

# MSEARCH

## MORNING NEWSLETTER

Dated: 6 June 2019

Indices	CMP	%1D
Sensex	40084	-0.46
Nifty	12022	-0.55
BSE-Midcap	15200	-0.22
BSE-Smallcap	14911	-0.19
SGX Nifty	12040	-0.34

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	25,540	0.82
Nasdaq	7,575	0.64
DAX	11,981	0.08
Nikkei 225	20,829	0.25
FTSE 100	7,220	0.08
Hang Seng	26,917	0.08
Shanghai	2,855	-0.24
Straits Times	3,146	0.11

Trading activity in cash Rs Cr				
Date	4 June	Net	MTD	FY20
FII		-417	3328	14064
DII		-355	-424	285

Forex Rate		
USD/INR	69.43	-0.53%
EUR/INR	77.56	-0.21%
GBP/INR	87.71	-0.34%
JPY/INR	64.13	0.08%

Corporate Action		
Stock Name	Purpose	Ex Date
FDC	Buy Back of Shares	6-Jun
GEECEE	Buy Back of Shares	6-Jun
NATCOPHARM	Interim Div Rs. 1.25	6-Jun
UFO	Interim Div Rs. 12.5	6-Jun

G-Sec Yield	Price	Change%
1yr Bond Yield	6.21	0.48%
10yr Bond Yield	7.02	0.57%

### Market Outlook

Indian markets indicates for a possible negative opening while overall short term trend is positive. All eyes on MPC meeting for interest rate due tomorrow which will decide the market trends going forward. Market expects RBI committee could introduce some liquidity measures that would support muted economic growth as well as markets. We expect markets have discounted a 25 bps rate cut anything more than this would kick markets. Asian markets are trading cautiously today despite positive cues from the markets stateside which saw two positive sessions on the hopes of rate cut by Fed. Investors are growing more confident that the U.S. Federal Reserve may slash interest rates this year to support an economy affected by the ongoing trade war. Technically key support levels are placed near 11986 and 11951 and if markets moving upside key resistance levels to watch out are 12076 and 12130.

### Top Domestic News

- PSP Projects: Company received new orders worth Rs 156 crore during FY 2019-20.
- Wipro: Company signed definitive agreement to acquire International TechneGroup Housing sales up 13 percent in January-March on stable prices: CBRE - PTI
- Coal India targets 660 mt output, lines up Rs 10,000 crore capex in FY20: PTI Sources
- Indoco Remedies: US FDA issues 4 observations after inspection of facility in Goa.
- Govt may announce infusion of Rs 4,000 crore in PSU non-life firms in Budget: PTI
- Tata Motors: Jaguar Land Rover & BMW Group announce collaboration for electrification technology. Electric drive units will be manufactured by each partner in their own production facilities.
- DHFL: Company likely to miss payment deadline for Rs 1,150 crore due on NCDs. Blackstone likely to pay DHFL around Rs 2,500 crore for Aadhaar By June 10 - CNBC-TV18 Sources.
- ICRA, Crisil downgraded rating on Rs 850 crore worth of commercial paper of Dewan Housing Finance Corporation (DHFL) to 'default' from 'A4'
- Lupin: Japan's PMDA completes inspection of Mandideep facility (Unit-2), inspection closed with no critical or major observations.
- Natco Pharma: Natco files ANDA for Bosentan 32mg tablets for the USA market.
- Indian Card Clothing: ICRA revised rating in respect of Rs 17.60 crore line of credit of the company.
- KPI Global Infrastructure: Company acquired 100 percent equity shares of KPIG Energia Private Limited, Surat (SPV).
- Muthoot Capital Services: Company completed a securitisation transaction of Rs 140.37 crore on May 31, 2019.
- India Grid Trust: Company issued non-convertible debentures of Rs 1,400 crore and announced acquisition of Sterlite Grid 2.
- HEG: Company increased stake in Bhilwara Energy Limited, an associate company of HEG, from 29.48 percent to 49 percent.

### Global News

Wall Street's major indexes rose on Wednesday as investors bet on a Federal Reserve interest rate cut after weak private sector jobs data and hopes grew that the United States and Mexico would reach an agreement to avoid US tariffs on Mexican goods. The Dow Jones Industrial Average rose 207.39 points, or 0.82%, to 25,539.57, the S&P 500 gained 22.88 points, or 0.82%, to 2,826.15 and the Nasdaq Composite added 48.36 points, or 0.64%, to 7,575.48. Asian shares got off to a hesitant start on Thursday as investors feared a looming US trade war with Mexico would further depress global growth, even as they wagered central banks would have to respond with fresh stimulus. MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.01% in sparse early trade. Japan's Nikkei dithered either side of flat, while E-Mini futures for the S&P 500 eased 0.1%.

### Results Calender

OPTIEMUS

### 6-Jun-19

### F&O Ban List

IDBI

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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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