

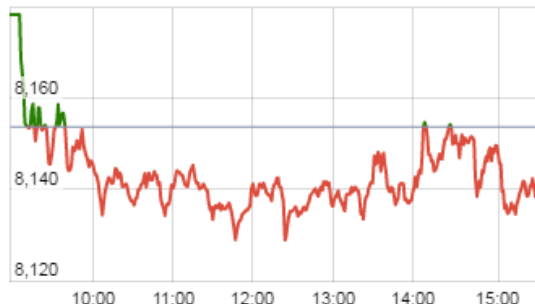
19-Dec-16

KEY LEVELS

Support 1 : 8056
Support 2 : 7916

Resistance 1: 8310
Resistance 2: 8598

Nifty Intraday Chart



Market Outlook

After starting with a red session, the NSE 50 share index benchmark Nifty moved in the range of 8121 and 8230 throughout last week. At last it ended the week with a net loss of 1.5 percent over the previous weeks close. The midcap and small cap indices also moved in line with the benchmark index and closed the week after losing 1.5%-2.00%.

On the sectoral front, selling pressure was witnessed in FMCG, Metal Media, Auto and Pharmaceuticals stocks while the Information Technology stocks have shown some strength.

India's foreign exchange reserves declined by USD 887.2 million to USD 362.987 billion in the week to December 9 due to fall in foreign currency assets. The foreign currency asset is a major component of the overall reserves and it dipped by USD 873 million to USD 339.258 billion.

The foreign investors were the net sellers in the cash segment. They sold Rs 3610 crores worth of equities last week.

After giving a pullback rally from 7916.40, Nifty is moving in the range of 7900 and 8300 since last three weeks. We expect the range bound movement of the index to continue for next couple of weeks as the activity of the FIIs will slow down due to Christmas vacation.

We believe the market has priced in recent events like demonetization and Fed's rate hike. The third quarter earnings will play a big role for deciding the next move for Indian equity market. In terms of Nifty range. We continue to believe that near term Nifty range is 8000-8300.

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	8,132.00	-0.18%
NIKKIE	19331.25	-0.36%
HANG SENG	21,892.71	-0.58%
Yesterday Closing Market		
Sensex	26,489.45	-0.11%
Nifty	8,139.45	-0.35%
DOW	19,792.85	-0.60%
NASDAQ	5,437.16	-0.36%
CAC	4,833.27	0.29%
DAX	11,404.01	0.33%
FTSE	7,011.64	0.18%
EW ALL SHARE	14,665.66	-0.30%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	27164.00	0.54%
SILVER	39694.00	1.02%
CRUDEOIL	52.03	2.22%
NATURALGAS	229.90	-1.84%
DOLLAR/RS.	67.76	-0.10%
EURO/RS.	70.86	-0.02%
POUND/RS.	84.77	0.06%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
16-Dec-16	6835	6925	(90)
Dec-16	32430	34362	(1932)
2016	1012696	1011778	918
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
16-Dec-16	2184	2154	30
Dec-16	13501	13473	29
2016	468525	440180	28345

Event Today

Concall

Glenmark : 5:30 PM

Board Meeting

CIPLA : General

CONFIPET : Buy Back of Shares

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**

KNR**"Book Profit"****19th Dec 2016**

Work commencement on Dindigul Bangalore project and on - going projects will drive the revenue growth. Going forward we expect top line of Rs. 1433 Cr with 15.5% of EBITDA margin and RoE of 9% in FY17. Currently, the stock is trading at 11 times of FY17 Expected EV/EBITDA which is company's historic highs and also one of the highest in the industry. On the operations front, we still hold positive view on this stock but on the valuation front we are not very comfortable. We had initiated BUY on KNR Construction at the adjusted CMP of Rs. 111 on 22th April 2016. Hence, we recommend to Book Profit on this stock, up by 54% from initiating price.

HDFCBANK**"BUY"****16th Dec 2016**

HDFC Bank is one of the leading banks in the industry with the strong fundamentals, best in assets quality, adequate capital, steady loan growth and consistency in profitability growth. Where some of its peers in large cap are struggling with the deteriorating assets quality, HDFC Bank is well poised to take the advantage from improving macroeconomic scenario. While in the short term there may be hiccups in the lending activity due to demonetization drive and this has led to uncertainty over the earnings during this period, but the long term growth and profitability remain intact for the bank. Strategy of the management to focus on high yield products will help the bank to maintain the NIMs apart from the expected benefits from spurt in CASA (due to demonetization). We expect the RoE of 19% and maintain 'BUY' rating on this stock with our previous target price of Rs 1400

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

Top News

- **Mgt Int : INOXLEISURE**

Prior to demonetization cash transaction were 65% and online transaction over 35%.

Post demonetization cash transaction is below 30% so cashless transaction reached to approx. 70%.

There is no impact on revenue except 1 week of demonetization.

No impact on advertisement revenue

- **Escorts Mgt Guideline :**

Company aims to double its revenue in the next 3-4 years and plans to launch a new range of world series.

the company is at an inflection point and sees rapid growth in the coming years.

Escorts sees Africa as a potential export destination for the new range of tractors and the segment growing by 12-15 percent by the end of the fiscal.

- **Mgt Int : IOC**

IOC sees no under-recovery on petrol, diesel in FY17

Fuel price hike has been delayed and this is not good news for oil marketing companies as crude oil prices have fallen 15% since the OPEC deal.

- **NTPC and NALCO** inked a pact to set up a 2,400 MW coal fired power plant in Odisha at an investment of Rs 14,000 crore to supply low cost electricity to the latter for aluminium production. The MoU will facilitate NTPC Ltd and National Aluminium Company Limited (NALCO) to set up a joint venture (JV) company to establish the power project at Gajmara, Dhenkanal, Odisha.

- **Alembic Pharmaceuticals Ltd** announced that the company has received approval from US Food & Drug Administration (USFDA) for its Abbreviated New Drug Application (ANDA) for Itraconazole capsules. Company has received approval from USFDA for our ANDA for Itraconazole capsules 100 mg. The approved ANDA is therapeutically equivalent to the reference listed drug product (RLD), Sporanox capsules 100 mg of Janssen Pharmaceuticals Inc

- **JK Lakshmi Cement** has received shareholders' approval to raise up to Rs 500 crore by issuing non-convertible debentures on private placement basis.

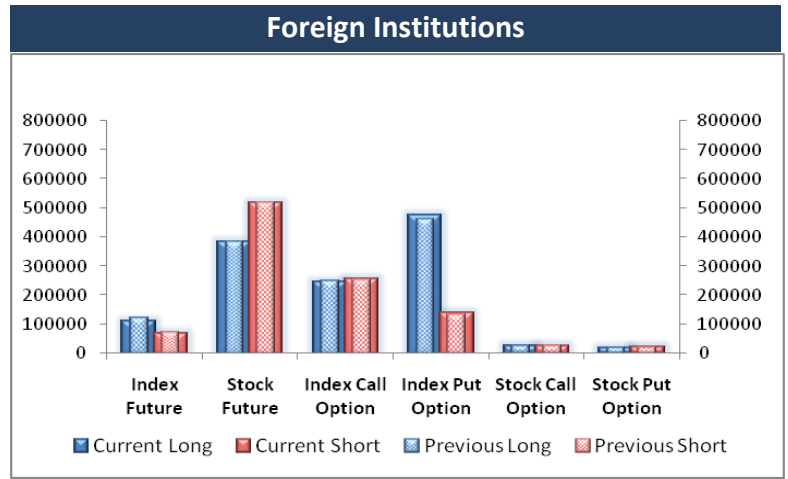
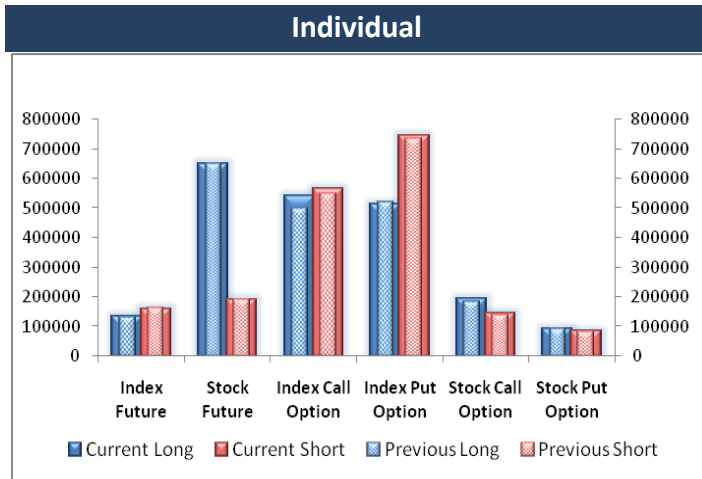
- **BHEL** has bagged a major order for supply of 118 sets of IGBT-based traction converters for 3 Phase 6,000 HP electric locomotives

- **U.S. number of housing starts** fell to 1.090M, from 1.340M in the preceding month whose figure was revised up from 1.323M. Analysts had expected the number of housing starts to fall to 1.230M last month.

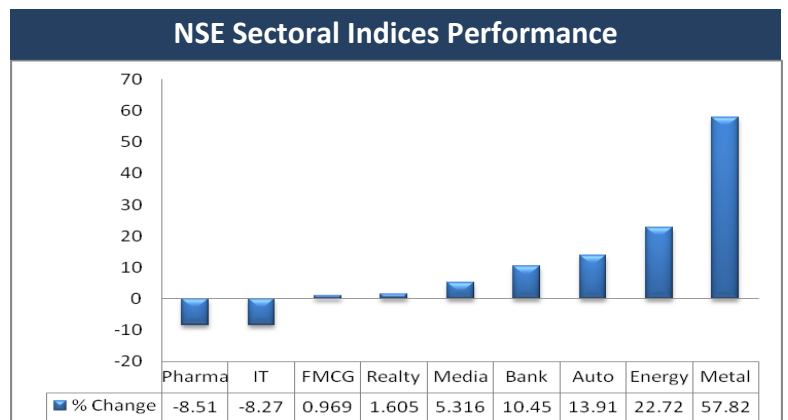
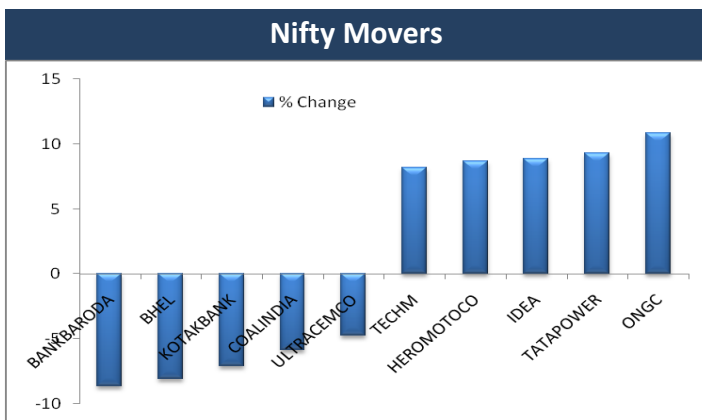
- **Euro zone core CPI** remained unchanged at a seasonally adjusted annual rate of 0.8%, from 0.8% in the preceding month. Analysts had expected Euro zone core CPI to remain unchanged at 0.8% last month.

- **U.S. number of building permits issued** fell to 1.201M, from 1.260M in the preceding month. Analysts had expected the number of building permits issued to fall to 1.240M last month.

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
GLENMARK	Buy	930	974	1017	887	The stock has given a price volume breakout above Rs 927 on Friday. Some fresh buying is very likely from the current level.
BHEL Dec. 120 PE	Long (1 lot = 5000)	1.45	3	5		After getting a strong support near Rs 130, the stock has corrected since last few days. Some fresh selling was also witnessed on Friday. So the stock is likely to corrected 5-6% from the current level.

Economic Calendar					
Country	Monday 19th Dec 16	Tuesday 20th Dec 16	Wednesday 21th Dec 16	Thursday 22th Dec 16	Friday 23th Dec 16
US			Existing Home Sales , Crude Oil Inventories , Flash Services PMI , Flash Manufacturing PMI.	Final GDP q/q , Unemployment Claims , Core PCE Price Index m/m , Personal Spending m/m.	Core Durable Goods Orders m/m , Durable Goods Orders m/m , New Home Sales , Revised UoM Consumer Sentiment .
UK/EURO ZONE	German Ifo Business Climate , CBI Realized Sales , German Buba Monthly Report.	Public Sector Net Borrowing , Italian Retail Sales m/m, Italian 10-y Bond Auction , German PPI m/m , Current Account.	French Flash Manufacturing PMI , French Flash Services PMI , Spanish Unemployment Rate , German Constitutional Court Ruling , German Flash Manufacturing PMI , German Flash Services PMI , Flash Manufacturing PMI, Flash Services PMI .	ECB Economic Bulletin , BBA Mortgage Approvals.	Italian Prelim CPI m/m.
INDIA					

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