

KEY LEVELS

Support 1 : 10136
Support 2: 10006

Resistance1 : 10270

Nifty Intraday Chart



Market Outlook

Indian equities gave a range bound and choppy movement throughout the day on Tuesday and after opening on a subdued note, Nifty traded in the narrow band of 10213 - 10252. At the end of the day the index closed near flat at 10234.45. The broader market was in favor of bulls as the midcap and small cap indices out-performed the benchmark index and closed the day after gaining over 0.5% each.

On the sectoral front, some buying interest was witnessed in Realty, Metal and Pharmaceutical stocks while Media stocks have shown some weakness. The breadth of the market was slightly positive with more advances than declines.

Nifty made a new high last week. With this pattern of higher high-higher low remains maintained. During sharp fall of September, Nifty did not go below 9685 and maintained the higher low pattern. Lst week along with Nifty making new high there was sharp changes in derivative positions as well. Now Nifty Put of 10,000 has open interest of more than 70.0 lakhs and this makes 10,000 as strong support for remaining trading days of October F&O series.

On the upper side, Nifty should face resistance around 10,270 as this is 2.7 standard deviation from 50 days moving average. This rally of 2017 has seen 3 specific patterns over last ten months- 1st- the pattern of Higher high-higher lows, 2nd- Nifty puts getting aggressively written after every 3%-4% consolidation and 3rd on every rally, Nifty facing resistance near 2.7 standard deviations above 50 days moving average.

Fundamentally, Q2 FY18 result session started last week. And all the major results have come ahead of expectation

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	10,222.00	-0.38%
NIKKIE	21,356.16	0.09%
HANG SENG	28,666.01	-0.11%
Yesterday Closing Market		
Sensex	32,609.16	-0.08%
Nifty	10,234.45	0.04%
DOW	22,997.44	0.18%
NASDAQ	6,623.66	-0.01%
CAC	5,361.37	-0.03%
DAX	12,995.06	-0.07%
FTSE	7,516.17	-0.14%
EW ALL SHARE	18,785.83	0.29%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	29598.00	-0.86%
SILVER	39769.00	-1.42%
CRUDEOIL	58.30	0.33%
NATURALGAS	192.90	1.10%
DOLLAR/RS.	65.02	0.47%
EURO/RS.	76.45	0.00%
POUND/RS.	85.83	-0.31%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
16-Oct-17	4374	4859	(485)
Oct-17	47532	54524	(6992)
2017	986922	1009202	(22280)
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
16-Oct-17	3387	2578	809
Oct-17	37475	29343	8132
2017	624295	554222	70073

Event Today

Stock Split

POKARNA (From Rs.10/- to Rs.2/-)
(Exdate : 18.10.2017)

Dividend

MONEYMAST
(Exdate : 18.10.2017)

Result

NIITTECH , ULTRACEMCO

Concall

Bajaj Auto : 11:00 AM
Nucleus Soft : 2:30 PM
Tata Sponge Iron : 3:00 PM
UltraTech , NIIT Tech : 4:00 PM

Quote of the Day : "The market does reflect the available information, as the professors tell us. But just as the funhouse mirrors don't always accurately reflect your weight, the markets don't always accurately reflect that information. Usually they are too pessimistic when it's bad and too optimistic when it's good."

Bill Miller

DHFL**"HOLD"****18th Oct 2017**

DHFL has continuously performed well in its operating parameters with healthy AUM growth and stable assets quality. With healthy capitalization of CRAR at 18.03%, we expect AUM growth of 20%-22% going forward. However increase in self employed segment loan to 50% and loan book of more than 34% in non-core assets will be key area of risk for assets quality. In FY17 DHFL was able to control its operating expenses significantly which helped to reduce the C/I ratio by 3.6%. We expect C/I ratio in declining trend as company continues to improve its productivity. We expect the earnings to grow at a CAGR of 26% over FY17 to FY19. We expect the RoA and RoE of 1.2% and 15% respectively in FY19. A recent report by property consultants and research firm, Lias Foras indicated healthy sales growth within affordable housing segment in the country. We think DHFL being focused on low ticket size loan will be primary beneficiary. With continued strong performance we increase our earnings estimate by 4 % both in FY18 and FY19 considering strong income growth. We upgrade our target price to Rs 643 (2x BVPS FY19) and recommend HOLD.

FEDERALBNK**"BUY"****17th Oct 2017**

With the investment in people and technology, FEDERALBNK has now shifted its focus towards growth. After lackluster growth and profitability in FY16, Federal bank has shown improvised numbers both in growth and profitability in FY17. Refraining itself from lending riskier large corporate loans in last few years, management is focused towards better rated corporate, retail and SME portfolio. Moreover, this approach has also helped to improve its assets quality with limited stress in the balance sheet. Recently Federal bank has gone under change in its compensation pay structure from IBA guideline to unique compensation structure for senior team members. Recent hiring of senior team with change in pay structure is very much positive in our view.

We increase our earnings estimate by 4% in FY19 backed by improvement in NIM and expect earnings of the bank to grow by 33% CAGR over FY17 to FY19. Post capital raise, we expect RoE of 11%-12% and RoA of 1% in FY19. Considering improved risk return profile, we are expanding valuation multiple to 2.1x on FY19 estimated BVPS and arrive at the target price of Rs 144. Hence we maintain BUY.

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

Top News

>> Persistent concall highlights for 2QFY18:

#Persistent Revenue grew by 4.6% QoQ and by 8.1% YoY to Rs 7,612.52 Million. EBITDA grew by 10.9% QoQ and 4.5% YoY to Rs 1,157.82 Million. PAT grew by 10.0% QoQ and 12.4% YoY to Rs 826.23 Million.

#Revenue contribution by Parx business is \$1.9mn.

#Verticals:Service business has grown at 2.7% by focusing on specific accounts, ISV business is facing challenges and Enterprise business is expanding.

#Treasury income for 2QFY18 is \$133mn.

#ETR for the quarter is 25.9%

#Runrate for Aliiance business will be similar to FY17.

#For service business difficulty to forecast future performance.

#Ultisation has grown up to 77%, aspiring onsite linear to be 90% and offshore linear to be 80%.

#Six month product cycle will be better in 2HFY18.

#Positive growth head count in Q3.

#In IOT side , investment in R&D and working to get new client.

#Onshore high and currency fluctuation impacted in decline in service business(yoy).

#wage hike will impact margin by 150 to 200bps in Q3 ,impact will continue in Q4 also.

>> **VA Tech Wabag Mgt Guideline** : The National Company Law Tribunal (NCLT) has recalled the insolvency proceedings against VA Tech Wabag . The business is as usual and the interim resolution professional (IRP) has returned after his brief visit.

The NCLT recalled the order on October 13 and the board has been reconstituted and is fully empowered,

Moreover, IRP in his hearing has confirmed that no further claims have come from creditors, bankers, lenders during the period Mgt was there with VA Tech.

On the business outlook mgt said they were on track to achieve the guidance given for the year. Current orderbook stands at Rs 8000 crore as informed to exchanges. Going forward the order intake seems to be good from domestic market.

The revenue book currently constitutes of equal amount from domestic and international

>> **GNA Axles Mgt Guideline** : Margins affected because of dollar and euro currency exchange. Company is seeing order inflow of over Rs 60 crore per month which will improve next year. Company is aiming 25 percent revenue growth in Q3. Company said getting more orders from North America.

>> **Kansai Nerolac Paints Mgt Guideline** : Company said that total volume growth is 18 percent, decorative growth is more than 20 percent and industrial segments grew by 10 percent this quarter.

Paint industry will continue to have double-digit volume growth.

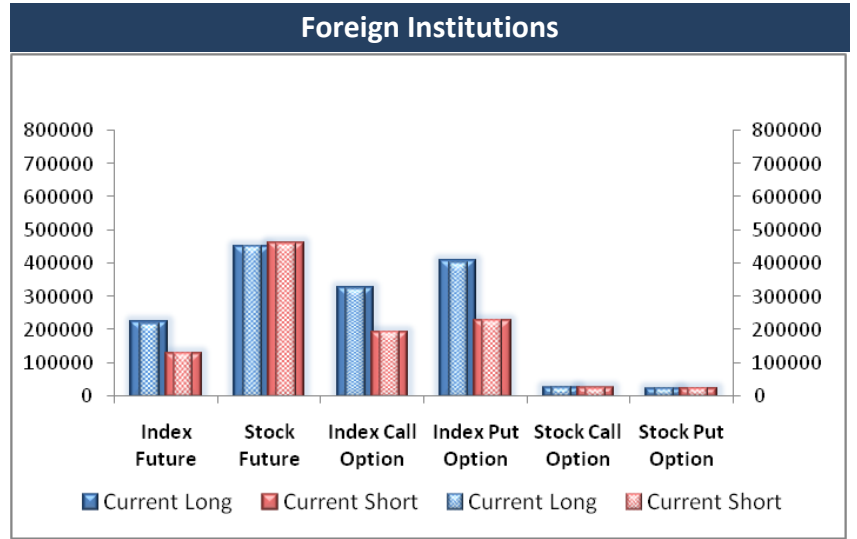
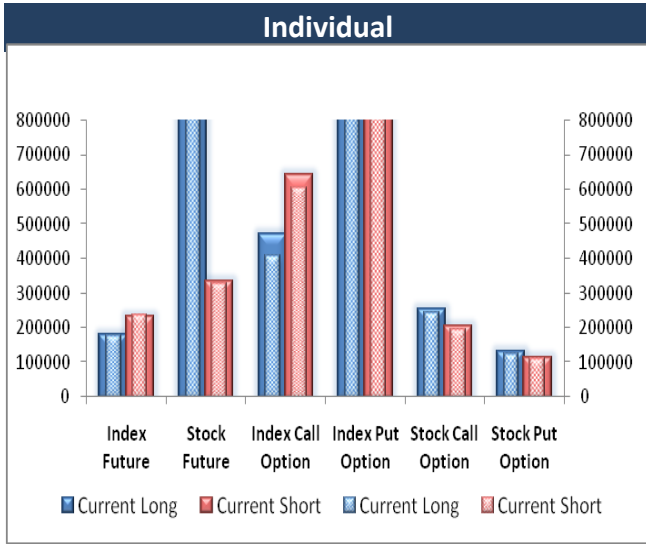
Company said volumes this quarter were partially aided by GST restocking and early festive season.

Company hopes to maintain margin at current levels.

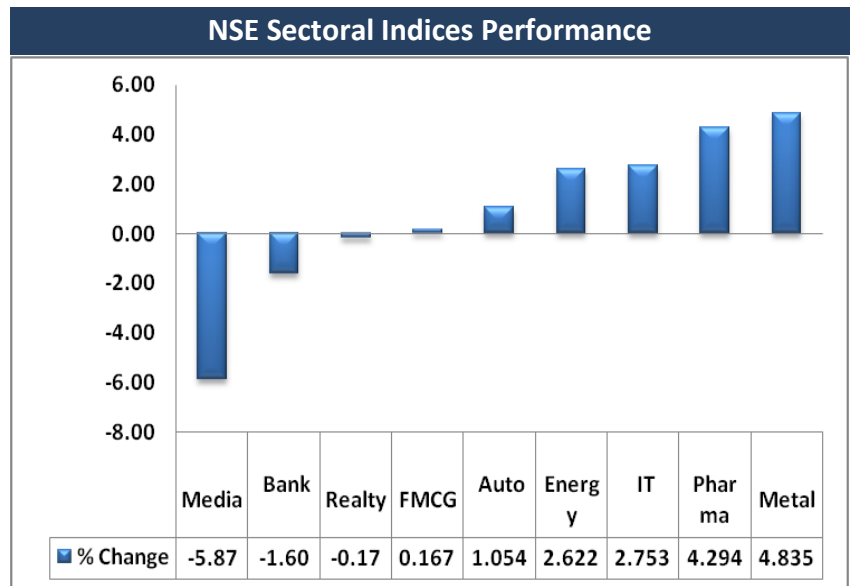
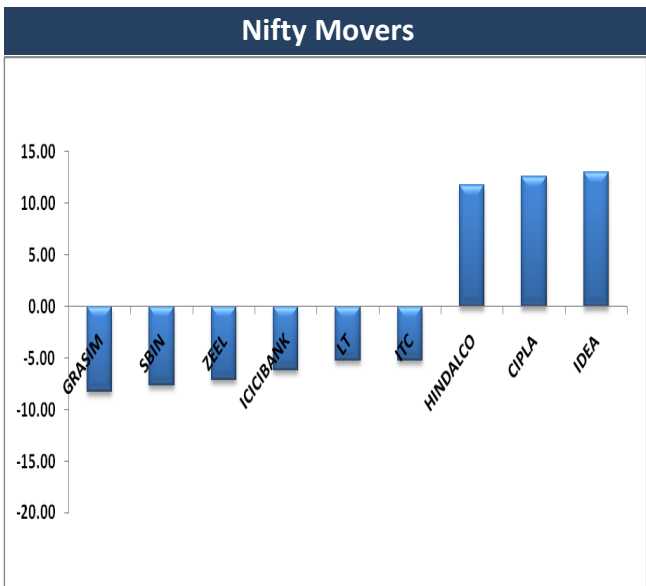
Block Deal

Exchange	Deal Date	Company	Client Name	Deal Type	Quantity	Price
NSE	17-Oct-17	63MOONS	BHAVIN Y MEHTA	BUY	252046	126
NSE	17-Oct-17	63MOONS	SILVER STREAM EQUITIES PRIVATE LIMITED	BUY	299289	125
NSE	17-Oct-17	ARIES	A K G SECURITIES AND CONSULTANCY LTD.	BUY	89495	241
NSE	17-Oct-17	ARIES	AJAY DESAI (HUF)	BUY	149463	243
NSE	17-Oct-17	ARIES	DINESH MUNJAL(HUF)	BUY	105300	239
NSE	17-Oct-17	ARIES	ELIXIR WEALTH MANAGEMENT PRIVATE LIMITED	BUY	77477	236
NSE	17-Oct-17	ARIES	MILLENNIUM STOCK BROKING PVT. LTD.	BUY	130824	232
NSE	17-Oct-17	ARIES	N.K. SECURITIES	BUY	266402	237
NSE	17-Oct-17	ARIES	SILVER STREAM EQUITIES PRIVATE LIMITED	BUY	133028	248
NSE	17-Oct-17	ARIES	SUNITA MEHTA	BUY	175291	247
NSE	17-Oct-17	DHFL	GUPTA GYAN	BUY	1819468	586
NSE	17-Oct-17	MILTON	RELIABLE DATA SERVICES LIMITED	BUY	268000	35
NSE	17-Oct-17	ONELIFECAP	SOUMIK ACHARYA BHADURI	BUY	68842	32
NSE	17-Oct-17	ONWARDTEC	ARCADIA SHARE & STOCK BROKERS PRIVATE LIMITED	BUY	418940	151
NSE	17-Oct-17	SAKUMA	MISTRY ANIL	BUY	301687	200
NSE	17-Oct-17	SAKUMA	VIRENDRAKUMAR JAYANTILAL PATEL	BUY	127428	199
NSE	17-Oct-17	VISHNU	ARKAYA INVESTMENTS	BUY	217521	346
NSE	17-Oct-17	63MOONS	BHAVIN Y MEHTA	SELL	252058	126
NSE	17-Oct-17	63MOONS	SILVER STREAM EQUITIES PRIVATE LIMITED	SELL	300207	126
NSE	17-Oct-17	ARIES	A K G SECURITIES AND CONSULTANCY LTD.	SELL	85495	240
NSE	17-Oct-17	ARIES	AJAY DESAI (HUF)	SELL	136390	243
NSE	17-Oct-17	ARIES	DINESH MUNJAL(HUF)	SELL	103300	239
NSE	17-Oct-17	ARIES	ELIXIR WEALTH MANAGEMENT PRIVATE LIMITED	SELL	77777	235
NSE	17-Oct-17	ARIES	MILLENNIUM STOCK BROKING PVT. LTD.	SELL	130824	232
NSE	17-Oct-17	ARIES	N.K. SECURITIES	SELL	266477	237
NSE	17-Oct-17	ARIES	SILVER STREAM EQUITIES PRIVATE LIMITED	SELL	126838	248
NSE	17-Oct-17	ARIES	SUNITA MEHTA	SELL	155296	247
NSE	17-Oct-17	BETA	SHATRUNJAY INVESTMENTS	SELL	49600	96
NSE	17-Oct-17	BETA	V N SHAH	SELL	51200	96
NSE	17-Oct-17	DHFL	GUPTA GYAN	SELL	1819468	586
NSE	17-Oct-17	FOCUS	VARSHNEY ALPNA	SELL	27000	109
NSE	17-Oct-17	MILTON	VIBRANT INVESTMENTS	SELL	156000	35
NSE	17-Oct-17	ONELIFECAP	SOUMIK ACHARYA BHADURI	SELL	68842	34
NSE	17-Oct-17	ONWARDTEC	ANURADHA BHALLA	SELL	101000	145
NSE	17-Oct-17	ONWARDTEC	ARCADIA SHARE & STOCK BROKERS PRIVATE LIMITED	SELL	418940	153
NSE	17-Oct-17	ONWARDTEC	KUBER INDIA FUND	SELL	100000	145
NSE	17-Oct-17	PERFECT	KEYNOTE CAPITALS LTD.	SELL	42000	27
NSE	17-Oct-17	PRAKASH	BNP PARIBAS ARBITRAGE	SELL	770610	144
NSE	17-Oct-17	SABEVENTS	CENTRAL BANK OF INDIA	SELL	76298	12
NSE	17-Oct-17	SAKUMA	MISTRY ANIL	SELL	301687	202
NSE	17-Oct-17	SAKUMA	VIRENDRAKUMAR JAYANTILAL PATEL	SELL	87428	200
NSE	17-Oct-17	VISHNU	ARKAYA INVESTMENTS	SELL	217596	347

F&O OPEN INTEREST (Number of Contracts)



MARKET MOVERS (1 MONTH CHANGE)



Result Calendar Q2FY18

BSE Code	Company Name	Date	BSE Code	Company Name	Date
539042	AGIIL	18-Oct-17	521194	SILINV	18-Oct-17
505216	ALFREDHE	18-Oct-17	532538	ULTRACEMCO	18-Oct-17
506365	CHEMOPH	18-Oct-17	531265	PROGRESV	21-Oct-17
532541	NIITTECH	18-Oct-17			

Earning Estimate Q2FY18

BSE Code	Company Name	Sale (Cr.)	Sales Growth (%)	PAT (Cr.)	PAT Growth (%)
17-Oct-17	WIPRO	13812.20	0.30	1954.40	(5.50)
17-Oct-17	BAJAJ-AUTO	6580.30	8.70	1118.90	(0.30)
17-Oct-17	ACC	2861.30	15.80	192.60	129.10
17-Oct-17	HTMEDIA	582.20	(3.30)	24.00	(22.20)
17-Oct-17	AXISBANK	4730.80	4.80	1305.70	309.20
18-Oct-17	NIITTECH	724.90	4.60	64.30	8.90
18-Oct-17	ULTRACEMCO	6425.90	19.10	306.70	(49.00)

Result Q2FY18

BSE Code	Company Name	Sale (Cr.)	Sales Growth (%)	PAT (Cr.)	PAT Growth (%)
531531	HATSUN	1066.00	6.76	38.00	18.16
533217	HMVL	210.00	(7.19)	43.00	(21.32)
505283	KGKHOSLA	87.19	(23.41)	(1.59)	(125.04)
500266	MAHSCOOTER	3.51	145.45	57.95	543.17
511288	GRUH	414.05	12.69	77.77	25.48
519260	SANWARIA	1221.47	82.33	21.05	219.42
507488	GMBREW	101.27	15.51	15.73	41.46
532540	TCS	30541.00	4.29	6460.00	(2.17)
533107	RNAVAL	83.29	(15.17)	(150.67)	29.56
500027	ATUL	795.00	16.03	68.41	(16.90)
500410	ACC	3116.00	26.01	181.53	121.46
506022	PRAKASH	653.42	30.32	65.17	348.21
500337	PRIMESECU	6.09	92.72	3.33	(51.95)
526612	BLUEDART	708.00	6.75	41.39	(3.29)
500092	CRISIL	409.00	5.39	69.00	(13.58)
531209	NUCLEUS	108.00	12.97	15.05	10.01
517447	RSSOFTWARE	16.99	10.54	(6.60)	10.74
507685	WIPRO	13423.00	17.19	2191.70	13.44

Economic Calendar					
Country	Monday 16th Oct 17	Tuesday 17th Oct 17	Wednesday 18th Oct 17	Thursday 19th Oct 17	Friday 20th Oct 17
US	Empire State Manufacturing Index	Import Prices m/m , Capacity Utilization Rate, Industrial Production m/m , NAHB Housing Market Index, TIC Long-Term Purchases	Building Permits , Building Permits , Crude Oil Inventories, Beige Book	Unemployment Claims , Philly Fed Manufacturing Index, CB Leading Index m/m , Natural Gas Storage	Existing Home Sales
UK/EURO ZONE	Trade Balance , German Buba Monthly Report	German WPI m/m , CPI y/y , PPI Input m/m , RPI y/y, Final CPI y/y , German ZEW Economic Sentiment , ZEW Economic Sentiment	Average Earnings Index 3m/y, Claimant Count ChangeUnemployment Rate	Retail Sales m/m	German PPI m/m , Current Account, Public Sector Net Borrowing, Italian Retail Sales m/m , CBI Industrial Order Expectations
INDIA	WPI Data				



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