

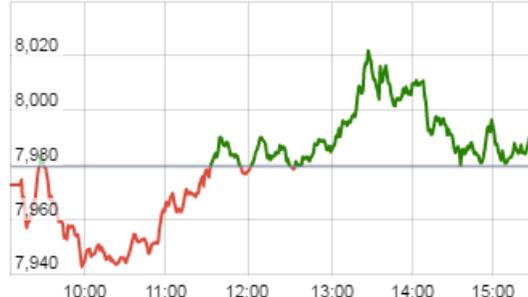
26-Dec-16

KEY LEVELS

Support 1 : 7916
Support 2 : 7753

Resistance 1: 8110
Resistance 2: 8230

Nifty Intraday Chart



Market Outlook

Indian Equity gave a range bound and choppy movement through the day on Friday. After starting with a deep negative note, nifty continuously rose to make high of 8019 in first half of market session. Yesterday market saw a volatile session of trade to close at 7985.75. It had net gain of 0.08% of the previous day's closing. The midcap and small cap indices closed the day after decline by 0.03% and 0.14% respectively.

On the sectoral front, Banking, Financial services and Metal, Pharma, FMCG and Realty stocks were on the sellers' radar whereas Auto, Media stock were on buyers' radar. The foreign investors were the net sellers in the cash segment and they sold Rs 1462.65 crores worth of equities on Friday.

As per RBI, outstanding loans rose 468.30 billion rupees (USD6.91 billion) to 73.39 trillion rupees in the two weeks to Dec. 9. Non-food credit rose 386.90 billion rupees to 72.39 trillion rupees, while food credit rose 81.40 billion rupees to 999.20 billion rupees.

Traders may take short position and sell on Rallies with stop loss of Nifty level of 8230.

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	7,957.00	-0.49%
NIKKIE	19406.37	-0.11%
HANG SENG	closed	
Yesterday Closing Market		
Sensex	26,040.70	0.24%
Nifty	7,986.75	0.08%
DOW	19,792.85	-0.60%
NASDAQ	5,462.69	0.28%
CAC	4,839.68	0.10%
DAX	11,449.93	-0.05%
FTSE	7,068.17	0.06%
EW ALL SHARE	14,323.94	-1.24%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	26994.00	0.10%
SILVER	38595.00	-0.96%
CRUDEOIL	52.03	2.22%
NATURALGAS	247.70	2.91%
DOLLAR/RS.	67.82	-0.10%
EURO/RS.	70.96	-0.02%
POUND/RS.	83.36	0.06%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
23-Dec-16	2074	3537	(1463)
Dec-16	32430	34362	(1932)
2016	1012696	1011778	918
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
23-Dec-16	2625	1010	1615
Dec-16	13501	13473	29
2016	468525	440180	28345

Quote of the Day : "To carry one's eggs in a great number of baskets without having the time or opportunity to discover how many have holes in the bottom is the surest way of increasing risk and loss." - Warren Buffett

DABUR

"NEUTRAL"

26th Dec 2016

DABUR's 2QFY17 result was below than our expectations. Sales for second quarter grew by 1% YoY to Rs 1981 cr on the back of sluggish growth from international business. International business has contributed approx. 34% of company's sales in 2QFY17. International business declined by 2.3% YoY in this quarter due to geo political disturbances in the MENA region and adverse currency impact. According to Management, headwind in international business will continue for at least 2-3 quarters going forward. Secondly, recent demonetization may negatively affect company's domestic sales in 3QFY17E which is a cause of concern for the company in the short term. Rural demand is still stressed witnessing slight improvement. Lastly, the company is getting tough competition from Patanjali. Patanjali is strong in north and west India from where Dabur gets Substantial part (approx. 60% of its footprint) of its domestic business which is another concern for DABUR. Hence considering tepid international business growth outlook, tough competition from Patanjali and stress in rural demand we maintain 'Neutral' rating on Dabur with no target price.

SUNPHARMA

"NEUTRAL"

23th Dec 2016

Synergies from the Ranbaxy acquisition are gaining momentum and the Company is on track to achieve the targeted benefits. Post 2QFY17, Sunpharma has further strengthened the branded ophthalmic pipeline through the acquisition of Ocular Technologies. But recent developments are not very conducive for the company. US business is under pricing pressure due to customer consolidation. Ongoing issue in Halol plant and inflated pricing issue on dermatology products in US will pose near term uncertainty. Though the company has maintained its guidance of 8-10% sales growth for FY17E, we are little skeptical about it considering on-going issues. Thus, we recommend "NEUTRAL" view on this stock.

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

Top News

- **Suprajit Engineering Mgt Guideline** : Suprajit Engineering said they would be going into 2017 with a three brand strategy of automotive control cables, non-automotive control cables and automotive lamps business. For FY17, the consolidated topline growth would out beat the industry growth by 5-10 percent.

Company said in 2015 and 2016 have been landmark years with acquisitions of Pheonix Lamps and Wescon in US, which have been strategic fits for them.

In FY18 they expect their domestic business to be around 55 percent and international around 45 percent

- **Glenmark Management Interview**

→As per the management new launches (especially in the derma area) will drive earnings for the company in FY18 and FY19. The company has no plans to raise further capital. Some of the large products like generic Welchol, generic Sevelamer, and so there are a number of products, which could launch in FY18 beyond Zetia, which will drive growth for the company in FY18 and FY19.

→The Company expects Zetia generic, which it launched in the US earlier in the month, to contribute revenue worth USD 200-250 million in the next 6 months.

→The proceeds from Zetia sales will be used to pare debt, adding that debt levels by the end of FY17 will be much below the March 2016 levels of Rs 3,100 Crore. Next fiscal company will see a further reduction in the debt beyond that.

→Regarding Goa Facility Company is expecting the agency any time to come in and audit our Goa facility in 2017.

- **Tata Metaliks** has amalgamated Tata Metaliks DI Pipes with itself. Last month Calcutta High Court had approved the scheme of amalgamation.

Tata Metaliks was the star performer of 2016 with a rally of 200 percent.

On the pig iron front, he said the quarter three has been the worst. Rising coking coal prices have hurt the profitability of pig iron business.

They are looking to bring down debt-to-equity ratio to 1:1 and company's capacity utilisation is at 100 percent.

- **Maruti** plans to invest over Rs 3,800 crore on its upcoming R&D centre in Rohtak by March 2019. The company has already invested around Rs 1,700 crore on the project as of March 2016.

By 2019 another investment of around Rs 2,100 crore will be done.

- **Bharat Wire Ropes Mgt Guideline** : Company Will start production in Chalisgaon over the next few weeks and big orders will execute from this plant,

Bharat Wire's capacity utilisation at current plant is at 50-55 percent

The commodity cost does not impact bottomline and topline.

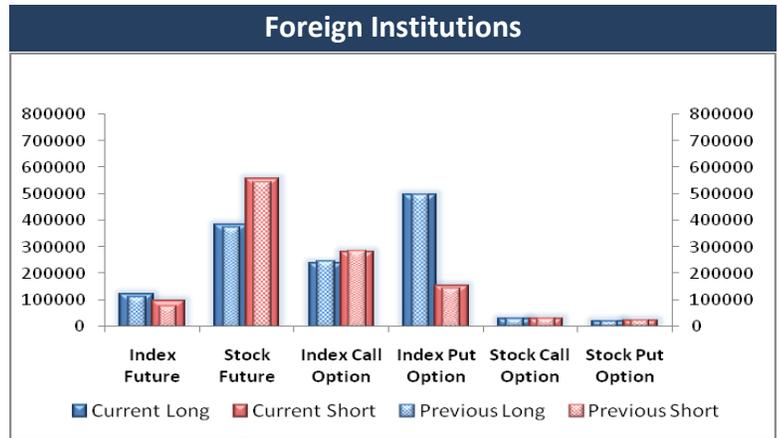
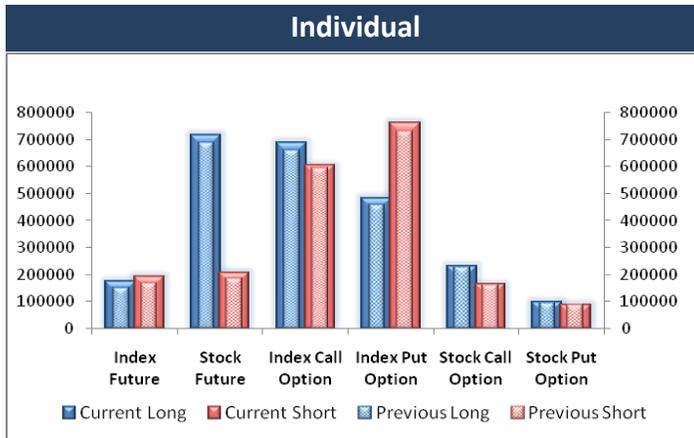
The company will start exporting to China shortly.

- **U.S. consumer sentiment** rose to a seasonally adjusted 98.2, from 98.0 in the preceding month. Analysts had expected UoM consumer sentiment to remain unchanged at 98.0 last month.

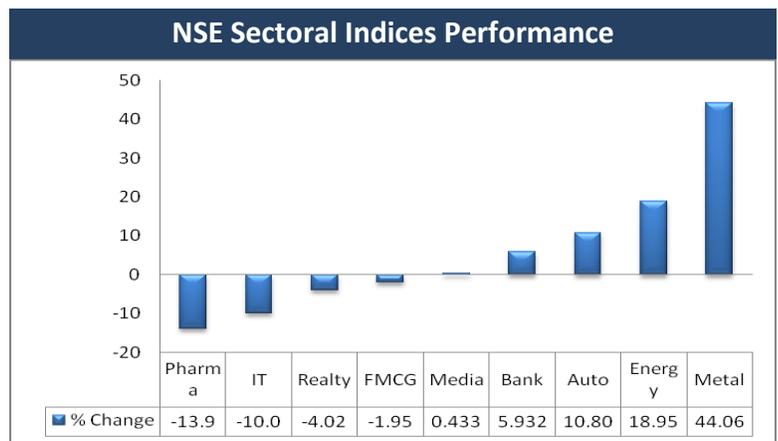
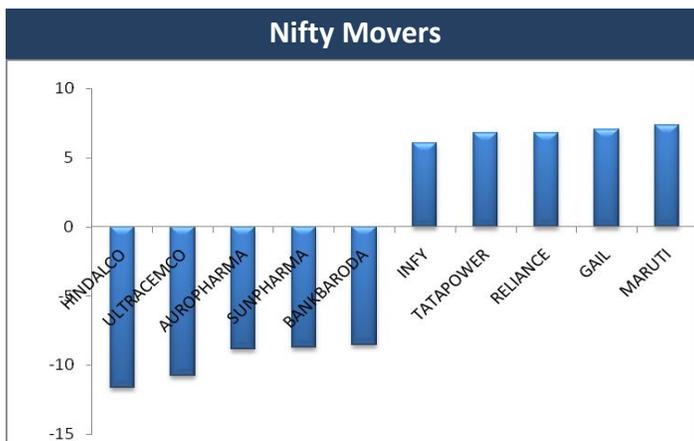
U.K. Index of Services rose to 1.0%, from 0.8% in the preceding month.

Analysts had expected U.K. Index of Services to rise 0.9% 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
Bajaj- Auto	Buy	2620	2735	2740	2550	Stochastic is showing strength with good volume. ATM & OTM CE writers are also unwinding their position.
PETRONET Dec. 370 CE	Long (1 lot = 1500)	4.2	7	12	1.8	The stock found a strong support at 100 DMA and thereafter gave a sharp pullback rally yesterday. In the extreme short term another 5-6% upside is expected in the stock.

Economic Calendar					
Country	Monday 26th Dec 16	Tuesday 27th Dec 16	Wednesday 28th Dec 16	Thursday 29th Dec 16	Friday 30th Dec 16
US		CB Consumer Confidence , Richmond Manufacturing Index , S&P/CS Composite-20 HPI y/y .	Pending Home Sales m/m.	Unemployment Claims , Crude Oil Inventories , Natural Gas Storage , Goods Trade Balance.	Chicago PMI.
UK/EURO ZONE		Current Account , Final GDP q/q , Index of Services 3m/3m , Revised Business Investment q/q .	German Import Prices m/m ,GfK German Consumer Climate.	Spanish Flash CPI y/y , M3 Money Supply y/y , Private Loans y/y .	Housing Equity Withdrawal q/q
INDIA					

Narnolia

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Narnolia Securities Ltd

201 | 2nd Floor | Marble Arch Building | 236B-AJC Bose
Road | Kolkata-700 020 , Ph : 033-40501500

email: narnolia@narnolia.com,

website : www.narnolia.com

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