



MSEARCH

MORNING NEWSLETTER

Dated: 10 October 2019

Indices	CMP	%1D
Sensex	38178	1.72
Nifty	11313	1.68
BSE-Midcap	13869	1.38
BSE-Smallcap	12796	0.66
SGX Nifty	11133	0.36

Index	FY20	FY21E	FY22E
Sensex EPS	1439	1884	2419
P/E	27	21	16
Nifty EPS	472	589	754
P/E	24	20	15

Global Indices	Current Value	%1D
DowJones	26346	0.70
Nasdaq	7904	1.02
DAX	12094	1.04
Nikkei 225	21555	0.46
FTSE 100	7166	0.33
Hang Seng	25726	0.17
Shanghai	2935	0.34
Straits Times	3089	-0.02

Trading activity in cash Rs Cr				
Date	9 Oct	Net	MTD	FY20
FII		-485	-3772	-10393
DII		956	4833	63449

Forex Rate		
USD/INR	70.98	0.16%
EUR/INR	77.93	0.19%
GBP/INR	87.42	-0.11%
JPY/INR	66.41	0.08%

Corporate Action		
Stock Name	Purpose	Ex Date
CENTURYTXT	Spin Off	11-Oct
GOCL Corp	Interim Div Rs 2	14-Oct

G-Sec Yield	Price	Change%
1yr Bond Yield	5.62	-0.13%
10yr Bond Yield	6.65	-0.30%

Market Outlook

Indian markets indicate for a possible negative opening on the back of global stocks tumbled on trade issues and were making no progress in deputy-level talks. Back home Nifty index managed to hold 11100 zones in initial hour and witnessed sustain buying interest in second half of the day to extend its gains towards 11320 zones. It gained nearly 200 points to form a Big Bullish Candle on daily scale and negated the formation of lower top - lower bottom on lower time frame. It has respected to its 61.8% retracement of the entire up move from 10762 to 11695 marks. Technically the key support level for Nifty is placed at 11,161, followed by 11,010. If the index starts moving up, key resistance levels to watch out for are 11,393 and 11,473.

Top Domestic News

- Bharti Airtel: Company announced successful pricing of \$750 million 5.650% subordinated perpetual securities, aimed to achieve objectives of deleveraging & strengthening of the balance sheet.
- Union Bank Of India approved issue of new shares to govt for amount aggregating up to Rs 11,768 crore
- RBI rejects Indiabulls Housing Finance, Lakshmi Vilas Bank's proposed merger
- Torrent Pharma receives warning letter from USFDA for Intrad facility in Gujarat
- Sadbhav Engineering: Promoter releases pledge on 5.6 lakh shares (0.33%) on September 30
- Bank Of Maharashtra: RBI denied request to set off accumulated losses of Rs 7,360 crore.
- Century Textiles: Shares of Century Textiles & Industries will turn ex-date on Friday for the proposed de-merger. The company will hive off its cement division and merge it with UltraTech Cement.
- Transformers & Rectifiers: Company received a Rs 126 crore order from Power Grid.
- Dixon Technologies: ICRA assigned A1+ rating to company's enhanced commercial paper (CP) programme.
- Vimta Labs: Brickwork Ratings India reaffirmed credit rating of the company for the bank loan facilities of Rs 50.33 crore.
- Rama Steel Tubes: CARE revised credit rating on company's long term bank facilities to BBB-/Stable from BBB/Negative.
- Mutual Fund investors look to exit market as equity inflows see 27% dip
- Raymond sells 20 acre plot to real estate firm VRSA for Rs 700 crore
- Power Ministry asks state to expedite reforms, advises to stick to PPAs
- Delhi HC asks Ranbaxy, Fortis' garnishees to deposit Rs 6,000 crore
- RBI denies Bank of Maharashtra proposal for setting off Rs 7,360 cr losses
- Airtel raises \$750 million via perpetual bonds
- Reliance to resume Venezuela oil loadings
- Jio users to be charged for voice calls for the first time

Global News

Wall Street rose on Wednesday on hopes of progress in US-China trade talks, though stocks pared gains late after Chinese officials said Beijing had lowered expectations for negotiations this week. The Dow Jones Industrial Average rose 182.1 points, or 0.7%, to 26,346.14, the S&P 500 gained 26.34 points, or 0.91%, to 2,919.4 and the Nasdaq Composite added 79.96 points, or 1.02%, to 7,903.74. Global stocks tumbled and the safe haven yen and Swiss franc gained in early Asian trade on Thursday, on signs Washington and Beijing were still wide apart on trade issues and were making no progress in deputy-level talks.

Results Calender 10-Oct-19

GM BREWERIES, INDUSINDBNK, TCS

F&O Ban List

NIL

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Technical View



Trading for the week began with a downside gap and it probably set the mood for the entire week. The mounting concerns over NBFCs started spooking traders' sentiments which was fuelled by massive sell off in US markets during the midweek. On Tuesday as well as Friday, despite early morning lead, our markets succumbed to the selling pressure and eventually went on to slide below the 11200 mark. On a weekly basis, index shed nearly 3 percent which was biggest weekly fall in last couple of months. Exactly two weeks ago, everybody was so ecstatic, jubilant after FM's announcement on slashing the corporate taxes. This triggered colossal two-day rally in our market to take a giant leap. Who would have thought then, we will again have to undergo that similar pain that we have been witnessing since last 12 – 15 months. The Nifty wiped off 50% gains in last eight trading sessions; whereas the Bank Nifty and Midcap 50 indices have lost more than 70%, which is really annoying. There were some hopes built for better days for our markets and last couple of weeks have poured complete water on it. Now for Nifty, we are placed at a crucial junction and probably a last ray of hope for bulls. The current position of Nifty converges with multiple key evidences. Firstly as we highlighted the 50% retracement of the recent upmove which coincides with the '20 SMA' on daily chart and more importantly, the previous breakout zone of 11200 – 11100, which now ideally should act as a sheet anchor support for the Nifty. Let see how market behaves around it in the forthcoming week and be hopeful to have some positive development. As far as levels are concerned, below 11100 we may see selling getting aggravated and on the flipside, a resumption of uptrend should only happen if Nifty manages to sustain above 11400. Traders are advised to keep a tab of all the above mentioned levels and should ideally avoid taking undue risks.



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