

Dated: 7 October 2019

Indices	CMP	%1D
Sensex	37673	-1.14
Nifty	11175	-1.23
BSE-Midcap	13714	-0.94
BSE-Smallcap	12808	-0.79
SGX Nifty	11212	0.06

Market Outlook

Indian markets indicates for a possible flat opening tracking Asian markets trading firm after data showed the U.S. unemployment rate dropped to the lowest in almost 50 years, easing concerns of a slowdown in the world's largest economy. Back home Indian markets would eye the July-September quarter earnings season will begin later in the coming week. Friday markets reacted on RBI rate cut of 25 bps which was already factored in, the market was expecting clear measures to address the concerns over the slowdown in the economy.

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

- Lupin launches Mycophenolate Mofetil capsules USP
- Glenmark Pharma: USFDA issues a 'Warning Letter' to the Baddi facility
- VST Tillers September auto sales - Total tractor sales up 5.5% at 2,201 units versus 2,087 units, YoY
- Wipro completes the acquisition of International TechneGroup Incorporated (ITI)
- Zee Entertainment: Promoter Essel Media made disclosure of pledge creation on 10.71 percent equity with VTB capital, which is for loan agreement executed on September 4, 2017.
- Supreme Infra worked out an amicable settlement with VSSPL
- Dr Reddy's Labs: US FDA issues EIR for company's API manufacturing plant 2 at Bollaram, Hyderabad
- L&T Finance Holdings - CRISIL assigned CRISIL AM/Stable rating on the NCDs of Rs 500 crore and CRISIL A1+ on Commercial Paper of Rs 1,500 crore
- Corporation Bank - Brickwork Ratings assigned BWR AA rating to the company's Basel III Compliant Tier II bonds worth Rs 500 crore
- Hitech Corporation resumes operations at Baddi Unit.
- Ashok Leyland - the company's plants at various locations will be observing non-working days ranging from 2-15 days, during the month of October 2019
- Sun Pharma Advanced Research receives Orphan Drug Designation from the USFDA for Phenobarbital for the Treatment of Patients with Neonatal Seizures
- BEML bags further orders in Metro from Delhi Metro Rail Corporation valuing approximately Rs 729 crore
- KEI Industries - CARE Ratings has reaffirmed the rating assigned to Long Term Bank Facilities availed by the company as CARE A; Stable
- Info Edge has entered into an agreement to invest about Rs 35 crore in Greytip Software Private Limited
- Apar Industries - Care Ratings reaffirmed Long Term Bank facilities rating as CARE A; Stable
- JSW Steel raised USD 400 million by allotment of fixed rate senior unsecured notes
- Eveready Industries appoints Roshan L. Joseph as independent director of the company w.e.f. October 04, 2019
- Prakash Industries - CARE Ratings reaffirmed the credit rating CARE BB (Double B) with stable outlook for bank facilities of the company

Global Indices	Current Value	%1D
DowJones	26574	1.42
Nasdaq	7983	1.40
DAX	12012	0.73
Nikkei 225	21410	0.32
FTSE 100	7155	1.10
Hang Seng	25821	-1.11
Shanghai	2905	-0.92
Straits Times	3078	-0.31

Trading activity in cash Rs Cr				
Date	4 Oct	Net	MTD	FY20
FII		-683	-2793	-9414
DII		606	2972	61588

Forex Rate		
USD/INR	71.12	0.30%
EUR/INR	77.89	0.93%
GBP/INR	87.42	0.43%
JPY/INR	66.39	1.37%

Corporate Action		
Stock Name	Purpose	Ex Date
CENTURYTXT	Spin Off	11-Oct
GOCL Corp	Interim Div Rs 2	14-Oct

Global News

US markets rallied on Friday after moderate jobs growth in September offered relief from a spate of dismal economic data this week that has rankled markets and fueled concerns the world's largest economy may be sliding into a recession. The Dow Jones Industrial Average rose 370.74 points, to 26,571.78, the S&P 500 gained 41.24 points to 2,951.87 and the Nasdaq Composite added 110.21 points to close at 7,982.47. Asian markets were trading firm after data showed the U.S. unemployment rate dropped to the lowest in almost 50 years, easing concerns of a slowdown in the world's largest economy. U.S. Treasury yields inched higher as Friday's data on the U.S. jobs market suggests the Federal Reserve may not need to cut interest rates further. "Worries about political instability in Hong Kong could hurt market sentiment after China's army took the unusual step of issuing warnings to anti-government protesters in Hong Kong over the weekend," said a Reuters report.

G-Sec Yield	Price	Change%
1yr Bond Yield	5.61	-0.36%
10yr Bond Yield	6.68	1.21%

Results Calender	07-Oct-19
NIL	

F&O Ban List
NIL

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Technical View



Trading for the week began with a downside gap and it probably set the mood for the entire week. The mounting concerns over NBFCs started spooking traders' sentiments which was fuelled by massive sell off in US markets during the midweek. On Tuesday as well as Friday, despite early morning lead, our markets succumbed to the selling pressure and eventually went on to slide below the 11200 mark. On a weekly basis, index shed nearly 3 percent which was biggest weekly fall in last couple of months. Exactly two weeks ago, everybody was so ecstatic, jubilant after FM's announcement on slashing the corporate taxes. This triggered colossal two-day rally in our market to take a giant leap. Who would have thought then, we will again have to undergo that similar pain that we have been witnessing since last 12 – 15 months. The Nifty wiped off 50% gains in last eight trading sessions; whereas the Bank Nifty and Midcap 50 indices have lost more than 70%, which is really annoying. There were some hopes built for better days for our markets and last couple of weeks have poured complete water on it. Now for Nifty, we are placed at a crucial junction and probably a last ray of hope for bulls. The current position of Nifty converges with multiple key evidences. Firstly as we highlighted the 50% retracement of the recent upmove which coincides with the '20 SMA' on daily chart and more importantly, the previous breakout zone of 11200 – 11100, which now ideally should act as a sheet anchor support for the Nifty. Let see how market behaves around it in the forthcoming week and be hopeful to have some positive development. As far as levels are concerned, below 11100 we may see selling getting aggravated and on the flipside, a resumption of uptrend should only happen if Nifty manages to sustain above 11400. Traders are advised to keep a tab of all the above mentioned levels and should ideally avoid taking undue risks.



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