



MSEARCH

MORNING NEWSLETTER

Dated: 24 September 2019

Indices	CMP	%1D
Sensex	39090	2.83
Nifty	11600	2.92
BSE-Midcap	14554	3.08
BSE-Smallcap	13565	2.73
SGX Nifty	11676	0.75

Market Outlook

Indian markets indicates for a positive opening as investors continued their buying spree in the wake of government's decision to slash corporate tax rate and better than expected economic growth. While looking at global Asian markets are trading cautiously today amid renewed fears over the state of the global economy. Back home we expect some consolidation on cards after logging stellar 8% gains. Technically, key support level for Nifty is placed at 11,482, followed by 11,365. If the index continues moving up, key resistance levels to watch out for are 11,706 and 11,812.

Index	FY20	FY21E	FY22E
Sensex EPS	1439	1884	2419
P/E	27	21	16
Nifty EPS	472	589	754
P/E	24	20	15

Top Domestic News

- Axis Bank: ICRA has assigned "ICRA MAAA" rating with 'stable' outlook to the fixed deposit programme of the bank.
- Wipro: The company collaborated with FEBRABAN to develop noomis, an online platform for the financial services industry in Brazil.
- RattanIndia Power - Board meeting to be held on or after 26 September to consider various debt reduction measures
- Zee Entertainment falls 10% amid reports of a lender selling pledged shares
- Auto and FMCG | Which companies gain from the tax cut and how may they spend extra cash?
- No near-term benefit of tax rate cut for tech firms; BSE IT falls 3%
- Manappuram Finance: The board of the company has approved raising upto Rs 465 crore via NCDs.
- Star Cement Buyback- Do not seek any deviation from the original proposed offer and going ahead with the proposal, subject to receipt of approval from SEBI
- Indosolar: Promoter IDBI Capital has cut stake to 0.88 percent from 2.88 percent.
- NCC: Promoter released a pledge on 1 lakh shares (0.02 percent equity) on September 17.
- CG Power: Registrar Of Companies granted extension by 2 months and 15 days from September 30 to hold AGM for year ended March 31, 2019
- Zensar Technologies: The company has expanded operations in Cape Town, South Africa.
- Reliance Nippon Life Asset Management: The board approved the appointment of Mahadevan Veeremony as a non-executive independent director of the company at the AGM held on September 23.
- Punjab & Sind Bank has reviewed the Marginal Cost of Fund Based Lending Rate (MCLR) for different tenors.
- TCS BaNCS Launches Real-time Payments Solution in Multiple Markets.
- Road Transport Min prepares draft note on scrappage policy for vehicles older than 15 years.
- L&T Finance: Sebi dropped insider trading charges against Cayman Islands-based Factorial Master Fund.

Global Indices	Current Value	%1D
DowJones	26950	0.06
Nasdaq	8112	-0.06
DAX	12342	-1.01
Nikkei 225	22159	0.36
FTSE 100	7326	-0.26
Hang Seng	26222	-0.81
Shanghai	2976	-0.04
Straits Times	3162	0.60

Trading activity in cash Rs Cr			
Date 23 Sep	Net	MTD	FY20
FII	2684	-5505	-26479
DII	292	11477	57602

Forex Rate

USD/INR	70.93	-0.45%
EUR/INR	77.89	-0.50%
GBP/INR	88.29	-0.66%
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	5.77	-0.35%
10yr Bond Yield	6.74	-0.59%

Global News

US stocks barely budged on Monday, with slight gains in shares of Apple offset by mixed economic data that added to caution over the prolonged US-China trade war. US employment in the services sector shrank for the first time in 9-1/2 years in September, IHS Markit's Purchasing Manager's Index showed. The data also showed manufacturing activity rose in September, topping expectations. The Dow Jones Industrial Average rose 14.92 points, or 0.06%, to 26,949.99, the S&P 500 lost 0.29 points, or 0.01%, to 2,991.78 and the Nasdaq Composite dropped 5.21 points, or 0.06%, to 8,112.46. US stock futures gained in early Asian trade on Tuesday after US Treasury Secretary Steven Mnuchin said US-China trade talks will resume in early October while the euro struggled in the wake of dismal European manufacturing and services data.

Results Calender

NIL

24-Sep-19

F&O Ban List

NIL

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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



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