



MSEARCH

MORNING NEWSLETTER

Dated: 23 September 2019

Indices	CMP	%1D
Sensex	38015	5.32
Nifty	11274	5.32
BSE-Midcap	14120	6.28
BSE-Smallcap	13204	3.94
SGX Nifty	11492	1.52

Index	FY20	FY21E	FY22E
Sensex EPS	1439	1900	2305
P/E	25	19	16
Nifty EPS	472	593	708
P/E	23	18	15

Global Indices	Current Value	%1D
DowJones	26935	-0.59
Nasdaq	8118	-0.80
DAX	12468	0.08
Nikkei 225	22080	0.16
FTSE 100	7345	-0.16
Hang Seng	26436	-0.13
Shanghai	3006	0.24
Straits Times	3160	0.03

Trading activity in cash Rs Cr				
Date	20 Sep	Net	MTD	FY20
FII		36	-8189	-29163
DII		3001	11185	57310

Forex Rate		
USD/INR	71.28	-0.52%
EUR/INR	78.46	-0.77%
GBP/INR	88.84	-0.13%
JPY/INR	65.83	-0.51%

Corporate Action		
Stock Name	Purpose	Ex Date
AJMERA	Final Dividend Rs 3.3	24-Sep
ICRA	Dividend Rs 30	24-Sep
TEXRAIL	Right Issue	24-Sep
AARTI IND	Bonus Issue 1:1	27-Sep

G-Sec Yield	Price	Change%
1yr Bond Yield	5.79	0.17%
10yr Bond Yield	6.78	2.26%

Market Outlook

Indian markets indicates for a positive gapup opening tracking continued optimistic sentiments for Friday's corporate tax cut by FM which was a surprise booster for economy. Technically Nifty has formed a long bull candle on Friday which engulfed the range of the last four weeks in a single day. The key overhead resistance of 11,150 levels has been broken on the upside and the Nifty closed above it. The near term trend of the Nifty seems to have reversed sharply and more upside could be in store in the coming weeks. In next couple of trading sessions, owing to this huge up move of 5%, there should be some profit booking which should ideally pull down the index. We see zone of 11,180-11,140 can be an ideal opportunity to go long. Key support level for Nifty is placed at 10,849, followed by 10,424. If the index extends its upward march, key resistance levels to watch out for are 11,540 and 11,806.

Top Domestic News

- Petronet LNG: India's biggest liquefied natural gas importer, Petronet LNG, has signed a preliminary deal to buy a stake in Tellurian Inc's proposed Driftwood project in Louisiana and import 5 million tonnes a year of LNG.
- Torrent Pharmaceuticals: The drug firm is expanding its voluntary recall for tablets used to control hypertension in the US due to the detection of traces of N-Methylnitrosobutyric acid, according to health regulator USFDA.
- Cipla: Gets EIR from US FDA for co's API manufacturing unit in Virgonagar
- Hero MotoCorp: The company might see a reduction in its earlier-projected capex of Rs 1,500 crore for the current financial year, as the two-wheeler industry continues to face headwinds with no relief in sight from the prolonged slowdown, a senior company official said.
- Edelweiss Financial Services: Brickwork Ratings has revised the credit rating assigned to the seemed non-convertible debenture programme of Rs 50 crore of the Company from 'BWR AA+' to 'BWR AA' with the outlook remaining unchanged as 'negative'.
- Future Consumer: CARE Ratings has re-affirmed its rating assigned to the company's bank facilities, non-convertible debentures and commercial paper.
- Punjab National Bank: ICRA revised rating on lender's Basel III Compliant Tier II bonds to AA-(hyb) (placed on rating watch with positive implications) from AA-(hyb) (Stable).
- Canara Bank: ICRA has placed rating of the bank's Basel III Compliant Tier II Bonds and additional Tier-I bonds, on "ratings watch with developing implications".
- Federal Bank: Received RBI approval for reappointment of Shyam Srinivasan as the MD & CEO of the Bank with effect from September 23, 2019 till September 22, 2020.
- MCX India: Will consider raising total limit in foreign investment in the company by up to the prescribed sectoral cap of 49 percent.
- Biocon: Company received eight Form 483 by the US FDA for two units in Bengaluru.
- Gruh Finance - Scheme of Amalgamation between the cpOompany and Bandhan Bank is now subject to the approval of National Company Law Tribunal, Kolkata
- Indian Overseas Bank raises Rs 500 crore through Base III Tier II Bonds issue
- Torrent Pharma expands recall of hypertension drug in US - PTI
- Central Bank of India to raise Rs 1,000 cr through bonds - PTI

Global News

Wall Street dropped on Friday, and also finished the week lower, after a Chinese agriculture delegation cancelled a planned visit to Montana, dampening optimism about US-China trade talks. The delegates, who had been set to visit US farm states next week, will return to China sooner than originally scheduled, the Montana Farm Bureau said. The Dow Jones Industrial Average fell 0.59% to end the week at 26,934.46 points, while the S&P 500 lost 0.49% to 2,991.99. The Nasdaq Composite dropped 0.8% to 8,117.67. For the week, the S&P 500 fell 0.52%, the Dow lost 1.05% and the Nasdaq declined 0.72%. Asian shares started higher on Monday on hopes of an interim Sino-US tariff deal after the two countries described their talks as "productive" and "constructive", while oil gained more than 1% as Middle East tensions remained elevated. Japan's Nikkei opened on a firm note, rising 0.2% while Australian shares added 0.5%.

Results Calender

23-Sep-19

NIL

F&O Ban List

NIL

Dated: 23 September 2019

Technical View



The entire week market looked depressed and the way it was grinding towards the recent lows, traders' / investors' were almost losing all hopes from the market. The FM tried lot many things in last few weeks to boost the sentiments; but seems she had saved her masterstroke for the right time. Today finally she delivered which could lift the sentiments and that has clearly been proven by such a mesmerizing reaction from the market. The buying commenced the moment FM initiated her speech and it went to a different level for next couple of hours. Finally this became the historical day for our markets as we clocked biggest ever intraday gains to take a giant leap from 10700. Now the point is what's next? Firstly, one has to understand that the low hanging fruit is already gone after this colossal rally. But this is not the end of it; there are further legs to unfold from hereon. With reference to our previous articles, we did some 'Time Retracement' analysis taking into a consideration few historical evidences. For 'Nifty Midcap' index, the September month was the 21st month from January 2018 peak. And on last couple of occasions (historically), the downtrend got arrested after 21st and 34th month. As per the Fibonacci series, both 21 and 34 are part of it and hence hold some significance. In addition, for Nifty, last week was the 21st week as per the 'Time Retracement' and thus, we were hoping for some respite. Considering this week's correction, our final hope was the recent low of 10637.15. Fortunately it remained defended and with today's developments, the market seemed to have validated our hypothesis on 'Time Retracement'. Now, we have finally managed to thrash the recent sturdy wall of 11200 with some authority. Although, we are considerably higher in a single day, traders should continue to remain on the long side and soon we expect Nifty to head towards 11450 – 11550 or may be beyond. As far as supports are concerned, 11150 followed by 11000 would now be seen as a sheet anchor. Any decline (if any) should be construed as a buying opportunity. Today, almost all sectors (especially the beaten down) soared as if there is no tomorrow. One needs to identify apt candidates who are likely to extend this lead. The FM has finally delivered and market has finally turned cheerful to bring back wider smiles on the faces of market participants



MSEARCH

MORNING NEWSLETTER

Disclaimer: Investments in securities market are subject to market risks, read all the related documents carefully before investing.

Mehta Equities Limited (MEL) has used information that is publically available and information developed in-house. Some of the information used in the document may have been obtained from members/persons other than the MEL and/or its affiliates and which may have been made available to MEL and/or its affiliates. MEL however does not warrant the accuracy, reasonableness and/or completeness of any information and does not take responsibility of updating any data/information. For data reference to any third party in this material, no such party will assume any liability for the same. All data/information used in preparation of this material is dated and may or may not be relevant at any time after the issuance of this material. MEL (including its affiliates) and any of its officers, directors, personnel and employees, shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any arising form the use of this material in any manner. Nothing contained in this document shall be construed to be an investment advice/recommendation on an assurance of the benefits of investing. Recipient alone shall be fully responsible for any investment decision taken on the basis of this document.

MEHTA EQUITIES LTD

BSE: - Membership Clearing No. 122 - SEBI Regn. No. INB010683856, NSE: - Membership Clearing No. 13512- SEBI Regn. No. INB231351231, NSE FO
SEBI Regn. No. INF231351231, CIN No: U65990MH1994PLC078478
MSEI: - Membership Clearing No. 51800 - SEBI Regn. No. INB261351234

Mehta Equities Limited, 903, 9th floor, Lodha Supremus, Dr.E. Moses Road, Worli Naka, Worli, Mumbai 400 018, India
Tel: +91 22 6150 7101, Fax: +91 22 6150 7102
Email: info@mehtagroup.in Website: www.mehtagroup.in