

MSEARCH

MORNING NEWSLETTER

Dated: 4 June 2019

Indices	CMP	%1D
Sensex	40268	1.39
Nifty	12089	1.39
BSE-Midcap	15232	0.90
BSE-Smallcap	14938	0.48
SGX Nifty	12071	-0.39

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

Global Indices	Current Value	%1D
DowJones	24,820	0.01
Nasdaq	7,332	-1.61
DAX	11,793	0.56
Nikkei 225	20,309	-0.50
FTSE 100	7,185	0.32
Hang Seng	26,769	-0.47
Shanghai	2,869	-0.72
Straits Times	3,129	0.19

Trading activity in cash Rs Cr				
Date	3 June	Net	MTD	FY20
FII		3069	3745	14481
DII		-463	-69	640

Forex Rate		
USD/INR	69.81	0.03%
EUR/INR	77.73	0.02%
GBP/INR	88.01	-0.18%
JPY/INR	64.08	0.77%

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

G-Sec Yield	Price	Change%
1yr Bond Yield	6.19	-0.96%
10yr Bond Yield	6.98	-0.71%

Market Outlook

Indian markets indicates for a possible negative opening while overall short term trend is positive but there is a possibility of weakness emerging when markets hits all time highs. On the other hand traders will closely watch RBI monetary policy event scheduled on June 6, which would be first meet under new Govt and Markets is expecting a 25bps with optimistic outlook going forward. Asian markets are trading cautiously today taking cues from the markets stateside. Overnight Federal Open Market Committee voting member James Bullard said Monday that an interest rate cut "may be warranted soon" due to the potential impact of global trade tensions as well as weak U.S. inflation on economic growth. Technically key support is placed at 11971 and 11854 and if markets moving upwards key resistance is placed near 12154 and 12220.

Top Domestic News

- L&T Technology Services: Promoter L&T to sell up to 4 million shares of company via offer for sale on June 4 and 5, floor price set at Rs 1,650 per share.
- GE Power India: Company received order worth Rs 738 crore.
- Titan Company: Brickwork Ratings India assigned AAA rating with Stable outlook for proposed cash credit of Rs 1,000 crore and A1+ rating for gold metal loan.
- ICICI Bank: Fitch downgrades bank's IDR to BB+; outlook stable
- Mahindra & Mahindra: Mahindra Susten and Mitsui to co-invest in distributed solar power projects in India.
- TCS: Company launched MasterCraft TransformPlus v4.0 with new cognitive features for analysis and modernization of enterprise applications.
- Dr Reddy's Labs: Company re-launched Zenatane (Isotretinoin capsules, USP), 10 mg, 20 mg, 30 mg and 40 mg in the US market.
- Wipro: Company has fixed June 21 as the record date for the purpose of determining the entitlement and the names of equity shareholders who are eligible to participate in the buyback.
- Orchid Pharma Q4: Loss at Rs 13.44 crore versus loss Rs 92.37 crore; revenue rises to Rs 162 crore versus Rs 155.8 crore YoY.
- RBI exempts PSUs from bank's large exposure rules
- TVS Motor total sales falls 0.89% to 3,07,106 units in May
- SoftBank eyes smaller deals, early entry into startups in India revamp
- Collapsed Jet Airways' ex-partners, rivals scramble to fill India capacity void
- Adani Ports to Consider Dividend, Buyback of its Shares

Global News

The three major U.S. stock indexes declined on Monday on weaker-than-expected economic data, while shares of Alphabet, Facebook and Amazon.com fell sharply on fears the companies are the targets of U.S. government antitrust regulators, putting pressure on the tech-laden Nasdaq. Shares in Asia inched higher and safe-haven assets gave up some overnight gains on Tuesday, as investors paused for breath after a volatile Wall Street session, but deeper concerns about growth have capped broader improvements in risk sentiment.

Results Calender

NIL

4-Jun-19

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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