

MSEARCH

MORNING NEWSLETTER

Dated: 7 June 2019

Indices	CMP	%1D
Sensex	39530	-1.38
Nifty	11844	-1.48
BSE-Midcap	14931	-1.77
BSE-Smallcap	14673	-1.60
SGX Nifty	11866	-0.16

Market Outlook

Indian markets indicates for a possible negative opening and consolidate in the range 50 points on the back of Asian markets trading cautiously following the positive close of the US markets yesterday. Shares rose on Wall Street overnight on hopes of a delay in the implementation of U.S. tariffs on Mexico. Meanwhile, European Central Bank said it would delay its first post-crisis interest rate hike till at least the middle of next year. Coming back to domestic markets have formed bearish patterns on charts with crucial support near 11600 levels. On daily basis key support is placed near 11769 and 11695 and if markets moves upward key resistance to watch out for is near 11979 and 12114.

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

- Wipro: Company appointed Azim Premji as Non-Executive Director for 5 years and re-appointed Rishad Premji as Whole-Time Director. Azim Premji to retire from his current position as Executive Chairman & MD.
- Linde India: Board has accepted resignation of Moloy Banerjee as Managing Director and Indranil Bagchi as Chief Financial Officer of the company.
- IndusInd Bank: India Ratings & Research reaffirmed ratings on Infra Bonds issuance of Rs 2,000 crore at AA+/Stable and Additional Tier I Bonds issuance of Rs 4,000 crore at AA/Stable.
- Bombay Rayon Fashions: Company has received resignation from Arunachalam Arumugham, Independent Director.
- Speciality Papers: Nemchand Gala resigned as Managing Director and company appointed Hiren Boricha as the Additional and Managing Director.
- CreditAccess Grameen: Company completed a securitisation of Rs 110.35 crore, the first securitization transaction initiated during the FY-2019-20.
- Bharti Airtel: Oyo Hotels & Homes and Airtel partner to launch Oyo Store on Airtel Thanks App.
- Hindustan Petroleum Corporation: Board appointed Shri Sunil Kumar as government nominee director on the board of HPCL.
- PAE: Pritam A Doshi resigned as Chief Financial Officer (CFO) of the company.
- JSW Steel: Company has agreed to acquire the entire issued and paid-up share capital of Piombino Steel Limited.
- Jai Corp: Board appointed Priyanka S Fadia and Kaushik Deva as additional directors of the company.
- Ruchira Papers: CRISIL has assigned credit rating of BBB+/Stable to long term facilities and A2 to short term facilities of the company.
- IOC, HPCL to contest over Rs 4,000 cr tax demand on sale of ethanol blended petrol.
- Allcargo exits ship-owning business
- JSW Steel considering bid for insolvent British Steel

Global Indices	Current Value	%1D
DowJones	25,721	0.71
Nasdaq	7,616	0.53
DAX	11,953	-0.23
Nikkei 225	20,877	0.50
FTSE 100	7,260	0.55
Hang Seng	26,965	0.26
Shanghai	2,828	-1.17
Straits Times	3,150	0.12

Trading activity in cash Rs Cr				
Date	6 June	Net	MTD	FY20
FII	-1489	1879	12615	
DII	-651	-1075	-366	

Forex Rate		
USD/INR	69.43	0.01%
EUR/INR	77.56	0.01%
GBP/INR	87.71	-0.02%
JPY/INR	64.13	0.02%

Corporate Action		
Stock Name	Purpose	Ex Date
MMFL	Interim Div Rs. 2.5	7-Jun
IMPAL	Interim Div Rs. 10	10-Jun
JUMPNET	Interim Div Rs. 0.01	10-Jun
EXCELCROP	Interim Div Rs. 6.25	11-Jun

Global News

Wall Street's main indexes closed higher after a choppy session on Thursday as investors grew more optimistic on trade after reports that the United States is considering a delay in imposing tariffs on Mexican imports. The Dow Jones Industrial Average rose 181.09 points, or 0.71%, to 25,720.66, the S&P 500 gained 17.34 points, or 0.61%, to 2,843.49 and the Nasdaq Composite added 40.08 points, or 0.53%, to 7,615.55. Asian share markets dithered on Friday as investors waited for concrete signs of progress in the US-Mexican trade standoff, while bracing for a US jobs report that could sway the course of interest rates there. MSCI's broadest index of Asia-Pacific shares outside Japan edged 0.04% higher and looked set for another cautious session being up just 0.6% for the week so far. Japan's Nikkei firmed 0.3%, but South Korea slipped 0.5%. E-Mini futures for the S&P 500 were mostly flat.

G-Sec Yield	Price	Change%
1yr Bond Yield	6.15	-1.13%
10yr Bond Yield	6.93	-1.28%

Results Calendar	7-Jun-19
RELINFRA, RPOWER	

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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MSEI: - Membership Clearing No. 51800 - SEBI Regn. No. INB261351234

Mehta Equities Limited, 903, 9th floor, Lodha Supremus, Dr.E. Moses Road, Worli Naka, Worli, Mumbai 400 018, India

Tel: +91 22 6150 7101, Fax: +91 22 6150 7102

Email: info@mehtagroup.in Website: www.mehtagroup.in