



MSEARCH

MORNING NEWSLETTER

Dated: 22 August 2019

Indices	CMP	%1D
Sensex	37060	-0.72
Nifty	10919	-0.89
BSE-Midcap	13259	-1.32
BSE-Smallcap	12390	-1.43
SGX Nifty	10912	-0.20

Market Outlook

Indian markets indicates for a possible flat negatively biased opening on the back of Asian markets are trading cautiously today despite positive cues from Wall Street, where stocks gained overnight after strong quarterly results lifted investor sentiment. Back home domestic market index has formed a bearish candle on the daily charts. We feel the bearish bias may continue in coming session also if the index breaks its August lows. Technically charts, key support level is placed at 10,872, followed by 10,825. If the index starts moving upward, key resistance levels to watch out for are 10,999 and 11,080.

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

- LIC Housing Finance: Fidelity Management to sell stake in company, the book size at \$200 million - CNBC-TV18 sources.
- Coffee Day Enterprises clarifies: Reports of ITC considering buying stake in company are incorrect.
- NMDC: Company cut iron ore lump, fines prices by Rs 200 per tonne from August 20.
- HPCL to invest Rs 74,000 crore in five years
- Redington India: ICICI Prudential Life sold 2.05 percent stake in company on August 20.
- Jai Corp: Company decided to merge a wholly owned subsidiary, Jai Realty Ventures Limited with itself.
- Biocon's Malaysia insulin glargine manufacturing facility receives EU GMP certification
- Tata Sponge Iron: Company received approval to change name from 'Tata Sponge Iron' to 'Tata Steel Long Products Ltd'
- Kansai Nerolac Paints (KNPL): Business Transfer Agreement has been entered into by and between Nerofix Private Limited (incorporated in terms of the joint venture agreement, paid-up equity share capital of which is held by KNPL and Polygel in the ratio of 60:40), Polygel, Promoters of Polygel and KNPL.
- Infosys: Company expanded strategic partnership with Google Cloud to help clients accelerate their digital transformation with Cloud.
- V-Mart opened three new stores in the state of Nagaland, Jharkhand and Rajasthan
- NDTV denies the Central Bureau of Investigation's FIR allegations and is seeking legal advice in this regard
- Oberoi Realty - Income Tax authorities have initiated search and seizure operations at the premises of the Company
- Dilip Buildcon board meeting on August 26 to consider the proposal for divestment of wholly owned subsidiaries (WOS) of the company
- Tasty Dairy Specialities: CRISIL has reaffirmed its 'BBB-/Stable' rating on the long-term bank facilities.
- Jagran Prakashan: Commercial Paper of Rs 65 crore has been redeemed on August 19, i.e. on the maturity date.
- Urja Global: Company has withdrawn agreement with Nippon Shinyaku Co. Ltd, Japan for supply of product i.e. Zacobite for the five years, to avoid any further misunderstanding between the stakeholders and the company.
- BHEL: India Ratings & Research has affirmed company's long-term issuer rating at 'AA+'. However, the outlook has been revised from 'Stable' to 'Negative'.

Global Indices	Current Value	%1D
DowJones	26203	0.93
Nasdaq	8020	0.90
DAX	11803	1.30
Nikkei 225	20698	0.38
FTSE 100	7204	1.11
Hang Seng	26273	0.01
Shanghai	2880	-0.01
Straits Times	3120	0.24

Trading activity in cash Rs Cr			
Date 21 Aug	Net	MTD	FY20
FII	-771	-9752	-15898
DII	354	12930	38072

Forex Rate

USD/INR	71.58	-0.24%
EUR/INR	79.54	-0.05%
GBP/INR	86.83	0.27%
JPY/INR	67.26	-0.33%

Corporate Action

Stock Name	Purpose	Ex Date
INFRATEL	Interim Dividend Rs3.6'	22-Aug
GNFC	Dividend Rs 7	22-Aug
JKLAKSHMI	Dividend Rs 0.75	22-Aug
ONGC	Final Dividend Rs 0.75	22-Aug
STAR	Interim Dividend Rs 12	22-Aug

G-Sec Yield	Price	Change%
1yr Bond Yield	5.81	-0.17%
10yr Bond Yield	6.56	-0.15%

Global News

Wall Street's main indexes rose on Wednesday as upbeat earnings from retailers pointed to strength in US consumer demand, and held gains after minutes from last month's Federal Reserve meeting showed policymakers had debated a more aggressive interest rate cut. The Dow Jones Industrial Average rose 240.29 points, or 0.93%, to 26,202.73, the S&P 500 gained 23.92 points, or 0.82%, to 2,924.43 and the Nasdaq Composite added 71.65 points, or 0.90%, to 8,020.21. Asian shares edged ahead on Thursday after Wall Street got a boost from strong retail results, while bonds retreated as US policy makers sounded conflicted on whether to cut interest rates as sharply as markets were wagering.

Results Calender

22-Aug-19

GILLETE

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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