



MSEARCH

MORNING NEWSLETTER

Dated: 21 August 2019

Indices	CMP	%1D
Sensex	37328	-0.20
Nifty	11017	-0.33
BSE-Midcap	13437	-0.60
BSE-Smallcap	12570	-0.62
SGX Nifty	11007	-0.22

Market Outlook

Indian markets indicates for a possible flat negatively biased opening on the back of Asian markets which are trading lower following fear of recession once again concerning markets stateside, In Japan, the benchmark Nikkei index fell as shares of automakers declined across the board. Shares of Australia's so-called Big Four banks also sold off. Back home domestic index has formed bearish candle on daily charts. We feel rangebound move is expected to continue in coming sessions till the index breaks out range of 10,900-11,150 on either side. Technically key support level is placed at 10,976, followed by 10,935. If the index starts moving upward, key resistance levels to watch out for are 11,067 and 11,117.

Index	FY20	FY21E	FY22E
Sensex EPS	1409	1975	2329
P/E	26	19	16
Nifty EPS	466	616	722
P/E	23	18	15

Top Domestic News

- Sun Pharma Advanced Research: US company Abraxis Biosciences LLC filed plea against the company, alleging that company's filing of New Drug Application (NDA) for Taclantis injection is an act of infringement of the Orange Book listed patents for Abraxane. Company believes that the lawsuit is without merit and will vigorously defend against these allegations.
- SpiceJet, InterGlobe Aviation in focus: Government sources say Civil Aviation Ministry extends validity of allocated slots till December from September earlier - CNBC-TV18.
- NMDC: Karnataka government withdraws approval to extend mining lease for Donimalai and company filed revision application against Karnataka government w.r.t. Donimalai order.
- SpiceJet: Company will shift its entire operations at Mumbai to Terminal 2 of Chhatrapati Shivaji Maharaj International Airport from October 1 and single terminal operations will lead to better synergies and cut down costs substantially for the airline.
- Dabur International, wholly owned subsidiary of Dabur India, have decided to contribute USD 16,000,000 as share capital in Dermoviva Skin Essentials Inc, wholly owned step down subsidiary of Dabur India
- Alembic Pharmaceuticals: Company's Bioequivalence facility in Vadodara inspected by US Food & Drug Administration (USFDA) with no 483s observations.
- Dr Reddy's Labs: US FDA completed audit of Duvvada formulations manufacturing plant with 8 observations.
- HDIL: Company has been admitted under provisions of IBC and company is under process to file appeal to NCLAT against order passed by NCLT.
- United Spirits: Diageo PLC acquired further 33 lakh shares in company at Rs 591.95 per share.
- Deepak Nitrite: ICRA upgraded company's long-term rating from A+ to AA-; outlook stable.
- IOL Chemicals & Pharmaceuticals: Company has made the pre-payment of term loan of Rs 9.52 crore due to banks in addition to scheduled repayment. It has made the pre-payment of term loan of aggregate of Rs 107.70 crore till date to reduce the term debt, which remains at Rs 123.45 crore as on date.
- TVS Srichakra: Company announced the nationwide launch of its brand TVS Eurogrip.
- Riga Sugar Company: Satya Ranjan Mallick has resigned from the post of Chief Financial Officer of the company.
- Ceenik Exports: Company appointed Mayank Agrawal as the Company Secretary.

Global Indices	Current Value	%1D
DowJones	25962	-0.66
Nasdaq	7948	-0.68
DAX	11651	-0.55
Nikkei 225	20572	-0.51
FTSE 100	7125	-0.90
Hang Seng	26167	-0.25
Shanghai	2880	-0.01
Straits Times	3123	-0.42

Trading activity in cash Rs Cr			
Date 20 Aug	Net	MTD	FY20
FII	373	-8981	-15127
DII	296	12576	37718

Forex Rate		
USD/INR	71.77	0.38%
EUR/INR	79.58	0.19%
GBP/INR	86.59	-0.04%
JPY/INR	67.47	0.56%

Corporate Action		
Stock Name	Purpose	Ex Date
BPCL	Final Dividend Rs 8	21-Aug
GMM	Interim Dividend Rs 1	21-Aug
GRANULES	Final Dividend Rs 0.25	21-Aug
HEXWARE	Interim Dividend Rs 1.5	21-Aug
IOC	Final Dividend Rs 1	21-Aug

G-Sec Yield	Price	Change%
1yr Bond Yield	5.82	-0.13%
10yr Bond Yield	6.57	-0.15%

Global News

Financial shares led US stocks lower on Tuesday to end a three-day rally as investors awaited comments from Federal Reserve Chair Jerome Powell at the end of the week. The S&P 500 financial index dropped 1.4% and the group weighed most heavily on the benchmark index among its major sectors, which all registered losses. The Dow Jones Industrial Average fell 173.35 points, or 0.66%, to 25,962.44, the S&P 500 lost 23.14 points, or 0.79%, to 2,900.51 and the Nasdaq Composite dropped 54.25 points, or 0.68%, to 7,948.56. Asian shares fell on Wednesday as fresh worries about a global recession led investors to dump risky assets, with US President Donald Trump showing no signs of backing down in his trade war with China.

Results Calender	21-Aug-19
NIL	

F&O Ban List
DHFL, IDBI

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Technical View

NIFTY



Although the week gone by was a truncated one, it was not at all short of action. Despite some signs of relief rally from the previous week and with a smart move by Index heavyweight Reliance of 10%, the market started with deep cuts on Tuesday losing more than one and a half percent. In the rest two sessions, inspite of global turmoil, Nifty managed to avoid further slip and amidst a stock-specific bounce back it eventually ended around 11050, registering a loss of around half a percent against the previous week. In our last week's outlook, we had mentioned a confluence zone of support formed by '89-EMA' on weekly chart, multi-month trend line support and 61.8% retracement level of the key rally (10004-12103). This week, the index again managed to hold on to the dynamic support of above technical levels and hence the hope of relief rally remains intact. On the daily chart, we are witnessing a defined range with market participants baffled between the current scenario of global turmoil and the hopes of a government stimulus package. The said range between 11180 and 10900 will remain pivotal and the next directional move can only be seen on a range break from these levels. A break below 10900 may push prices back to retest the recent low of 10780 and further; whereas on the higher side, a relief towards 11200 - 11300 cannot be ruled out. Traders are hence advised to keep a tab on the above levels and trade accordingly. The cement, metals and auto stocks which were in a slumber phase for a while performed well and they may continue their outperformance in the coming week.



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