midcap	15096	0.23
BSE-Smallcap	14867	-0.65
SGX Nifty	11968	0.36

### Market Outlook

Indian markets indicates for a possible flat rangebound session in coming session as traders will closely watch RBI monetary policy event scheduled on June 6, which would be first meet under new Govt. US stock futures and global stock markets, including shares of Asian and European automakers, tumbled Friday after President Donald Trump said the United States will impose a 5% tariff on all Mexican imports. Back to domestic markets technically bearish potential remains intact unless the hurdle zone of 12000-12042 gets on closing basis with today's key support levels placed near 11821 and 11720. If the index start moving upward key resistance level to watch near 12031 and 12140.

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

- Eicher Motors: Company's JV with Volvo Group, VE Commercial Vehicle sold 870 units in May 2019, down 37.6 percent against 1,395 units sold in the same month last year.
- Escorts: Agri machinery segment sold 6,827 tractors in May, down by 18 percent against 8,325 tractors sold in May 2018. Domestic tractor sales down 19.8 percent to 6,488 tractors and exports grow 42.4 percent to 339 tractors YoY.
- Atul Auto: Company sold 3,464 vehicles in May 2019, lower by 13 percent against 3,983 vehicles sold in May 2018.
- SML Isuzu: Company sold 1,689 vehicles in May, higher by 17 percent over 1,442 vehicles sold in same month last year.
- Dilip Buildcon: Company executed an EPC agreement with the National Highways Authority of India for Saoner-Dhapewada-Kalmeshwar-Gondkhairi, NH-547E, Package -II on EPC mode in Maharashtra.
- NTPC: Unit-1 of 800 MW of Gadawara Super Thermal Power Station (2 x 800 MW) has started its commercial operation. With this, the commercial capacity of Gadawara Super Thermal Power Station, NTPC and NTPC group has become 800 MW, 46,525 MW and 54,326 MW, respectively.
- Tata Steel BSL: NCLT approved the resolution plan submitted by Tata Steel for acquiring the controlling stake in Bhushan Energy (BEL).
- Vaibhav Global: Company approved proposal to buyback 7.2 lakh fully paid-up equity shares, at a price up to Rs 1,000 per share, for an aggregate amount up to Rs 72 crore.
- NLC India: NLC India achieved yet another major milestone activity by lighting up the boiler of the second unit of the upcoming 2 x 500 MW lignite-fired Neyveli New Thermal Power Project (NNTPP).
- Biocon: Board fixed June 13 as the record date to determine eligible shareholders entitled to receive the bonus shares.
- Kwaliti Q4: Loss at Rs 497.55 crore versus profit Rs 1.29 crore; revenue falls to Rs 113.65 crore versus Rs 1,709 crore YoY.
- UltraTech Cement: Company is proposing to issue unsecured redeemable non-convertible debentures (NCDs) amounting to Rs 250 crore on private placement basis.
- NGL Fine-Chem: Company has received SME 1 rating from CRISIL, which indicates the highest creditworthiness and considered to have an adequate degree of safety regarding timely servicing of

Global Indices	Current Value	%1D
DowJones	24,815	-1.41
Nasdaq	7,453	-1.51
DAX	11,727	-1.47
Nikkei 225	20,368	-1.13
FTSE 100	7,162	-0.78
Hang Seng	26,837	-0.24
Shanghai	6,209	1.72
Straits Times	3,114	-0.11

Trading activity in cash Rs Cr			
Date 31 May	Net	MTD	FY20
FII	676	676	11413
DII	394	394	1103

Forex Rate		
USD/INR	69.79	0.25%
EUR/INR	77.71	-0.19%
GBP/INR	88.17	-0.13%
JPY/INR	63.59	-0.05%

Corporate Action		
Stock Name	Purpose	Ex Date
PRITHVIEXCH	Interim Div Rs. 0.75	3-Jun
COLPAL	Interim Div Rs. 8.00	4-Jun
FDC	Buy Back of Shares	6-Jun
GEECEE	Buy Back of Shares	6-Jun

### Global News

US stocks dropped on Friday, as the S&P 500 closed out the month with its biggest May slump since 2010, after President Donald Trump's surprise threat of tariffs on Mexico fuelled fears that a trade war on multiple fronts could lead to a recession. The Dow Jones Industrial Average fell 354.84 points, or 1.41%, to 24,815.04, the S&P 500 lost 36.8 points, or 1.32%, to 2,752.06 and the Nasdaq Composite dropped 114.57 points, or 1.51%, to 7,453.15. Asian share markets slipped to multi-month lows on Monday on mounting worries growing Sino-US tensions and Washington's new tariff threats against Mexico could tip the global economy into a recession. The E-mini futures for S&P500 dropped 0.5% in early Asian trade to 2,738, near their March low of 2,722 while Japan's Nikkei skidded 1.1% to a four-month low. MSCI's broadest index of Asia-Pacific shares outside Japan was little changed in early trade, but held barely above last week's four-month low.

G-Sec Yield	Price	Change%
1yr Bond Yield	6.25	-1.11%
10yr Bond Yield	7.03	-1.40%

Results Calender	3-Jun-19
NIL	

F&O Ban List
NIL

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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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