

KEY LEVELS

Support 1 : 9060
Support 2 : 9160

Resistance 1: 9265
Resistance 2: 9320

Nifty Intraday Chart



Market Outlook

Indian equities continued rally on Thursday and after opening on a positive note, Nifty continuously rose to make a high of 9158.10. At the end of the day the index closed with a net gain of 0.76% over the previous day's close. The broader market was in favor of bulls as the midcap and small cap indices outshined the benchmark index and closed the day after gaining 1.1%-1.4%.

On the sectoral front, the buying was witnessed across the board. Metal, Information Technology and PSU banking stocks were on the buyers' radar. The breadth of the market was positive and about two shares advanced for every share declined at NSE.

India's merchandise exports registered double digit growth in February and it swelled by 17.48% year-on-year in February to USD 24.5 billion. The sharp rise in exports was mainly due to 47% year-on-year growth in engineering goods exports. However a steeper increase in imports at 21% widened the trade deficit to USD 8.8 billion during the period as against USD 6.5 billion the year ago period.

Market opened again with a gap up yesterday and closed almost at the high of the day- a green candle with hardly any upper or lower shadows. Now it is two gap ups in this week reiterating the strength of the uptrend. RSI also made a new high at 76.96 and the negative divergence witnessed last week is fully negated. Market breadth has also improved. Pro EU election result in Netherlands and BOJ maintaining policy ease further adds to bullish sentiments.

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	9,194.00	0.09%
NIKKIE	19537	-0.27%
HANG SENG	24,370.00	0.34%
Yesterday Closing Market		
Sensex	28,585.85	0.64%
Nifty	9,153.70	0.76%
DOW	20,934.00	-0.07%
NASDAQ	5,900.00	0.01%
CAC	5,013.38	0.56%
DAX	12,038.18	0.61%
FTSE	7,415.95	0.64%
EW ALL SHARE	16,396.01	0.25%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	28411.00	1.52%
SILVER	40598.00	1.38%
CRUDEOIL	51.54	0.25%
NATURALGAS	192.00	-1.74%
DOLLAR/RS.	65.53	-0.43%
EURO/RS.	70.37	0.50%
POUND/RS.	80.40	0.08%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
16-Mar-17	5577	4217	1360
Mar-17	76435	77484	(1049)
2017	76435	77484	(1049)

DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
16-Mar-17	3187	3275	(88)
Mar-17	49775	45264	4511
2017	49775	45264	4511

Quote of the Day : "The boom and the bust were normal—just two more swings in stock returns over the past century. Reversion to the mean is the iron rule of the financial markets."

John Bogle

IEA Snapshot

NBFC-Gold Loan

"Neutral"

17th Mar 2017

Recently RBI capped the cash transaction of gold loan to Rs 20,000 for the NBFCs involved in gold loan business. NBFCs cannot issue more than Rs 20,000 in cash against gold loan. The earlier provision for NBFC was that high value loans against gold of Rs 1 lakh and above must only be disbursed by cheque. RBI reduced the amount to Rs 20,000 from the earlier Rs 1 lakh in line with the provisions of the Income Tax Act.

We believe this change in norm will have significant impact in near terms on the portfolio of gold loan NBFCs. We expect huge disruption in disbursement and collection in gold loan NBFCs. The key impacted company will be Manappuram Finance and Muthoot Finance as these are two major players in gold loan business. We are NEUTRAL in both the companies till further updates.

CANBK

"ACCUMULATE"

16th Mar 2017

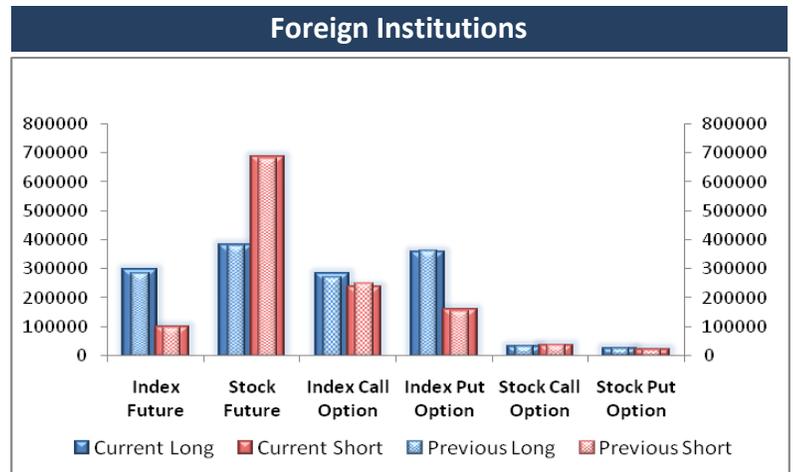
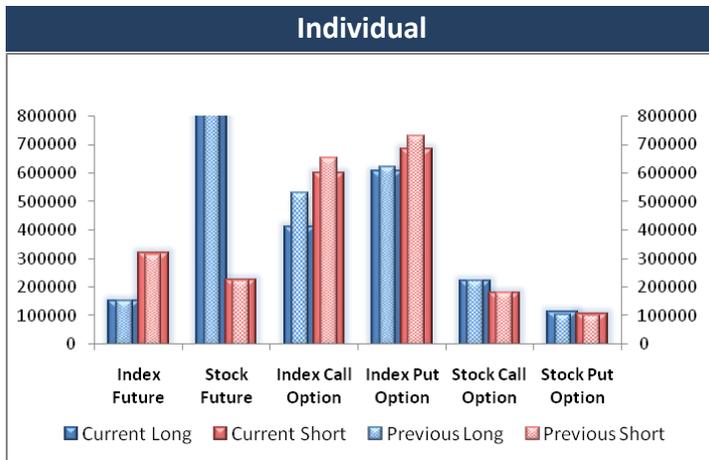
We expect the trend to continue as management is hopeful of significant recoveries and up-gradation in coming 1 or 2 quarters. However given the bulky nature of book, improvement in economic environment remains the key. We expect the credit cost to moderate marginally to 1.4% in FY18 as ageing related provisions will remain high given the spike in NPA in last 5 quarters. We expect the loan growth to remain muted at 8% in FY18 due to sluggish corporate loan demand. However recognition of reversal of interest income in 3Q on account of S4A and SDR will largely prevent further significant fall in yield and any further fall will be subject to MCLR. So we expect NIM to improve from current levels on the back of decline in cost of fund and expect NII to grow at a CAGR of 30% over next 2 years due to lower base. We also believe the trading gains will be muted in current quarter given the sharp spike in Bond Yield. We are initiating coverage on this stock and recommend 'ACCUMULATE' with target price of Rs 325.

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

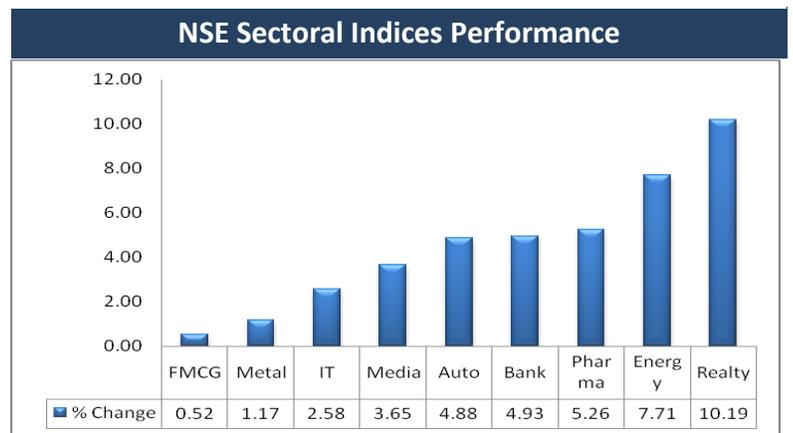
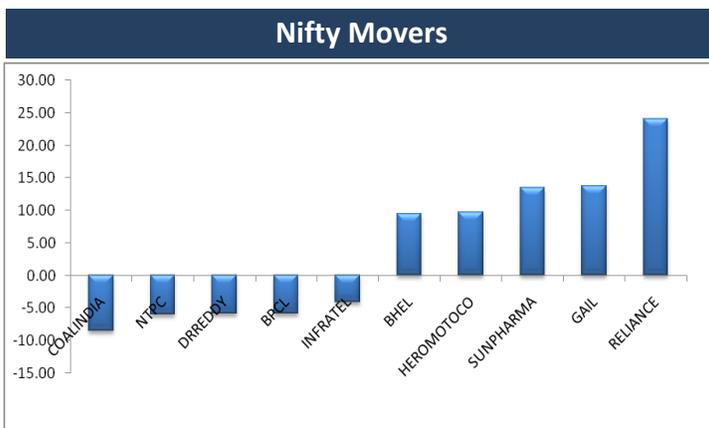
Top News

- **Biocon Mgt Guideline** : The Union Cabinet approved the National Health Policy 2017 which aims to increase public healthcare expenditure to 2.5 percent of GDP with more than two-thirds of those resources going towards primary healthcare. The policy is expected to reach healthcare to all corners of the country, particularly the underserved and underprivileged. The policy aims to ensure availability of 2 beds per 1000 population distributed in a manner to enable access within golden hour.
- **Bharti Airtel** said its shareholders have approved a proposal to raise up to Rs 10,000 crore in debt. The shareholders have also approved "transfer of company's investment in its wholly-owned subsidiary, Bharti Airtel International (Mauritius) Limited (BAIM)" to Network i2i Limited, Mauritius, another wholly-owned subsidiary
- **Reliance Infrastructure** said its board has approved raising up to Rs 2,000 crore by issuing equity to qualified institutional buyers (QIBs).
- **Coal India** has invited bids from licensors of coal gasification technology to set up coal-to-methanol plant in West Bengal. Coal India Ltd (CIL) is exploring the technical possibilities for cleaner utilisation of coal
- **The finance minister Arun Jaitley**-headed GST council cleared drafts of two main supplementary legislations — the State GST Bill and the UT GST Bill — marking a big step forward in India's plans for a countrywide rollout of Goods and Services Tax (GST) from July 1.
- **Greenply Industries** will set up a new manufacturing unit in Uttar Pradesh for plywood and allied products. Company has approved setting up of a new unit in Sandila industrial area, Hardoi district, UP for manufacturing of plywood and allied products
- **Muthoot Finance** plans to raise up to Rs 2,000 crore through a public issue of non-convertible debentures (NCDs) to support its lending activities. The issue comprises secured and unsecured redeemable NCDs for an amount up to Rs 1,950 crore and Rs 50 crore, respectively, taking the aggregating value to Rs 2,000 crore
- **Corporation Bank** issued Basel III compliant bonds to raise Rs 500 crore. The bank is issuing Basel III compliant additional tier-I bonds of Rs 500 crore on private placement basis. The bank will offer a coupon rate of 10.28 percent per annum on the bonds.
- **Union Bank** will raise Rs 250 crore by issuing additional tier-I Basel III compliant bonds. The bank said the bonds will be issued in favour of Prime Minister's National Relief Fund.
- **ICICI Bank** has raised Rs 3,425 crore by issuing Basel III compliant bonds on private placement basis. The bank approved allotment of 34,250 Basel III compliant unsecured, subordinated, perpetual additional tier-I bonds aggregating Rs 34.25 billion on private placement
- **Lupin** had received approval for the US regulator for the much-awaited generic oral contraceptive drug Mibelas 24 Fe, a chewable tablet.

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
ENGINEERSIN	Buy	155.1	164	177	145	After getting a strong support near 100 DMA, the stock has given a sharp upward rally from that level. Another 10-15% upside is expected in the short term.
TATASTEEL March 500 CE	Long (1 Lot=2000)	11.1	18	27	5	The stock has given a triangle pattern bullish breakout on monthly chart. Some fresh upside is expected from the current level.

Economic Calendar

Country	Monday 14th Mar 17	Tuesday 15th Mar 17	Wednesday 16th Mar 17	Thursday 17th Mar 17	Friday 18th Mar 17
US	PPI m/m, Core PPI m/m, NAHB Housing Market Index, TIC Long-Term Purchases.	CPI m/m, Core CPI m/m, Core Retail Sales m/m, Retail Sales m/m, Empire State Manufacturing Index, Crude Oil Inventories, FOMC Economic Projections, FOMC Statement, Federal Funds Rate, FOMC Press Conference.	Building Permits, Philly Fed Manufacturing Index, Unemployment Claims, Housing Starts, Natural Gas Storage.	Natural Gas Storage, Capacity Utilization Rate, Industrial Production m/m, Prelim UoM Consumer Sentiment, Prelim UoM Inflation Expectations.	
UK/EURO ZONE	French Final CPI m/m, Italian Trade Balance, German ZEW Economic Sentiment, Industrial Production m/m, ZEW Economic Sentiment.	Average Earnings Index 3m/y, Claimant Count Change, Unemployment Rate, Employment Change q/q, BOE Quarterly Bulletin.	Final CPI y/y, Final Core CPI y/y, German 10-y Bond Auction, MPC Official Bank Rate Votes, Monetary Policy Summary, Official Bank Rate, Asset Purchase Facility, MPC Asset Purchase Facility Votes.	German WPI m/m, Trade Balance, Consumer Confidence.	CBI Industrial Order Expectations, German PPI m/m.
INDIA	WPI Data				

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