

KEY LEVELS

Support 1 : 7890
Resistance 1: 8148
Resistance2: 8598

Nifty Intraday Chart



Market Outlook

After giving a gap up opening, NSE 50 share index benchmark Nifty traded in the positive territory throughout yesterday's trading session and closed the day after gaining over 1%. The midcap and small cap indices slightly outperformed the benchmark index and closed the day after gaining 1.3%-1.4%.

On the sectoral front, Metal, Auto, Banking and Pharmaceuticals stocks were on the buyers' radar while the Information Technology index closed in red.

Country's commercial banks' loan book contracted by 2.3% in the third quarter between October 1 and December 23, 2016 as against a growth of 2.7% in the same period of the previous fiscal. The contraction in credit growth is mainly due to weak corporate demand and the effect of demonetization of high currency notes. However the bankers are expecting it will pick up towards the end of this fiscal as they are lowering their lending rates continuously.

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

□

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	8,305.00	0.19%
NIKKIE	19520.29	-0.38%
HANG SENG	22,456.69	1.43%
Yesterday Closing Market		
Sensex	26,878.24	0.92%
Nifty	8,273.80	1.02%
DOW	19,899.29	-0.21%
NASDAQ	5,487.00	0.20%
CAC	4,900.64	0.03%
DAX	11,584.94	0.01%
FTSE	7,195.31	0.08%
EW ALL SHARE	15,032.96	1.45%

% 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	4519	4606	(87)
Jan-17	32430	34362	(1932)
2017	1012696	1011778	918
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
04-Jan-17	2259	1810	449
Jan-17	13501	13473	29
2017	468525	440180	28345

Quote of the Day : "To carry one's eggs in a great number of baskets without having the time or opportunity to discover how many have holes in the bottom is the surest way of increasing risk and loss." - **Warren Buffett**

KEC

"Hold"

6th Jan 2017

In short run, company's revenue growth will remain lackluster but medium to long-term growth remains intact. Efficient working capital management strengthened balance sheet position and we expect it to continue going forward. We expect to ramp up in an execution of substation (T&D) projects and railway projects. Robust opportunity in railway segment with improving margin will help KEC to post healthy numbers going forward. But considering the short-term uncertainty, we maintain "HOLD" on the stock with unchanged target price of Rs.164

M&M

"BUY"

5th Jan 2017

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.

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

Top News

- **Vinati Organics Mgt Guideline** : The company has passed on crude price movements to customers. The acrylamido tertiary-butyl sulfonic acid (ATBS) accounts for 45 percent of the total revenue and makes up for 50 percent market share. The second half of FY17 will be in-line with the first half. The company will be debt free by end of the year. However, it will look to increase promoter stakes. Vinati Organics will be investing Rs 500 crore in para-amino phenol (PAP) products

- **Sanofi has** sued Glenmark and Torrent Pharmaceuticals in a US court over their plans to launch a generic version of its multiple sclerosis drug, Aubagio. Sanofi holds the patent for Aubagio and had global sales of euros 928 million in the first nine months of 2016. The lawsuits against the two Indian companies comes in the wake of their applications to the US Food and Drug Administration to launch the generic version

- The Union government in September approved 40% viability gap funding for the Jagdishpur-Haldia and Bokaro-Dhamra pipelines. GAIL, the country's largest natural gas marketer and transporter, is receiving this support to push gas-based development along a corridor called Urja Ganga. GAIL, says the push to gas utilisation will come if the government provides an attractive fiscal regime as it is available for renewable energy.

- **Government** imposed anti-dumping duty ranging from USD 6.30 to USD 351.72 per tonne on imports of jute and its products from Bangladesh and Nepal to protect domestic industry.

- As many as 10 international offshore drilling contractors including Transocean Inc have offered best-in-class deepsea drilling rigs to **Oil and Natural Gas Corp (ONGC)** for its KG-D5 gas field developments.

ONGC had floated a tender to charter hire two deepwater drilling rigs and one anchor moored rig for bringing gas in Bay of Bengal block KG-DWN-98/2 or KG-D5, which sits next to Reliance Industries' flagging KG-D6 fields, to production.

- **Jagran Prakashan**, the publisher of leading Hindi daily 'Dainik Jagran', today said its board has approved buyback of 4.75 percent equity shares worth over Rs 300 crore of the company. The company approved a buy-back proposal for the purchase by the company of up to 1,55,00,000 fully paid up equity shares representing 4.74 percent

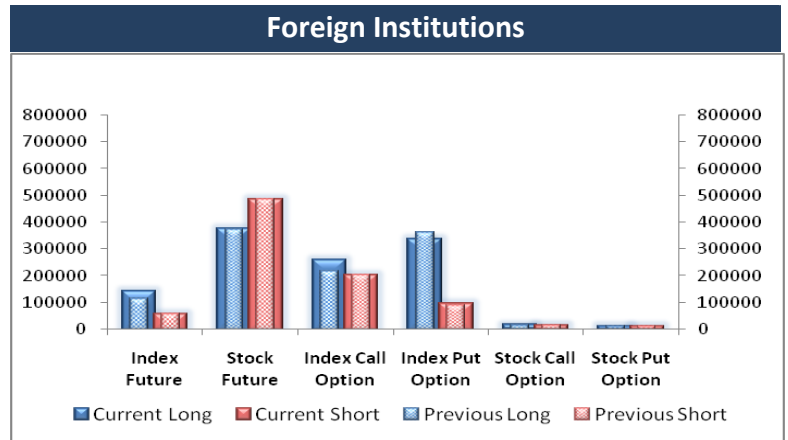
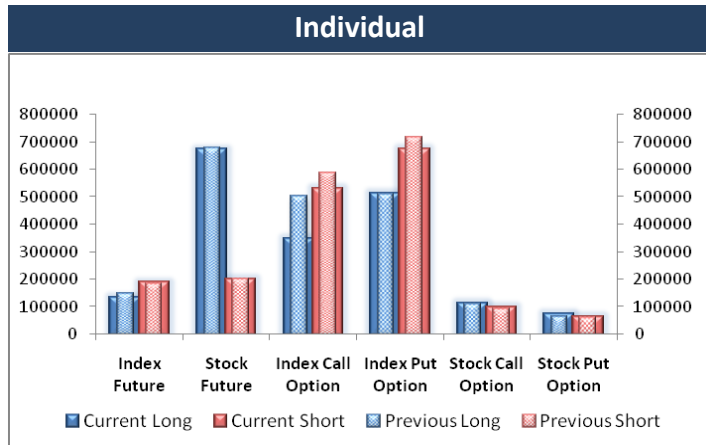
- German regulator clears **Wockhardt's** Ankleshwar plant. The German clearance allows the company to continue its supply of APIs across European Union.

- **Australia's trade balance** rose to a seasonally adjusted 1.243B, from -1.119B in the preceding month whose figure was revised up from -1.541B. Analysts had expected Australia's trade balance to rise to -0.500B last month.

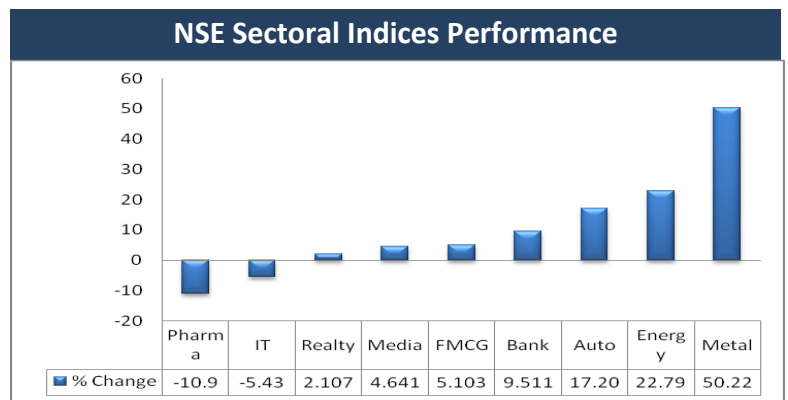
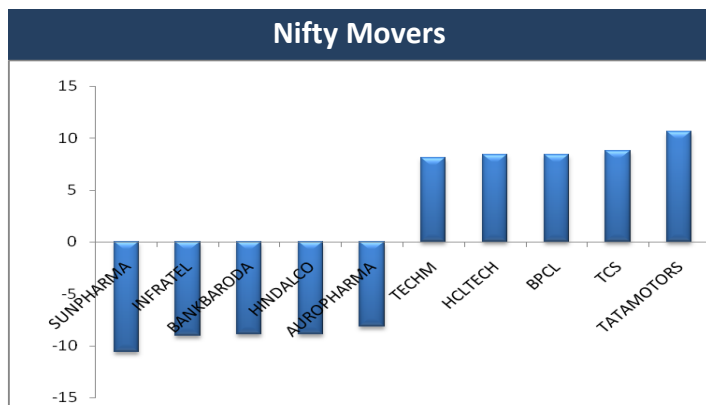
- **Japan's Average Cash Earnings** rose to a seasonally adjusted 0.2%, from 0.1% in the preceding quarter. Analysts had expected Japan's Average Cash Earnings to rise to 0.2% in the last quarter.

- **U.S. Gasoline Inventories** rose to a seasonally adjusted annual rate of 8.307M, from -1.593M in the preceding quarter. Analysts had expected U.S. Gasoline Inventories to rise 1.786M in the last quarter.

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
STRTECH	Buy	103.6	111	119	97	The stock has given a price volume breakout above Rs 102. Some fresh buying is likely to emerge in the stock at the current level
TCS Jan 2400 CE	Short (1 lot = 250)	33.5	21	7	45	The stock found a stiff resistance near Rs 2390 and thereafter corrected from that level. It has also made a negative divergence in RSI on daily chart. In the short term it is very unlikely to breach its recent high of Rs 2390.

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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