

7-Apr-17

KEY LEVELS

Support 1 : 9230
Support 2 : 9193

Resistance 1: 9380

Nifty Intraday Chart



Market Outlook

Indian equities gave a range bound and choppy movement throughout yesterday and after opening on a subdued note, Nifty traded in the band of 9219 and 9268. At the end of the day the index closed with a marginal loss of 3.20 points. The midcap and small cap indices also moved in line with the benchmark index and closed the day near flat.

On the sectoral front, some buying interest was witnessed in Realty, Media and Metal stocks while FMCG and PSU banking stocks lead to a decline. The breadth of the market was slightly negative with more declines than advances.

The Reserve bank of India kept repo rate unchanged at 6.25% on Thursday as it continues to guard against any potential flare-up in inflation and an uncertain global economic environment. However, it raised the reverse rate to 6% from 5.75% due to narrowing of the liquidity adjustment facility corridor. The RBI also announced that banks can start to invest in REITs. This step will definitely boost the real estate companies in the short term as they get the extra liquidity from the banking system.

RBI kept the rate unchanged but hinting looming inflation threat over the next 6-12 months, obliquely implies an interest rate hike in 2017-18. Though RBI sounding bullish on gdp growth for FY18 (guidance of 7.4%) helped market recover yesterday. Now as we get close to Q4 earning season, market will start focusing on earning trajectory for FY18. Market presently is discounting 18% earning growth. What the expectation becomes post Q4 will be key to market post April.

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	9,283.00	0.17%
NIKKIE	18756	0.85%
HANG SENG	24,273.72	-0.52%
Yesterday Closing Market		
Sensex	29,927.34	-0.16%
Nifty	9,261.96	-0.03%
DOW	20,662.00	0.07%
NASDAQ	5,878.95	0.25%
CAC	5,121.44	0.58%
DAX	12,230.89	0.11%
FTSE	7,303.20	-0.39%
EW ALL SHARE	16,936.29	0.03%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	28721.00	-0.29%
SILVER	42093.00	-0.39%
CRUDEOIL	51.72	0.04%
NATURALGAS	214.70	0.75%
DOLLAR/RS.	64.72	-0.56%
EURO/RS.	69.14	-0.58%
POUND/RS.	80.74	-0.69%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
06-Apr-17	5130	4987	143
Apr-17	153101	126628	26473
2017	341867	308272	33594
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
06-Apr-17	3106	3312	(206)
Apr-17	65535	69931	(4396)
2017	180153	178865	1288

Quote of the Day : "Develop into a lifelong self-learner through voracious reading; cultivate curiosity and strive to become a little wiser every day." **Charlie Munger**

Event Today

Board Meetings

GOKEX : General
IBVENTURES : General
RELCAPITAL : General
SHALPAINTS : General

Interim Dividend

AEL : Rs 0.15/-
BOCINDIA : Rs 0.75/-
MINDTREE : Rs 2/-
(Exdate : 7.4.2017)

Right Issue

VSSL
(Exdate : 7.4.2017)

RELIANCE

"Hold"

7th Apr 2017

Jio is rapidly capturing market share by providing attractive offers to its prime members and has also promised to offer 20% more data than any other rivals. Now Jio is targeting to boost its revenue by retaining its customers. Recently Reliance has rallied smartly and has crossed our target price of Rs. 1408. We are still optimistic in this stock and hence we recommend "HOLD" rating for our long-term investors with the revised target price of Rs. 1680

KEC

"BOOK Profit"

6th Apr 2017

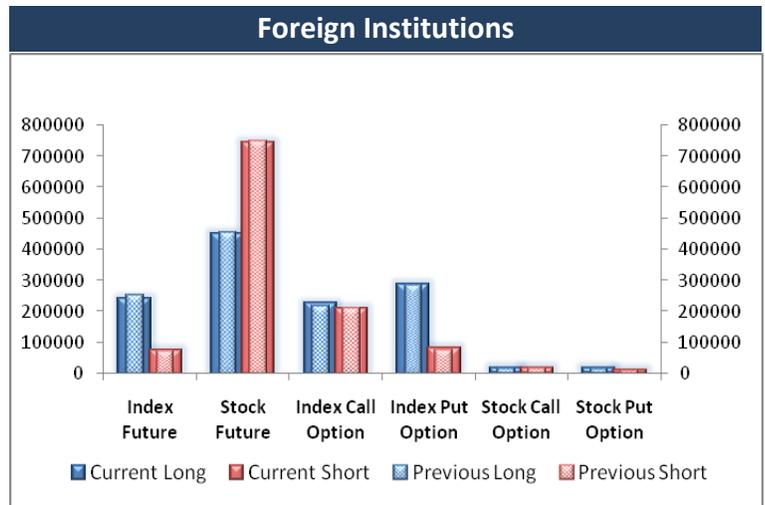
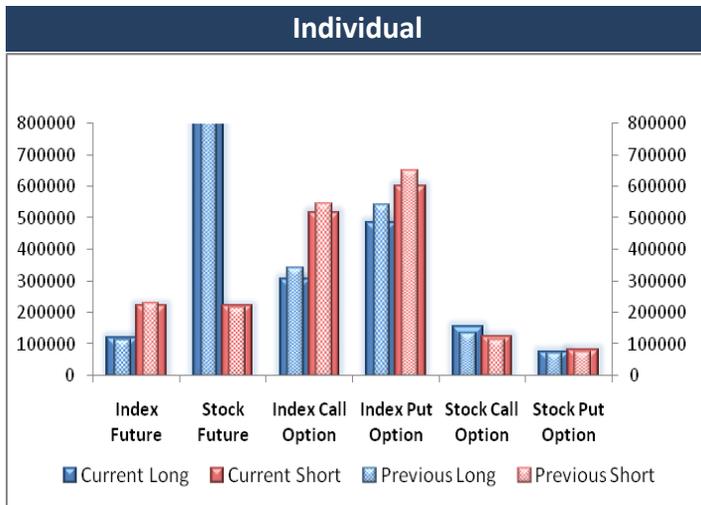
Revenue growth for 9MFY17 was subdued due to lower commodity prices and demonetization. But the operating margin continues to remain accretive during the same period. We expect 5% and 15% revenue growth in FY17E and FY18E respectively based on the strong traction in Transmission and railway business with strong operating margin. We recommended this stock at Rs. 148 for the target price of Rs. 217 and the stock have achieved our recommended target price. Fundamentally we remain bullish on the stock based on strong order book position and improving operating margin but on the valuation front, we are not comfortable at current price level (currently stock is trading at 3.2x of P/B of FY17). Hence, we advise our investors to Book profits at the current price.

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

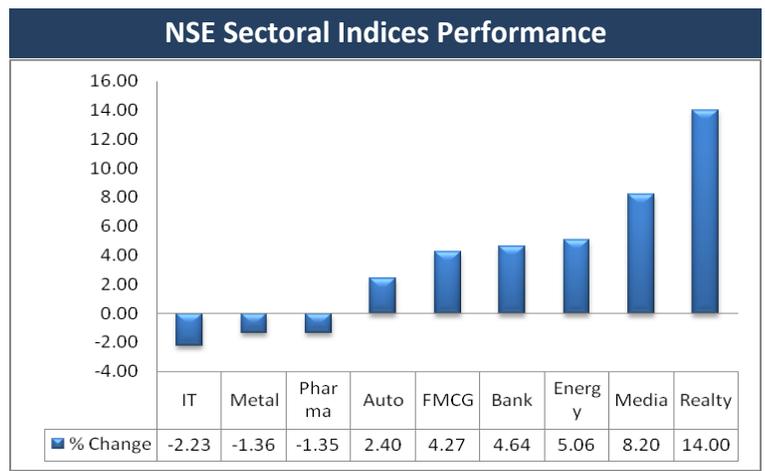
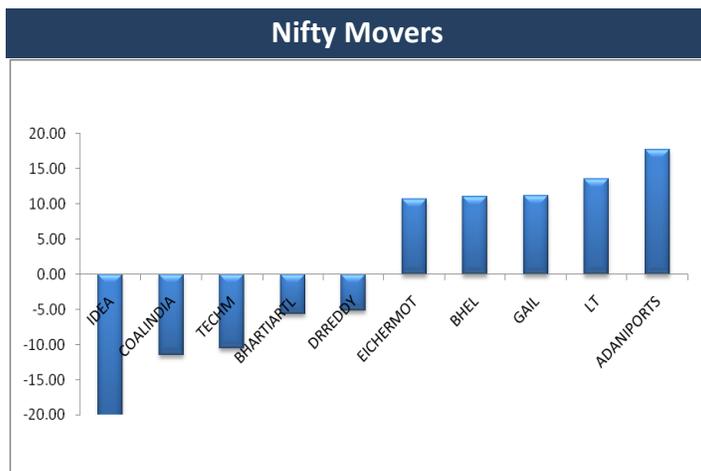
Top News

- **Cipla's** US arm inks licensing pact with MEDRx . The company's wholly owned subsidiary, "Cipla USA Inc has signed a worldwide licensing agreement (except for East Asia) with MEDRx Company Ltd to further develop and commercialise MRX-4T2T, a Tizanidine1 patch for the management of spasticity . Under the terms of the pact, MEDRx is eligible to receive up to USD 30 million cumulatively through upfront and developmental, regulatory, and commercial milestones payments
- **Indiabulls Housing Finance** has allotted non-convertible debentures (NCDs) worth Rs 1,000 crore on private placement basis. The company, in November last year, had said it proposed to issue, secured, redeemable NCDs worth Rs 6,000 crores . The tenor of the NCDs will be five years and date of maturity will be April 6, 2022.
- **Man Infraconstruction** arm launches first phase of Ghatkopar project . Man Infraconstruction said its special purpose vehicle MICL Realty LLP has launched the first phase of MHADA land redevelopment project at Ghatkopar in Mumbai.
- **Reliance Defence and Engineering** is going to consider rights issue up to Rs 1200 crore. The company's board meeting will be held on April 11 . The board will also consider to revalidate and approve the rights issue of equity shares upto Rs 1200 crore, which was approved at the board meeting held on April 22, 2016.
- **JSW Steel Ltd** could spend around \$1 billion on capacity addition and acquisition this fiscal year and will bid for several iron ore and coking coal mines in upcoming government auctions to secure raw material supplies,
- **SOMANY CERAMICS LTD** has issued Commercial paper of Rs. 40.00 Crore
- **Hindustan Petroleum Corp** and the Rajasthan government have settled differences over the financial aspects of the company's proposed Rs 40,000-crore refinery in the state's Barmer district. Company has finalised financial assessment of HPCL's Rajasthan refinery project and expect to work on it soon.
- **Bharti Airtel** has doubled its mobile network deployment and transmission capacity over the past two years in a bid to lead India's data growth story. Airtel said it has deployed 180,000 mobile sites across India in FY16 and FY17. Incidentally, the telecom company had deployed the same number of mobile sites in the first 20 years of operations.
- **Tata Motors** has received an order for 500 buses from Ivory Coast. The company has handed over the first lot of 117 low-floor urban city buses to the African nation . The buses are being financed under the Exim Bank of India for operation by SOTRA – Abidjan Transport Company
- **Tata Power** said electricity generation from all its plants collectively crossed 51,000 Million Units (MUs) in 2016-17 . It also reported significant increase of 15.2 per cent in output, with its total power generation capacity at 10,577 MW from various fuel sources such as thermal, hydroelectric power, renewable energy (wind and solar PV) and waste heat recovery.
- **GE Power India Limited** has been awarded a contract worth approximately INR 2,376 million (i.e. approximately US \$ 35.4 million) by GE Power AG to supply 1 x 150 MW CFB Boiler and Electrostatic Precipitator Components. The Company's scope of work consists of majorly supply of CFB Boiler Components including Steel Structure, Pressure Parts, all Auxiliaries, duct work, refractory, electrical & instrumentation etc. and Electrostatic Precipitator Components including steel structure, ducting etc
- RBI repo rate unchange
Reverse repo rate 25 bps point hike at 6%
Bank Rate reduced to 6.50 percent from 6.75 percent.

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
CEATLTD	Buy	1387.05	1438	1494	1335	The stock has given a price volume breakout above Rs 1370 yesterday with decent volumes. Another 5-7% upside is expected in the short term.
TATASTEEL April 510 CE	Long (1 Lot =2000)	11.2	18	26	5	After consolidating in a narrow range the stock has given a channel breakout yesterday. Some fresh buying is also likely to emerge at the current level.

Economic Calendar

Country	Monday 3th Apr 17	Tuesday 4th Apr 17	Wednesday 5th Apr 17	Thursday 6th Apr 17	Friday 7th Apr 17
US	ISM Manufacturing PMI , Construction Spending m/m , ISM Manufacturing Prices , Total Vehicle Sales.	Trade Balance , Factory Orders m/m , IBD/TIPP Economic Optimism.	ADP Non-Farm Employment Change , ISM Non- Manufacturing PMI, Crude Oil Inventories , FOMC Meeting Minutes.	Unemployment Claims , Natural Gas Storage , Building Permits m/m.	Average Hourly Earnings m/m, Non- Farm Employment Change, Unemployment Rate JOLTS Job Openings, Final Wholesale Inventories m/m, Consumer Credit m/m.
UK/EURO ZONE	Spanish Unemployment Change , Spanish Manufacturing PMI, French Final Manufacturing PMI , German Final Manufacturing PMI, Manufacturing PMI.	Italian Monthly Unemployment Rate , Construction PMI , Retail Sales m/m , Revised GDP q/q.	French Trade Balance , Services PMI , Retail PMI , French Final Services PMI , German Final Services PMI , Final Services PMI , Spanish Services PMI.	German Factory Orders m/m , CPI m/m , Housing Equity Withdrawal q/q , ECB Monetary Policy Meeting Accounts.	Manufacturing Production m/m , German Industrial Production m/m, German Trade Balance, French Industrial Production m/m, Italian Retail Sales m/m.
INDIA	Auto no, Nikkei Manufacturing PMI.		Nikkei Services PMI	RBI Credit Policy	

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