

Dated: 18 July 2019

Indices	CMP	%1D
Sensex	39216	0.22
Nifty	11688	0.21
BSE-Midcap	14542	-0.15
BSE-Smallcap	13716	-0.07
SGX Nifty	11656	-0.15

### 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 due to Donald Trump's renewed trade threats this week undermine relief from the resumption of US-China trade talks agreed to by Presidents. Back home Indian index formed a small bullish candle which resembles Spinning Top kind of formation on daily charts. Technically, this pattern indicates a choppy trend with positive bias and any pullback is likely to subside near 11,700-11,720, which would result in a fresh move down. The key support level is placed at 11,656, followed by 11,626. If the index starts moving upward, the key resistance levels to watch out are 11,712 and 11,737.

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 18: GKW, Sanco Industries, Uttam Galva Steels, 8K Miles Software Services, Pioneer Distilleries, InfoBeans Technologies
- Wipro Q1: IT services rupee revenue down 1.6 percent to Rs 14,351.4 crore, dollar revenue degrew 1.3 percent to \$2,038.8 million QoQ. Company expects Q2 IT services dollar revenue in the range of \$2,039-2,080 million, a growth of 0-2 percent over Q4FY19.
- Yes Bank Q1: Profit falls 91 percent to Rs 113.8 crore, net interest income grows 2.8 percent to Rs 2,281 crore YoY; net NPA increases to 2.91 percent versus 1.86 percent and gross NPA rises to 5.01 percent versus 3.22 percent QoQ.
- Mindtree: Company appointed Anilkumar Manibhai Naik as the Non-Executive Chairman.
- Punjab & Sind Bank: Fraud of Rs 238 crore by Bhushan Power is being reported to RBI.
- NMDC: Karnataka High Court allows plea for Donimalai mining operations and set aside order on Donimalai royalty pay to Karnataka.
- Axis Bank: Sanjiv Misra has ceased to be the non-executive (part-time) chairman and Rakesh Makhija to assume charge as non-executive (part-time) chairman.
- Suzlon Energy: Company is working on holistic solution for outstanding debt and continues to be in discussion with stakeholders w.r.t debt including bonds.
- Firstsource Solutions: Vipul Khanna to be MD, CEO.
- JSW Energy: Lien on 1.06 percent promoter stake released on July 9.
- Oil India: Company emerged as the biggest winner of oil & gas blocks under Open Acreage Licensing Policy (OALP) rounds II & III by winning 12 blocks out of 32 blocks for which bids were submitted by leading Operators.
- Mcleod Russel: 20,44,670 shares of company held by Williamson Financial Services have been invoked by Vistra ITCL (India) [Trustee for the joint lenders namely - IL&FS Financial Services, IL&FS Infrastructure Debt Fund, Aditya Birla Finance] on July 8.
- Newgen Software Technologies: Company secured patent for automated quality and usability assessment of scanned documents.
- S Chand and Company: CARE reaffirmed its rating on long term bank facilities at A with stable outlook.
- DFM Foods Q1: Profit jumps to Rs 7.63 crore versus Rs 5.01 crore; revenue rises to Rs 127.72 crore versus Rs 98.69 crore YoY.

Global Indices	Current Value	%1D
Dow Jones	27220	-0.42
Nasdaq	8185	-0.46
DAX	12341	-0.72
Nikkei 225	21126	-1.60
FTSE 100	7535	-0.55
Hang Seng	28459	-47.00
Shanghai	2911	-0.70
Straits Times	3358	-0.21

Trading activity in cash Rs Cr			
Date	17 July	Net	MTD FY20
FII		-17	-4120 6604
DII		209	5510 10256

Forex Rate		
USD/INR	68.78	0.15%
EUR/INR	77.27	0.42%
GBP/INR	85.54	0.36%
JPY/INR	64.00	1.59%

Corporate Action		
Stock Name	Purpose	Ex Date
AUBANK	Final Dividend Rs 0.75	18-Jul
BIOCON	Final Dividend Rs 0.5	18-Jul
HAVELLS	Dividend Rs 4.5	18-Jul
M&M	Dividend Rs 8.5	18-Jul
APLLTD	Dividend Rs 5.5	18-Jul

G-Sec Yield	Price	Change%
1yr Bond Yield	6.06	-1.88%
10yr Bond Yield	6.48	-2.08%

### Global News

US Stocks fell on Wednesday as the corporate earnings season rolled on with companies like CSX and Bank of America releasing their quarterly numbers. The Dow Jones Industrial Average dropped 115.7 points, or 0.42%. The S&P 500 slid 0.65% to 2,984.42. The Nasdaq Composite closed 0.46% lower at 8,185.21. Asian shares wobbled in early Thursday trading as Wall Street stocks dropped on early signs that the US-China trade war could hurt corporate earnings, helping to underpin solid demand for safe-haven US Treasuries.

### Results Calender

18-Jul-19

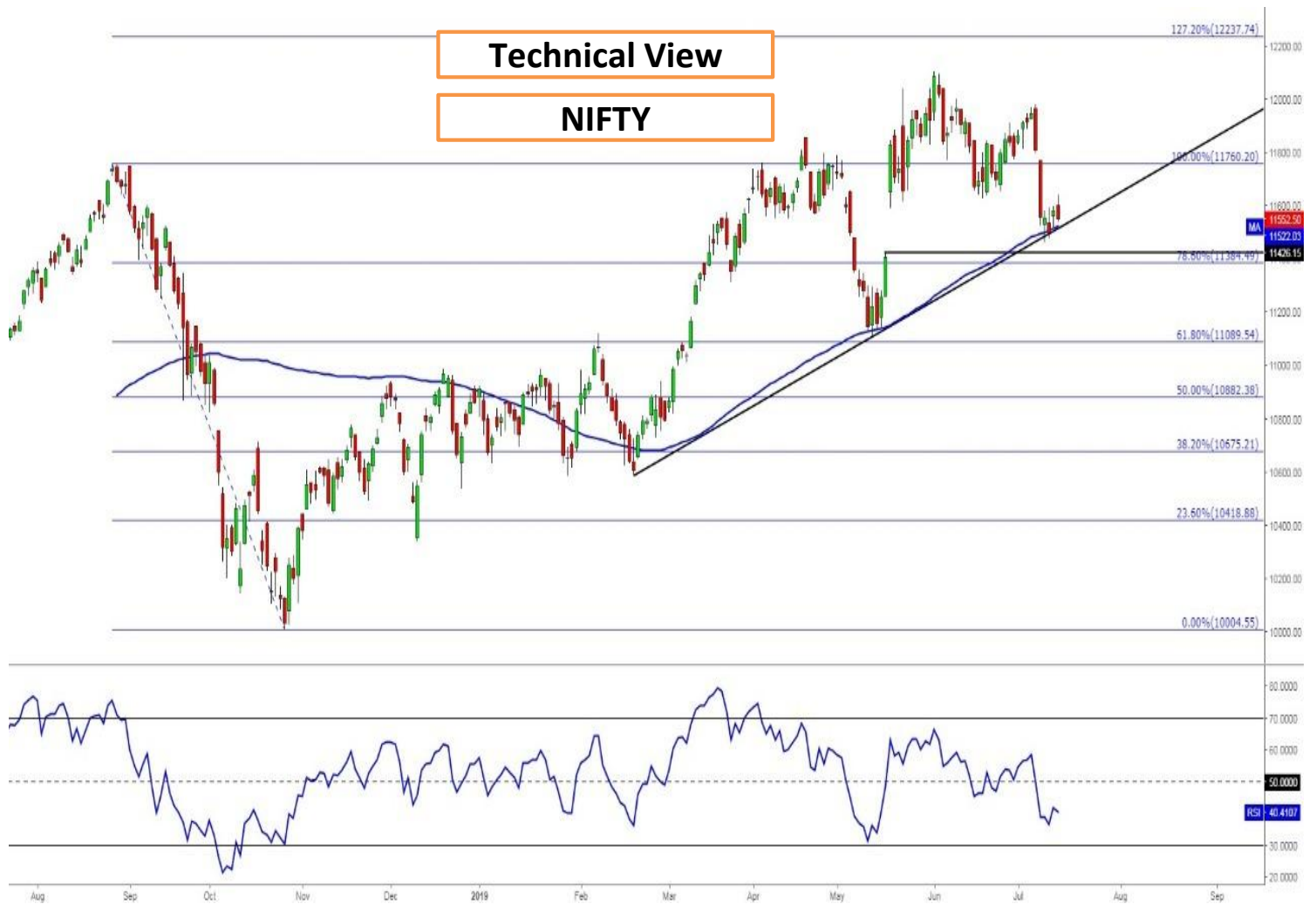
ACC, COLPAL, CYIENT, DBCORP, HATSUN, LTI, RALLIS, SASKEN, STRTECH, TRIDENT.

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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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