

Dated: 9 October 2019

Indices	CMP	%1D
Sensex	37532	-0.38
Nifty	11126	-0.43
BSE-Midcap	13680	-0.24
BSE-Smallcap	12713	-0.75
SGX Nifty	11133	0.36

Market Outlook

Indian markets indicate for a possible flat opening on the back of Asian markets trading lower today amid growing uncertainty over the high-level trade negotiations between the U.S. and China due to commence later this week. Overall market sentiment looks weak and investors have now eyes on the second quarter earnings which could only give directions. Technically Nifty has entered the zone of 11,180-11,100, which was acting as a resistance zone in August –September with key support level for Nifty is placed at 11,081, followed by 11,036. If the index starts moving up, key resistance levels to watch out for are 11,202 and 11,278.

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

- DHFL: Leading depository CDSL has frozen shareholding of the promoters of debt-ridden mortgage lender DHFL due to delay in announcement of the company's financial earnings, PTI reported.
- Aurobindo Pharma: USFDA concluded inspection of Unit 7 of the manufacturing facility with 7 observations.
- SJVN: The government shelved a proposal to sell the company's stake to NTPC for now.
- Tata Motors: JLR's July-September retail sales fall 0.7 percent to 1.28 lakh units YoY.
- Titan: Q2 jewellery retail sales grow 7 percent, but revenues as per financials declined 2 percent YoY substantially due to the adverse impact of the hedges matured during the quarter.
- TCS: Pandora partners with TCS for its digital transformation.
- NMDC: The company said it is considering raising funds through the debt market. The board of directors will meet on October 11 to consider this.
- Talwalkars Healthclubs: Company defaulted of Rs 2.38 crore towards interest and principal of Rs 25 crore of loan taken from Lakshmi Vilas Bank.
- Minda Industries: The company has acquired Germany based firm Delvis Group.
- Mahindra Lifespace Developers: The company has launched its residential project, 'Vicino' at Andheri (East), Mumbai.
- Gujarat Gas: Rating firm CARE has reaffirmed "CARE AA" with a positive outlook on long-term bank facilities and "CARE A1+" with a positive outlook on short-term bank facilities.
- Reliance Power: The company has disclosed the reasons for the encumbrance of shares.
- Yes Bank: Promotor Rana Kapoor has informed the exchange regarding the reason for encumbrance.
- Walchandnagar Industries: CARE has revised ratings on the company's long-term and short-term bank facilities.
- Gateway Striparks: India Ratings have reaffirmed the credit ratings of the company's long-term borrowings.
- Zee Learn: Chief Financial Officer of the company resigned on October 07.
- Indiabulls Real Estate to consider buyback on October 11
- J&K Bank: RBI appoints RK Chhibber as MD & Chairman w.e.f October 10 for 6 months
- Reliance Home Finance: Serviced interest obligation on NCDs maturing on October 7 without repayment of principal amount.

Global Indices	Current Value	%1D
DowJones	26164	-1.19
Nasdaq	7824	-1.67
DAX	11970	-1.05
Nikkei 225	21407	-0.84
FTSE 100	7143	-0.76
Hang Seng	25762	-0.51
Shanghai	2892	-0.75
Straits Times	3097	-0.44

Trading activity in cash Rs Cr			
Date 7 Oct	Net	MTD	FY20
FII	-494	-3287	-9908
DII	905	3877	62493

Forex Rate		
USD/INR	70.87	-0.35%
EUR/INR	77.78	-0.14%
GBP/INR	87.52	0.11%
JPY/INR	66.36	-0.05%

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

Global News

Stocks in Asia slipped in Wednesday morning trade amid mounting uncertainty on the U.S.-China trade front ahead of expected high level negotiations between the two economic powerhouses later this week.- Washington expanded its trade blacklist to include some of China's top artificial intelligence firms on Monday, punishing Beijing for its treatment of predominantly Muslim ethnic minorities.- China's Ministry of Commerce said the U.S. should "stop interfering" in the country's internal affairs and "remove" the relevant entities from the list "as soon as possible."- Those latest developments cloud the outlook for the upcoming U.S.-China trade negotiations, set to kick off on Thursday amid the looming prospect of more tariffs from Washington on goods from Beijing.Stocks in Asia traded lower Wednesday morning amid growing uncertainty over the high-level trade negotiations between the U.S. and China due to commence later this week.

G-Sec Yield	Price	Change%
1yr Bond Yield	5.63	0.36%
10yr Bond Yield	6.67	0.15%

Results Calender	09-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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MORNING NEWSLETTER

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