

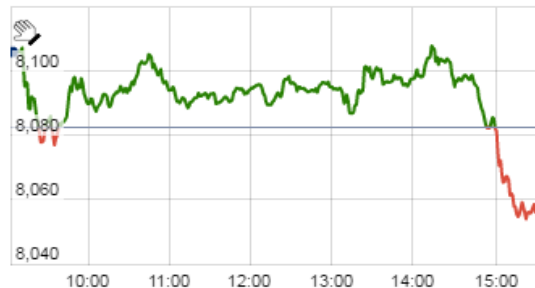
22-Dec-16

KEY LEVELS

Support 1 : 8056
Support 2 : 7916

Resistance 1: 8310
Resistance 2: 8598

Nifty Intraday Chart



Market Outlook

After opening on a subdued note, Nifty traded in the band of 8075-8110 maximum hours of yesterday's trading session. However some selling pressure was witnessed towards the closing session and the index continuously fell to make a low of 8053.85. At the end of the day Nifty closed at 8061.30. It had a net loss of 0.3% over the previous day's close. The midcap and small cap indices outperformed the benchmark index and closed the day in green.

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

On the option front, maximum put open interest of 68.58 lakh contracts was seen at strike price 8000 while the maximum call open interest of 61.27 lakh contracts was built at strike price 8300. The option data suggest that Nifty to move in 8000-8300 zone in the December expiry.

The foreign investors were the net sellers in the cash segment and they sold Rs 686 crores of equities on Wednesday.

After giving a pullback rally from 7916.40, Nifty is moving in the range of 7900 and 8300 since last one month. 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. Range of Nifty till December F&O expiry appears to be 8000-8300. Though, we also assume that large part of the movement will be inside small band of 8100-8200

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	8,062.50	-0.18%
NIKKIE	19392.12	-0.27%
HANG SENG	21,736.95	-0.34%
Yesterday Closing Market		
Sensex	26,242.38	-0.25%
Nifty	8,061.30	-0.26%
DOW	19,792.85	-0.60%
NASDAQ	5,471.43	-0.23%
CAC	4,833.82	-0.33%
DAX	11,468.64	0.03%
FTSE	7,041.42	-0.04%
EW ALL SHARE	14,503.65	-0.07%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	26990.00	-0.52%
SILVER	39140.00	-0.73%
CRUDEOIL	52.03	2.22%
NATURALGAS	238.10	5.78%
DOLLAR/RS.	67.91	-0.10%
EURO/RS.	70.80	0.14%
POUND/RS.	83.90	0.14%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
21-Dec-16	3611	4789	(1178)
Dec-16	32430	34362	(1932)
2016	1012696	1011778	918
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
21-Dec-16	2098	1040	1058
Dec-16	13501	13473	29
2016	468525	440180	28345

Quote of the Day : "The risk among any group of investors is that they only pay attention to what they already agree with. That's limiting in our opinion, and dangerous." **Michael Mauboussin**

ASIANPAINT

"NEUTRAL"

22th Dec 2016

The government's move to demonetise Rs500/Rs1,000 currency notes could cause a slowdown in discretionary consumption due to wealth destruction in affluent households and liquidity issues in the trade and contractor channels. We expect the re-painting cycle to get extended, which will impact the paint industry's growth.

Asian Paints' long-term story remains intact as there is a strong moat around the business. However, we could see significant lowering of volume growth over the next 12 months.

Asian Paints' margins are at life time high levels due to the drop in input costs in FY16. Some of those input costs have started firming up which could also put pressure on margins especially when operating leverage of high sales growth is missing.

We maintain Neutral on the stock. The stock trades at 42x FY18 earnings which is a 15-25% premium over consumer staples. We cut our earnings by 5-11% over FY17-19 and lower our target multiple to 32x September 2018.

GLENMARK

"BUY"

21th Dec 2016

Management expects domestic business to grow by 15% in FY17 and US business to grow by 25% on the back of new launches like Zetia, Mycolog II, Crestor, etc. in FY17. Going forward we believe that US business will remain key driver for growth. Management has guided for 20 new ANDA's filings in FY17. Considering the long-term opportunities, we recommend "buy" rating on this stock with a target price of Rs. 1096

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

Top News
• Mgt Int : CAPF

Demonetisation: Capital First's GNPA can go up to 1.2% in Q3: Executive Chief

>>liquidity was a significant issue post demonetisation but has improved in December.

>>In the two-wheelers market, 70% of business is done by dealers in cash and disbursements in the segment were down by around 40% in November.

>>With the pullback in November the company's GNPA can increase to 1.2% in the 3Q against 1% in the 2Q.

>>demonetisation completely broke the momentum of NBFC's and has put a break on loan growth, operating leverage and asset quality.

>>six months down the line, there will be a significant reduction in terms of fringed lenders in the microfinance institutions (MFI)

Mgt Int : BHARATFIN

SIT formation welcome; see over 90% repayments: Bharat Fin

>>The company has so far not received any information with regards to SIT formation for MFIs but even if it is, the company is not worried because they have always been conservative in their business and follow all the guidelines set by the Reserve Bank of India.

>>Due to currency crunch loan growth in the 3Q is a bit muted but once the currency is available disbursements will be done directly into the accounts. They have so far done a disbursement of Rs 970 crore, post demonetisation.

>>The company is confident of making good on the losses incurred

">>In the state of Uttar Pradesh their exposure is to the tune of 8.8%.

• **Jyoti Structures** has received an order from ESKOM, a South African utility, for supply of towers and construction of 765 and 400 kV Masa Ngwedi transmission line Sec C. Company has received order worth USD 15 million from ESKOM.

• Mgt Int : DATAMATICS

Domestic biz contributes around 5-6% to total sales: Datamatics

>>The company is expected to grow at 15-20 percent in the next five years.

• **Sadbhav Engineering** has acquired 10,50,000 shares (0.29 percent) of Sadbhav Infrastructure Projects, subsidiary of the company.

• **Titan** has taken a five per cent hit in sales of its watches and accessories following demonetisation of high-value currencies but is taking initiatives to hopefully recover the lost ground by March-end,

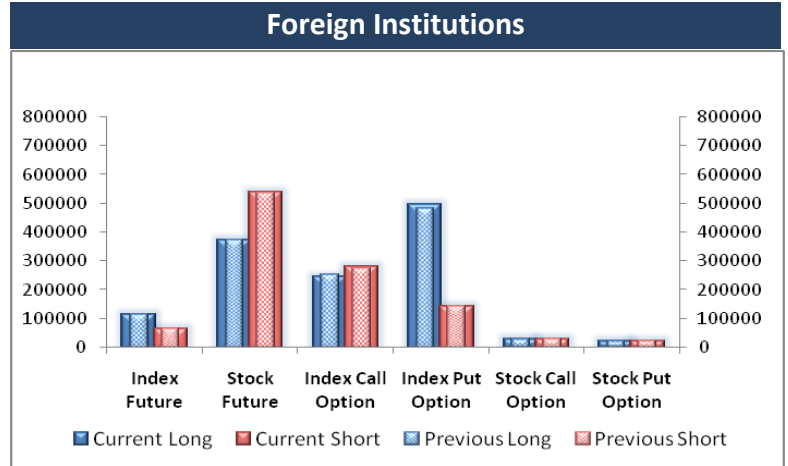
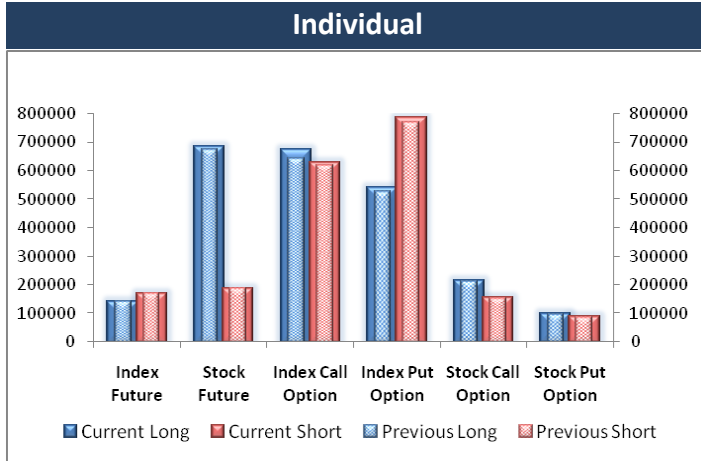
• **U.K. Gfk Consumer confidence** rose to a seasonally adjusted -7, from -8 in the preceding month. Analysts had expected U.K. Gfk Consumer confidence to remain unchanged at -8 last month.

• **U.S. Crude Oil Inventories** rose to a seasonally adjusted annual rate of 2.256M, from -2.563M in the preceding month. Analysts had expected U.S. Crude Oil Inventories to fall -2.515M last month.

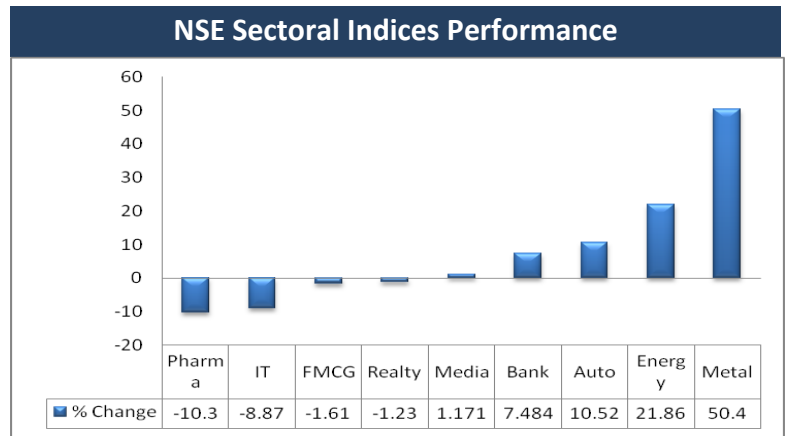
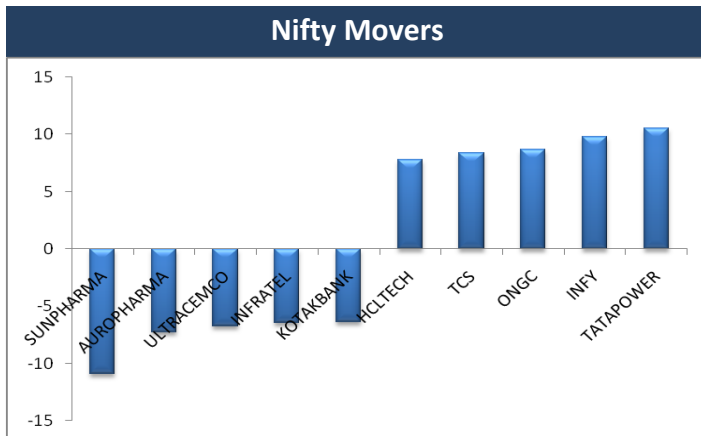
• **Euro zone consumer confidence** fell to an annual rate of -5.1, from -6.1 in the preceding month. Analysts had expected Euro zone consumer confidence to fall -6.0 last month.

• **U.K. Public Sector Net Borrowing** rose to a seasonally adjusted 12.21B, from 4.32B in the preceding quarter whose figure was revised up from 4.30B.

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
CONCOR	Buy	1092.25	1147	1200	1048	After getting a strong support near Rs 1050, the stock has given a smart pullback rally with huge volumes yesterday. Some fresh buying is likely to emerge in the stock at the current level.
INFY Dec. 1020 PE	Long (1 lot = 500)	20.9	34	50	9	The stock found a stiff resistance at 100 DMA and thereafter corrected yesterday. It has also made a negative divergence in Stochastic on daily chart. Some correction is expected in the stock 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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