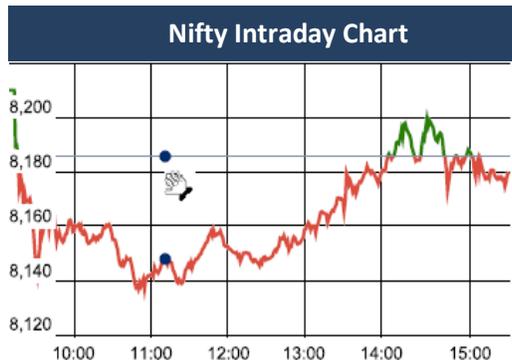


KEY LEVELS

Support : 7890

Resistance : 8230



Market Outlook

Indian Equity gave a range bound and choppy movement through the day on Monday. After starting with a deep negative note in the first half session of market, next, nifty continuously rose to make high of 8198 and nifty gave small positive note at the end of the market. Yesterday market saw a volatile session of trade to close at 8179.50. It had net loss of 0.08% of the previous day's closing. The midcap and small cap indices were outperformed of their benchmark indices. Both were closed the day after raise by 0.93% and 1.80% respectively.

On the sectoral front, Banking, Financial services and, FMCG and IT stocks were on the sellers' radar whereas Auto, Media, Pharma, Metal, Realty stock were on buyers' radar. More than two shares advanced for every share falling on the exchange. The foreign investors were the net sellers in the cash segment and they sold Rs 260 crores worth of equities on Monday.

Manufacturing Purchasing Managers Index (PMI) recorded below the crucial 50 threshold for the first time in 2016 during December, down from 52.3 in November to 49.6. It indicated that the rupee demonetisation took a toll on manufacturing performance. Indian auto sales data was mixed in the month Dec 2016.

As Nifty has inched closer to resistance level of 8229, we suggest caution. Only a decisive closing above 8229 will warrant change in our stance.

Market		
Market	Value	% Change
Morning Traded Market		
SGX NIFTY	8,195.00	0.13%
NIKKEI	19114.37	-0.16%
HANG SENG	22,076.16	0.34%
Yesterday Closing Market		
Sensex	26,595.45	-0.12%
Nifty	8,179.50	-0.08%
DOW	19,762.60	-0.29%
NASDAQ	5,383.12	-0.91%
CAC	4,882.38	0.41%
DAX	11,598.33	1.01%
FTSE	7,142.83	0.32%
EW ALL SHARE	14,728.01	0.56%

% Change in 1 day

Commodity Price (Yesterday Closing)		
Commodity/Currencies	Value	% Change
GOLD	27570.00	0.46%
SILVER	39136.00	0.22%
CRUDEOIL	54.07	0.24%
NATURALGAS	251.10	0.65%
DOLLAR/RS.	68.22	0.45%
EURO/RS.	71.38	0.18%
POUND/RS.	83.77	0.15%

% Change in 1 day

Institutional Turnover			
FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
02-Jan-17	959	1220	(261)
Jan-17	959	1220	(261)
2017	959	1220	(261)
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
02-Jan-17	1631	1610	21
Jan-17	1631	1610	21
2017	1631	1610	21

Quote of the Day : "By confining himself to a relatively few, easy-to-understand cases, a reasonably intelligent, informed and diligent person can judge investment risks with a useful degree of accuracy."
Benjamin Graham



MARUTI**"BUY"****3th Jan 2017**

We expect current demonetization issue may not be impacting much in the long run to the passenger vehicle segment because more than 75% vehicles are financed. But this issue may be hampering sales in near future due to cash crunch in the economy. We assume volumes in the second half may be down by 10% in comparison to the first half 2017. Higher sales of premium segment cars will further increase the realization per car, which will in turn maintain the margins going ahead despite the rising commodity prices. Hence we have positive view on this stock and we recommend "BUY" with a target price of Rs.6100.

IRB**"ACCUMULATE"****2th Jan 2017**

Firstly EPC revenue was impacted due to heavy monsoon during Q2FY17 and secondly suspension of toll collection for the period of 24 days because of demonetization will affect the top line of the company in FY17. We expect top line of Rs. 5627 Cr (Growth of 10% YoY) with healthy 52.7% EBITDA margin in FY17E. Significant reduction in debt post the InvIT IPO and an arbitral award will boost the bottom line of the company. At a current price of Rs. 191 stock trades at 7.3x to FY17 expected EV/EBITDA and 1.3x to P/B. The stock has corrected nearly 18% post demonetization announcement which makes this stock attractive at this price with present fundamentals. Hence, we revised our rating from HOLD to ACCUMULATE with the target price of Rs.235

**For details, refer to our daily report- India Equity Analytics*

Top News

- **Mgt Int : BAJAJAUTO**

Rural demand down 20%; no respite visible yet: Bajaj Auto
 >>22% decline in sales to 2.25 lakh units in December due to demonetisation impact.
 >>No recovery in sales is visible yet for the company. Impact has more been in rural areas where demand has fallen 20%.
 >>Bajaj saw pick-up in retail sales in Nigeria to 20,000 units in December. Egyptian market, though, is going through a readjustment phase

- **Indiabulls Housing Finance Mgt Guideline** : Company said that tier II and tier-III cities, outskirts of major cities will be covered under the new scheme announced by the PM in his speech on the new year eve. Company is well set for continuous demand in housing finance sector . Indiabulls has launched a new product between the ticket size of Rs 10-15 lakh. The new launched product will get a huge boost from PM's recent announcement . The company will decide on revising the lending rate at the ALCO meet by Tuesday

- **Sunil Munjal, Chairman of Hero Corporate Services** said that demand in December for most consumer goods did suffer following demonetisation. The government, however, saw higher tax mop-up in November which shows that the economy has seen growth. Company believes liquidity will take another 2-3 months to come back into the system. Industry will take longer anywhere from 9 months to 12 or 18 months to revive.

- **Welspun Enterprises** is seeking shareholders' approval for buying back up to 25 percent of its share capital at Rs 62 per equity share for an aggregate consideration not exceeding Rs 270 crore. Welspun Enterprises Ltd is seeking approval/consent of its members by postal ballot (which includes e-voting) by way of special and/or ordinary resolution

- **Tata Motors** sales up 2% at 40,944 units in Dec . Hero MotoCorp sales down 33.91% in December . SML Isuzu sales up 16.4% in December at 1,021 units

- **Insecticides India Ltd (IIL)** said it has tied up with Japan's Nihon Nohyaku Co Ltd for launching of new generation insecticides for different crops under the brand name SUZUKA. IIL plans to introduce one more brand HAKKO, an insecticide for BPH in paddy crop.

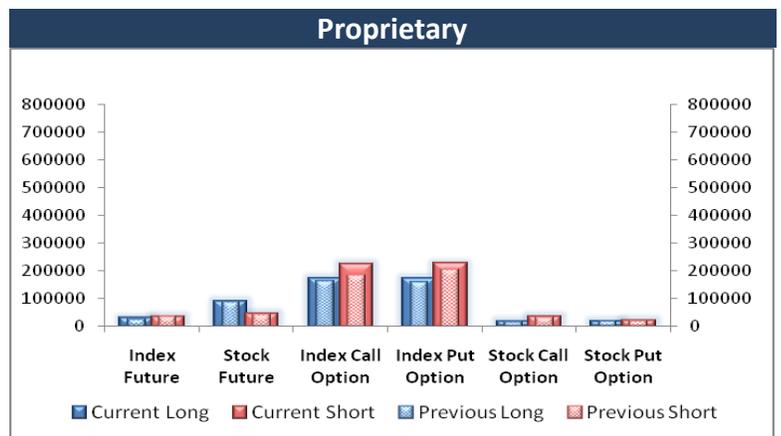
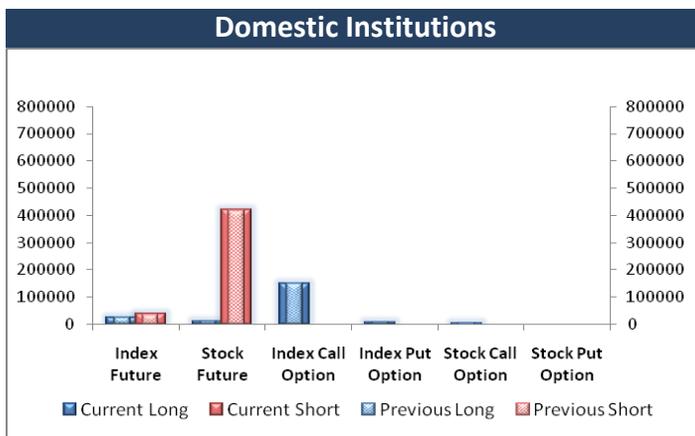
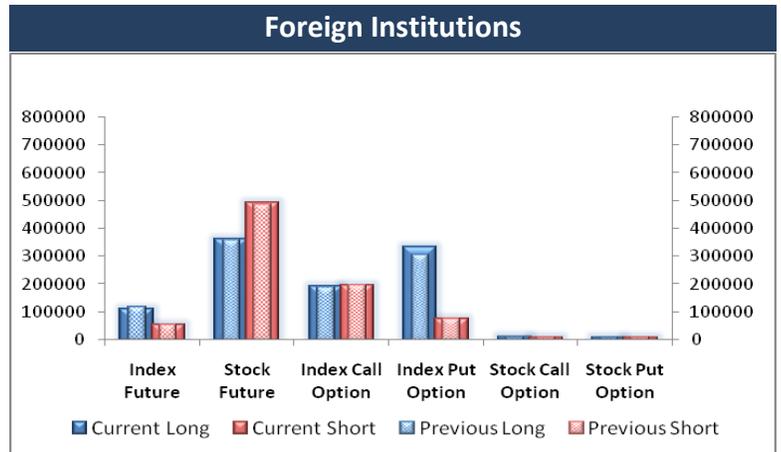
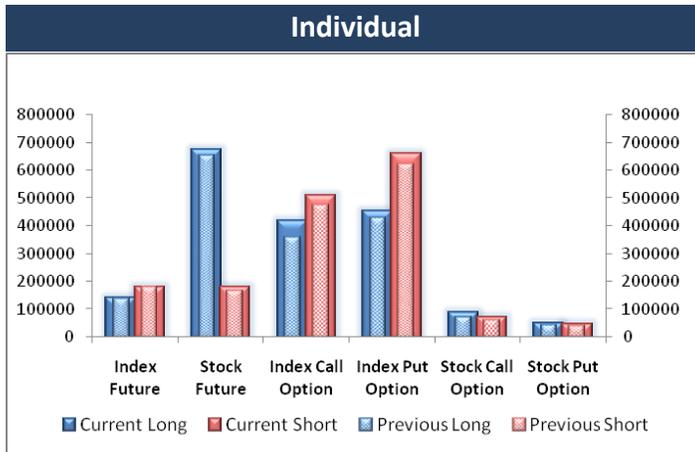
- **China's economic growth** could slow to 6.5 percent this year from about 6.7 percent in 2016, a government-run think tank said on Tuesday, while suggesting a one-off devaluation could help stabilize the yuan currency.

- **Spain's economic growth** may have exceeded the 3.2 percent pace officially projected by the government for 2016. De Guindos also said Spain would be looking to maintain its net debt issuance target for 2017 at around 35 billion euros (\$37 billion).

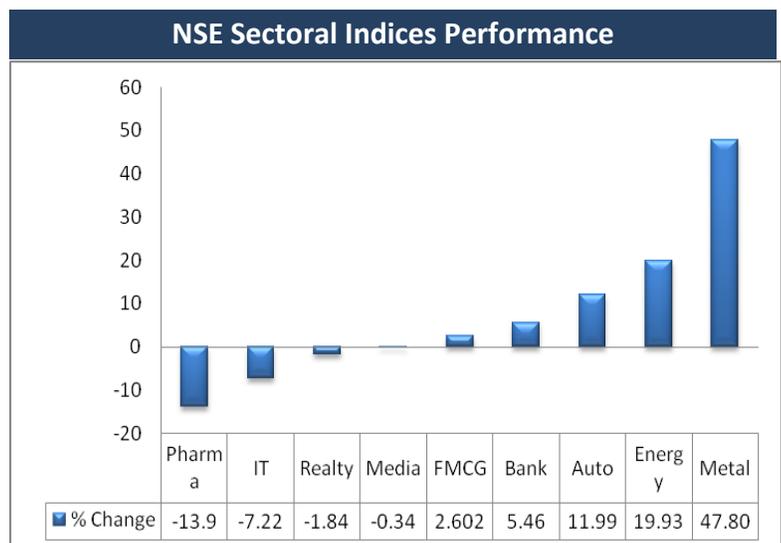
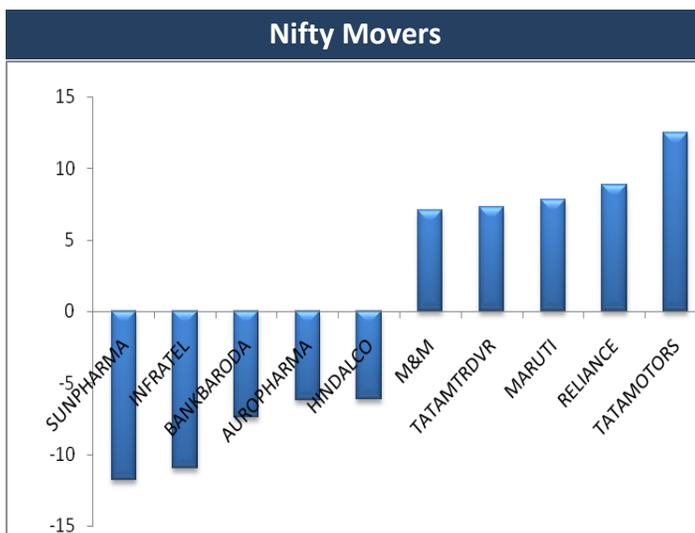
- **Tanzania** is in talks with banking giant Credit Suisse (SIX:CSGN) for a \$300 million loan that would go towards financing infrastructure projects

- **Manufacturing Purchasing Managers Index (PMI)** recorded below the crucial 50 threshold for the first time in 2016 during December, down from 52.3 in November to 49.6.

F&O OPEN INTEREST (Number of Contracts)



MARKET MOVERS (1 MONTH CHANGE)



Economic Calendar					
Country	Monday 2th Jan 17	Tuesday 3th Jan 17	Wednesday 4th Jan 17	Thursday 5th Jan 17	Friday 6th Jan 17
US		Final Manufacturing PMI , ISM Manufacturing PMI , Construction Spending m/m, ISM Manufacturing Prices.	ADP Non-Farm Employment Change, ISM Non-Manufacturing PMI, Crude Oil Inventories, FOMC Meeting Minutes, Total Vehicle Sales.	Challenger Job Cuts y/y , Unemployment Claims , Natural Gas Storage ,	Average Hourly Earnings m/m , Non-Farm Employment Change, Unemployment Rate , Trade Balance , Factory Orders m/m , IBD/TIPP Economic Optimism.
UK/EURO ZONE	German Prelim CPI m/m , Spanish Manufacturing PMI , Italian Manufacturing PMI , German Unemployment Change, German Unemployment Change, Construction PMI, Manufacturing PMI.	German Prelim CPI m/m , French Prelim CPI m/m , German Unemployment Change.	Spanish Unemployment Change , Spanish Services PMI, Italian Services PMI, French Final Services PMI, German Final Services PMI , Services PMI, Net Lending to Individuals m/m, CPI Flash Estimate y/y.	Retail PMI , PPI m/m , French 10- y Bond Auction , ECB Monetary Policy Meeting Accounts.	German Factory Orders m/m , German Retail Sales m/m.
INDIA	Auto no, Nikkei Manufacturing PMI.		Nikkei Services PMI		

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