

5-Jan-17

### KEY LEVELS

Support 1 : 7890

Resistance 1: 8230

### Nifty Intraday Chart



### Market Outlook

Indian equities gave a range bound and choppy movement throughout the day on Wednesday and after opening on a subdued note, Nifty moved in the narrow range of 8180 - 8219. At the day the index closed with a marginal loss 1.75 points. The midcap and small cap indices outperformed the benchmark index and closed the day after gaining 0.5%-0.8%.

On the sectoral front, some buying interest was witnessed in Realty, Information Technology and FMCG stocks while Banking and Financial services stocks have shown some weakness. The breadth of the market was positive and about three shares advanced for two shares declined at NSE.

Indian services activity contracted for second month in December and the Nikkei/ Markit Services Purchasing Managers' Index (PMI) came in at 46.8 in December 2016 as against 46.7 in November 2016. The average PMI activity index reading for the October– December quarter was the lowest since early 2014.

The foreign investors were the net sellers in the cash segment and they sold Rs 1178 crores of equities on Wednesday.

Nifty is trading in the range of 7900 and 8300 for almost about 2 months since de-monetization. Next move to trigger around forthcoming budget (1st Feb). Nifty level of 8230 important for near term momentum.

☐

**Quote of the Day** : "You have to segregate businesses you can understand and reasonably predict from those you don't understand and can't reasonably predict. An example is chewing gum versus software." **Warren Buffett**

### Market

| Market                          | Value     | % Change |
|---------------------------------|-----------|----------|
| <b>Morning Traded Market</b>    |           |          |
| SGX NIFTY                       | 8,232.00  | 0.41%    |
| NIKKIE                          | 19573.02  | -0.11%   |
| HANG SENG                       | 22,266.85 | 0.59%    |
| <b>Yesterday Closing Market</b> |           |          |
| Sensex                          | 26,633.13 | -0.04%   |
| Nifty                           | 8,190.50  | -1.75%   |
| DOW                             | 19,942.16 | 0.30%    |
| NASDAQ                          | 5,477.00  | 0.87%    |
| CAC                             | 4,899.40  | 0.00%    |
| DAX                             | 11,584.31 | 0.00%    |
| FTSE                            | 7,189.74  | 0.16%    |
| EW ALL SHARE                    | 14,818.72 | 0.07%    |

% Change in 1 day

### Commodity Price ( Yesterday Closing )

| Commodity/Currencies | Value    | % Change |
|----------------------|----------|----------|
| GOLD                 | 27682.00 | -0.35%   |
| SILVER               | 40267.00 | -0.01%   |
| CRUDEOIL             | 53.17    | -0.19%   |
| NATURALGAS           | 221.10   | -3.41%   |
| DOLLAR/RS.           | 68.05    | -0.41%   |
| EURO/RS.             | 71.43    | 0.34%    |
| POUND/RS.            | 83.74    | 0.16%    |

% Change in 1 day

### Institutional Turnover

| FII       |          |           |          |
|-----------|----------|-----------|----------|
| Investor  | Buy(Cr.) | Sale(Cr.) | Net(Cr.) |
| 04-Jan-17 | 3428     | 4229      | (801)    |
| Jan-17    | 6296     | 7858      | (1562)   |
| 2017      | 6296     | 7858      | (1562)   |
| DII       |          |           |          |
| Investor  | Buy(Cr.) | Sale(Cr.) | Net(Cr.) |
| 04-Jan-17 | 1887     | 1460      | 427      |
| Jan-17    | 5642     | 4632      | 1010     |
| 2017      | 5642     | 4632      | 1010     |

### Event Today

### Interim Dividend

KPL : Rs. 6/-

( Exdate : 6.1.2017 )

### Board Meeting

SASTASUNDR : General

JAGRAN : Buy Back of Shares

CUPID : General

### Quarterly Results

GMBREW

### Buy Back of Shares

HEXAWARE , SASKEN

( Exdate : 5.1.2017 )

| M&M   | "BUY" | 5th Jan 2017 |
|---|-------|--------------|
| <p>Management believes that the demonetization issue may have short term negative impact on Farm Equipment segment. They expect this concern will last for next 4 months but sticks with previous growth guidance of 20% for tractor industry in FY17. We believe that the tractor industry may not see much slow-down because the monsoon was good during the year and almost 90% of the tractors are financed. New launches in 2HFY18 in Tractor and SUV segments will make the Mahindra's presence further stronger in the domestic market. Ssangyong have also seen recovery on nine month basis and it may post positive results in the current fiscal after three consecutive years of losses. Considering the strong volume growth and recovery in the non- performing business we recommend 'BUY' with a target price of Rs.1600.</p> |       |              |

| MARUTI  | "BUY" | 3th Jan 2017 |
|---|-------|--------------|
| <p>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.</p> |       |              |

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

## Top News

- US Food and Drug Administration (USFDA) has issued a warning letter to **Wockhardt's** Ankleshwar plant for data integrity issues, destruction of records and other violation of good manufacturing practices. Three of the company's plants, including the one at Ankleshwar, are under an import alert. In its warning letter FDA said the company failed to take measures to prevent microbiological contamination.

- **KEC International Mgt Guideline** : This year Company have already got railway orders of Rs 1,100 crore and we are L1 in another Rs 400 crore. So hopefully, by this yearend we should close with an order intake of Rs 1,500 crore . Company was lower than the T&D margins. T&D are average between 8 and 10 percent. Railways were slightly lower than that and that is mainly because of the volumes.

- **Power Grid** said the company has projects worth Rs 1 lakh crore in hand and they look forward to investing in the projects in the next 3-4 years. Company said investments of Rs 20,000 has already been completed in this year. Company has projects worth Rs 1 lakh crore and that we have to invest in next 3-4 years. We have already investing approval of Rs 20,000 crore in this year and one by one awarding process is going on. The company is looking forward to bag roughly Rs 10,000-12,000 crore worth of orders in FY17. Company added in totality Rs 25,000 crore worth of orders is up for grabs for FY17.

- **SAIL** said it has produced 10.18 million tonnes of saleable steel in April to December period of the current fiscal, registering a 15 percent growth over the year-ago period.

- **Sun Pharmaceutical Industries Ltd** and includes its subsidiaries or associate companies), announced successful Phase 3 confirmatory clinical trial results for Seciera™ (cyclosporine A, 0.09% ophthalmic solution), for the treatment of dry eye disease. Seciera™ is a patented, novel, proprietary nanomicellar formulation of cyclosporine A 0.09%. It is a clear, preservative-free, aqueous solution. Seciera™ is being developed by Ocular Technologies, a company recently acquired by Sun Pharma

- **NBCC** said it will issue one bonus share on every two held in the company this fiscal. A total 30 crore bonus shares will issued at a face value of Rs 2 per share, amounting to Rs 60 crore. The bonus shares, to be issued on or before March 3, 2017, will be given from the free reserves created out of the company's profits.

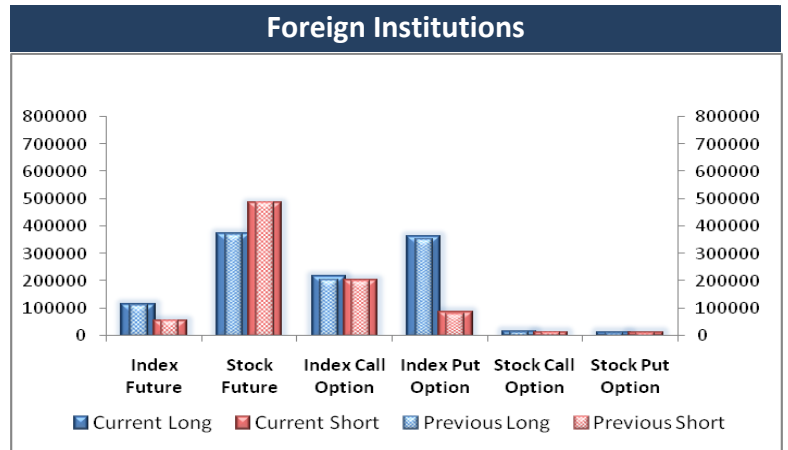
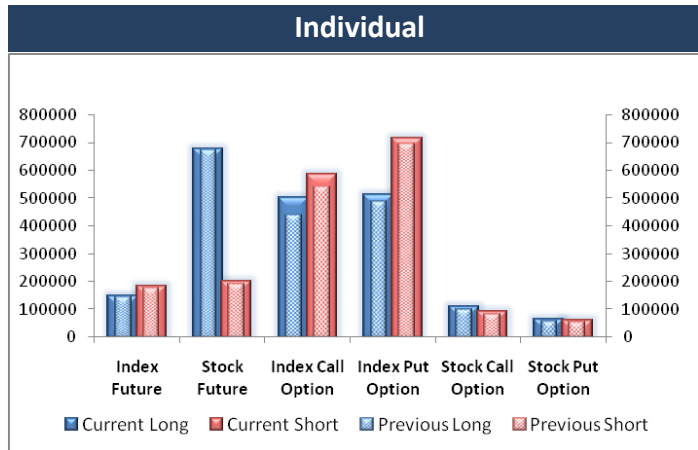
- **India Goods and services tax (GST) Council**, indicating that a roll-out of the new indirect tax regime is difficult not only from April 1, but also from July 1, 2017.

- **British Net consumer** lending beat expectations to jump by 1.926 billion pounds (\$2.36 billion) in November - the biggest monthly rise since March 2005 - and is 10.8 percent higher than a year earlier.

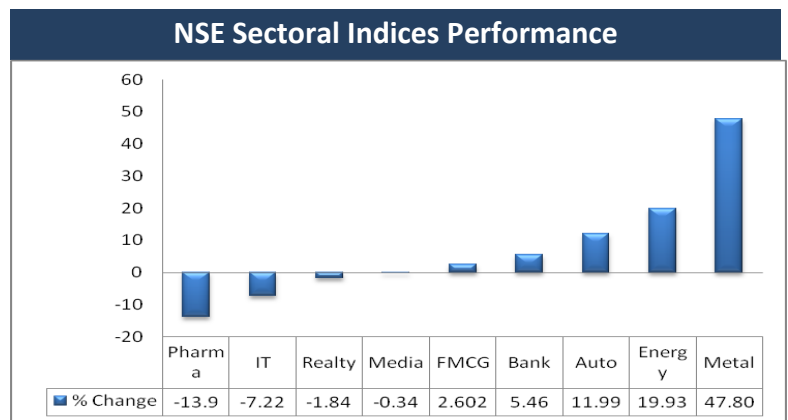
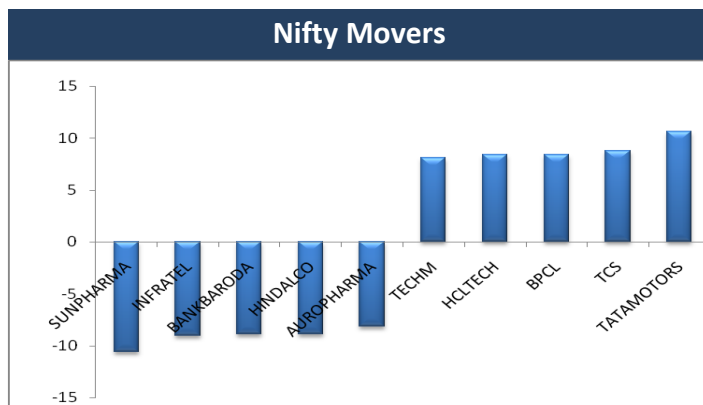
- **Euro zone CPI** rose to a seasonally adjusted annual rate of 1.1%, from 0.6% in the preceding month. Analysts had expected Euro zone CPI to rise to 1.0% last month.

- **The Nikkei/Markit India Services Purchasing Managers'** Index which tracks services sector companies on a monthly basis, stood at 46.8 in December, little changed from November's 46. The seasonally adjusted Nikkei India Composite PMI Output Index — which maps both manufacturing and services sectors — stood at 47.6 in December, from 49.1 in November.

**F&O OPEN INTEREST ( Number of Contracts )**



**MARKET MOVERS (1 MONTH CHANGE)**



**TRADING IDEAS**

| Scrip            | Reco                   | Initiation Price | Target 1 | Target 2 | Stop Loss | Rational   |
|------------------|------------------------|------------------|----------|----------|-----------|--|
| OMAXE            | Buy                    | 160.95           | 168      | 175      | 154       | After getting a strong support near 200 DMA, the stock has given a sharp pullback rally yesterday. In the extreme short term some fresh buying is likely to emerge in the stock from the current level.              |
| BEML Jan 1020 CE | Short<br>(1 lot = 600) | 28.7             | 16       | 5        | 40        | The stock found a stiff resistance near Rs 1023 and thereafter corrected yesterday. It has also made a negative divergence in Stochastic on daily chart. In the short term it is very unlikely to breach this level. |

| Economic Calendar |  |  |  |   |  |
|-------------------|--|--|--|---|--|
| Country           | Monday<br>2th Jan 17   | Tuesday<br>3th Jan 17  | Wednesday<br>4th Jan 17  | Thursday<br>5th Jan 17  | Friday<br>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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