

Dated: 17 July 2019

| Indices      | CMP   | %1D   |
|--------------|-------|-------|
| Sensex       | 39131 | 0.60  |
| Nifty        | 11663 | 0.64  |
| BSE-Midcap   | 14565 | 0.69  |
| BSE-Smallcap | 13727 | 0.27  |
| SGX Nifty    | 11628 | -0.16 |

### Market Outlook

Indian markets indicates for a possible flat opening or turn negative in the second half session today on the back of Asian markets which are trading lower after renewed tensions on Trade war worries. U.S. President Donald Trump said Tuesday that Washington and Beijing have a long way to go on trade, adding that America could place tariffs on an additional \$325 billion worth of Chinese goods if needed. Meanwhile, U.S. Federal Reserve Chairman Jerome Powell on Tuesday says central bank could look to cut interest rates in July. Back home technically the key support level is placed at 11,601 followed by 11,539. If the index starts moving upward, the key resistance levels to watch out are 11,697 and 11,731.

| Index      | FY20 | FY21E | FY22E |
|------------|------|-------|-------|
| Sensex EPS | 1386 | 1973  | 2372  |
| P/E        | 28   | 20    | 16    |
| Nifty EPS  | 459  | 616   | 734   |
| P/E        | 25   | 19    | 16    |

### Top Domestic News

- Results on July 17: Menon Bearings, Dhanlaxmi Bank, Aditya Birla Money, SEL Manufacturing Company.
- DCB Bank Q1: Profit grows 16.6 percent to Rs 81.1 crore versus Rs 69.5 crore and NII rises 11.7 percent to Rs 304.7 crore versus Rs 272.9 crore YoY; gross NPA at 1.96 percent versus 1.84 percent and net NPA at 0.81 percent versus 0.65 percent QoQ.
- MCX Q1: Consolidated net profit jumps to Rs 43.7 crore versus Rs 7.3 crore (There was an exceptional loss of Rs 23.8 crore in Q1FY19), revenue rises 9.1 percent to Rs 79.4 crore versus Rs 72.8 crore YoY.
- 5paisa Capital Q1: Consolidated loss at Rs 0.52 crore versus loss Rs 6.09 crore; revenue jumps to Rs 22.86 crore versus Rs 8.97 crore YoY. Rights issue of Rs 101.9 crore will open during July 23 and Aug 6.
- BHEL: A contract to construct a raw material handling system at NMDC's under construction integrated steel plant, Nagarnar, Chhattisgarh is being executed by BHEL-ISG Bengaluru division. Company received a notice of termination from NMDC for the this contract. BHEL proposes to take up matter through the redressal mechanism available for disputes resolution between CPSEs.
- Punjab & Sind Bank: Bank set lending rate for 1 year tenor at 8.70 percent from July 16.
- IL&FS Engineering: Company received resignation letter from auditor BSR & Associates due to non-payment of audit fees.
- InterGlobe Aviation: Ministry of Corporate Affairs seeks comments from IndiGo on recent promoters' differences and claims of corporate governance lapse raised by Rakesh Gangwal.
- Astron Paper & Board Mill: Unit-1 in Halvad, Gujarat) will be shut during July 16-20 for scheduled preventive maintenance of boiler / power plant.
- Suzlon Energy: Company has not paid principal of \$172 million due on bonds. It is working on holistic solution on debt obligations and in talks with stakeholders.
- KNR Constructions: Company received orders worth of Rs 847.34 crore from Navayuga Engineering Company.
- Sadbhav Infrastructure: April-June period toll revenues rises 2.3 percent to Rs 280 crore YoY.
- KRBL: CARE placed company's commercial papers worth Rs 700 crore under credit watch with negative implications.
- Quick Heal Technologies: Company appointed Amitabha Mukhopadhyay as Independent Director for a term of 5 years.

| Global Indices | Current Value | %1D   |
|----------------|---------------|-------|
| DowJones       | 27336         | -0.09 |
| Nasdaq         | 8223          | -0.43 |
| DAX            | 12431         | 0.35  |
| Nikkei 225     | 21448         | -0.40 |
| FTSE 100       | 7577          | 0.60  |
| Hang Seng      | 28466         | -0.54 |
| Shanghai       | 2934          | -0.14 |
| Straits Times  | 3356          | -0.13 |

| Trading activity in cash Rs Cr |         |      |       |       |
|--------------------------------|---------|------|-------|-------|
| Date                           | 16 July | Net  | MTD   | FY20  |
| FII                            |         | -445 | -4103 | 6621  |
| DII                            |         | 638  | 5301  | 10048 |

| Forex Rate |       |        |
|------------|-------|--------|
| USD/INR    | 68.68 | 0.20%  |
| EUR/INR    | 76.95 | -0.31% |
| GBP/INR    | 85.23 | -0.64% |
| JPY/INR    | 63.00 | 0.00%  |

| Corporate Action |                       |         |
|------------------|-----------------------|---------|
| Stock Name       | Purpose               | Ex Date |
| VOLTAS           | Final Dividend Rs 4.0 | 17-Jul  |
| ZYDUSWELL        | Final Dividend Rs 5.0 | 17-Jul  |
| FEDERALBNK       | Final Dividend Rs 1.4 | 17-Jul  |
| EDELWEISS        | Final Dividend Rs 0.3 | 17-Jul  |
| TEJASNET         | Final Dividend Rs 1.0 | 17-Jul  |

| G-Sec Yield     | Price | Change% |
|-----------------|-------|---------|
| 1yr Bond Yield  | 6.06  | -1.60%  |
| 10yr Bond Yield | 6.48  | -2.30%  |

### Global News

US stocks edged lower on Tuesday as quarterly results from banks added to concerns about lower interest rates dampening their profits, while comments from US President Donald Trump on trade also dragged down Wall Street's major indexes. The Dow Jones Industrial Average fell 23.53 points, or 0.09 percent, to 27,335.63, the S&P 500 lost 10.26 points, or 0.34 percent, to 3,004.04 and the Nasdaq Composite dropped 35.39 points, or 0.43 percent, to 8,222.80. Asian shares drifted lower on Wednesday after a lacklustre performance by Wall Street, while the dollar got a lift from robust US retail data and a Brexit-driven dive in the pound.

### Results Calender

17-Jul-19

YESBANK, WIPRO, TATAELXSI, MINDTREE, DFM FOODS.

### F&O Ban List

REL CAPITAL, IDBI, RELINFRA

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### Technical View

### NIFTY

Last week's low of 11461 holds lot of significance because it coincides with multiple technical evidences such as, (i) 61.8% retracement of recent rally (11108 – 12103), (ii) Trend line joining previous lows and (iii) The vicinity of the bullish gap formed after exit poll numbers. For a time being, market has respected this crucial junction but going ahead, it would be important to see how index behaves around it. In case of a breakdown below 11460 – 11430, the selloff is likely to escalate to test lower levels 11250 - 11230 or even a move towards May lows (11108) cannot be ruled out. So till the time we are above it, there is still a final ray of hope for the bulls. However, on the upside, previous support of 11640 is now acting as a sturdy wall. Hence, if index has to regain any strength, it needs to convincingly surpass this hurdle of 11640 - 11700. For a time being, 11430 – 11640 would be seen as a crucial range for the index. At present, traders are advised to stay light and avoid taking any undue risks. As mentioned in the above section, any existing longs should be exited if index breaches key support of 11460 – 11430 convincingly. On the sectoral front, there were some notable moves seen in the Auto and Metal spaces towards the latter half of the week. So if market manages to hold its support, we would see sharp pull backs in these names. Also, midcap index had an encouraging move despite the benchmark tumbled in the final hour. Do watch out for this universe as well.



# MSEARCH

## MORNING NEWSLETTER

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