

Market Outlook

After opening on a positive note, Nifty rose to make a high of 9615.25 at the first hour of yesterday's trade. Thereafter continuous selling pressure was witnessed in the market and Nifty fell to make an intraday low of 9473.70. At the end of the day the index closed at 9511.40. It had a net loss of 0.66% over the previous day's close. The broader market was also in the grip of bears as the midcap and small cap indices underperformed the benchmark index and closed the day after losing near 1.3% each.

On the sectoral front, some selling pressure was witnessed in Banking, Realty, Media and Financial Services stocks while FMCG index closed in green. The breadth of the market was negative and about three shares declined for every share advanced at NSE.

During last one month Nifty has traded between 9550 and 9710, a range of mere 1.7%. Nifty loosing volatility after sharp rally since December 2016 is a sign of maturity of our market or is this a lull before the storm, July series will surely let us figure out. In fact even global equity markets are trading strong almost in a bullet proof manner and this is amazing. US S&P 500 VIX has fallen to single digit levels. Lately cause of concern have been the performance of the broader market. Mid and Small cap stocks were leaders of the current market rally, but since middle of May Nifty Mid cap index and Nifty Small cap index surely has gone into a correction mode. And traders and short term investors need to be very cautious on small and micro cap stocks as valuation remains quite stretched for most of the small and micro cap stocks. Though Nifty continue to be in upward journey but if Nifty falls below 9500, it will bring sharper fall in mid, small and micro cap stocks.

Derivative range continues to be 9550-9750 though large open interest at 9700 CE make 9700 a strong resistance for current June series. Early indication of open interest built up for July series suggests wider Nifty range and consequently sharp volatility. BankNifty particularly looks vulnerable for volatility spike led by mid and small PSU banks where NPA woes appears to be getting further aggravated due to RBI latest directives. Early July series will be full of news about GST implementation and 1QFY18 and 2QFY18 surely will see negative impact on corporate earnings. GSTN system is expected to process 3.5 billion invoices every month, a change of this order surely will be nerve wrecking for many businesses

Quote of the Day : "With every new wave of optimism or pessimism, we are ready to abandon history and time-tested principles, but we cling tenaciously and unquestioningly to our prejudices " : Benjamin Graham

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	9,486.00	-0.32%

Yesterday Closing Market		
Sensex	30,958.25	-0.58%
Nifty	9,511.40	-0.66%
DOW	21,310.66	-0.46%
NASDAQ	6,146.00	-1.64%
CAC	5,258.58	-0.71%
DAX	12,671.03	-0.79%
FTSE	7,434.36	-0.17%
EW ALL SHARE	17,244.73	-0.93%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	28553.00	0.15%
SILVER	38355.00	0.13%
CRUDEOIL	46.98	2.04%
NATURALGAS	198.30	0.92%
DOLLAR/RS.	64.53	0.03%
EURO/RS.	72.71	0.91%
POUND/RS.	82.32	0.24%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
27-Jun-17	7231	6939	292
Jun-17	90454	92445	(1991)
2017	637245	613281	23964
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
27-Jun-17	2537	2583	(46)
Jun-17	52402	47839	4563
2017	361869	342247	19622

Event Today
Dividend

ELNET : Rs 1.40/-
(Exdate : 28.6.2017)

Final Dividend

INDIANHUME : Rs 2.4/-
(Exdate : 28.6.2017)

Buy Back of Shares

ENGINEERSIN
(Exdate : 28.6.2017)

AU Small Finance Bank Ltd.

"Neutral"

28th June 2017

AU Small Finance Bank Ltd. (erstwhile known as AU Financiers Ltd) (AUSFB) is a NBFC converted into Small Finance Bank. It is one of the 10 new small bank licensees. The company is growth oriented and retail focussed. AUSFB plans to set up an additional 162 branches and 7 central processing centers during FY18 from current 260 branches and 1 CPC.

This suggest good growth in Asset size for AUSFB . However, Post conversion into SFB (small finance banking) category, Au's NIM (Net Interest Margin) should come down and cost to Income ratio should rise. Moreover, The company's NPA is currently at 120 days while this should come down to 90 day provisioning resulting in increase in NPA%. Keeping in mind the above parameters, AUSFB is being offered at stretched valuations of 5 times FY17 P/B. We recommend NEUTRAL

ASHOKLEY

"BUY"

27th June 2017

We expect Ashok Leyland to generate healthy cash flow going forward keeping in mind strong traction in operating performance. The management has guided for double-digit volume growth for full year FY18 considering the strong double-digit growth in second half. The volume growth and product mix will be major trackable for the company. Ashok Leyland is also working towards a renewed thrust in the international markets, with network expansion and dedicated products. The company has also reduced its net debt to zero level on a standalone basis and generating more cash to fulfill its future expansion requirements. We expect that the company will maintain a healthy RoE of over 20% going ahead. Currently, the stock is trading at 3.3x FY19E P/B. We maintain 'BUY' on Ashok Leyland considering the huge growth potential going ahead, with a target price of Rs.110.

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

Top News

Ratings agency **CRISIL** believes that the recent action against bad loans by the Reserve Bank of India (RBI) will severely dent the bottomlines of the lenders concerned. Recent guidelines by RBI is a nudge to the banking system to avail the benefits of the code in terms of resolving this chronic non-performing assets (NPAs) at the earliest and try to get whatever recovery they can from them. Company believes this is the step in the right direction as far as the hastening of the clean-up of the bank's balance sheet is concerned

Bombay Stock Exchange and National Stock Exchange will introduce futures and options (F&O) contracts in five companies including ICICI Prudential Life Insurance Company Ltd and Manappuram Finance Ltd from Friday. The other firms are Chennai Petroleum Corporation, SREI Infrastructure Finance and Repco Home Finance.

Zydus Cadila said it has received US health regulator's approval to market entecavir tablets, used for treatment of Hepatitis B. The company has received final approval from the US Food and Drug Administration (USFDA) to market entecavir tablets in the strengths of 0.5 mg and 1 mg, Zydus Cadila said in a statement. The drug will be produced at the group's formulations manufacturing facility at the Pharma SEZ in Ahmedabad. As per IMS MAT April data, estimated sales for entecavir tablets stood at USD 166.3 million.

Kajaria said that Q1 numbers will take a hit especially in the month of June. Kajaria Ceramics is projecting a double-digit growth in FY18. Company expects strong recovery in demand from Q2 onwards.

Oil and Natural Gas Corporation expect the crude prices to come around USD 50 per barrel to USD 55 per barrel range . This is a temporary phenomenon since prices are volatile . Crude prices have dropped in the last couple of days. Net realisations for ONGC may be around USD 50 per barrel in Q1 because of this drop. Company hopes gas prices to change in the future.

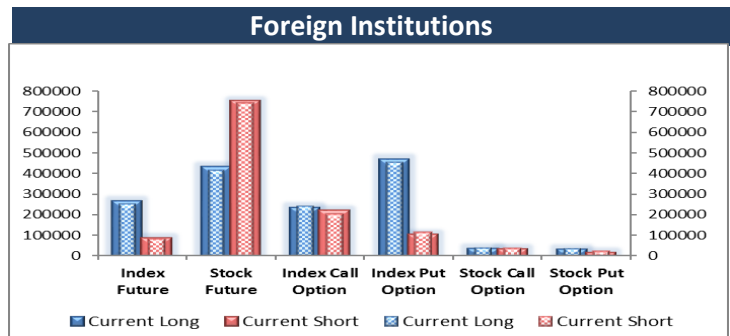
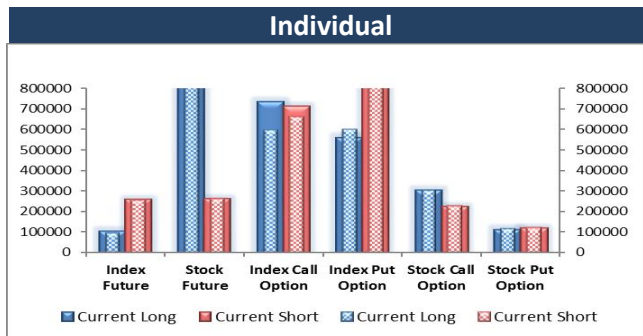
Wockhardt Mgt Guideline : Indian generic companies have been very competitive in the US markets. Indian pharma industry will hold its ground when it comes to US market. Company said that pricing pressure exists in the US. Pricing pressure should be between 7 percent and 9 percent, depending on portfolio. Wockhardt will continue to do well in UK and Indian markets. Wockhardt is taking effective steps to solve problems with regards to the US market.

Gujarat Borosil will get level-playing field due to anti-dumping duty. The Chinese were getting 17 percent, I am told, export subsidy in addition to very cheap loans and other benefits which are in addition to 17 percent. So with a duty of 11-30 percent, depending on different manufacturers, this negates at least a percentage of that benefit that the Chinese are getting . 85 percent of the solar glass is imported from China currentlv.

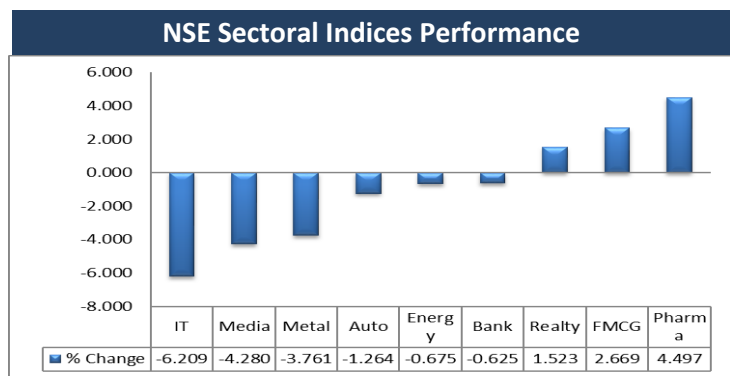
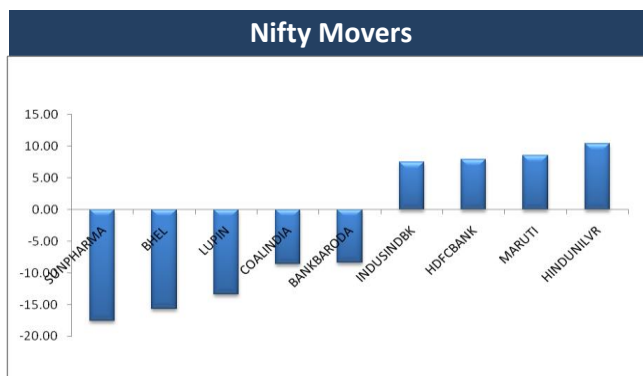
Block Deal

Exchange	Deal Date	Company	Client Name	Deal Type	Quantity	Price
NSE	27-Jun-17	ARROWGREEN	DSP BLACKROCK MUTUAL FUND	BUY	471698	530
NSE	27-Jun-17	JPASSOCIAT	ADROIT SHARE & STOCK BROKER PVT. LTD.	BUY	35072351	21.08
NSE	27-Jun-17	JPASSOCIAT	SHAASTRA SECURITIES TRADING PRIVATE LI	BUY	20095482	20.93
NSE	27-Jun-17	JPASSOCIAT	SHANTI ENTREPRENEURS	BUY	14002896	21.06
NSE	27-Jun-17	TEJASNET	ABU DHABI INVESTMENT	BUY	530000	265.12
NSE	27-Jun-17	TEJASNET	AMANSA HOLDINGS PRIVATE LIMITED	BUY	1350000	260.56
NSE	27-Jun-17	ARROWGREEN	NEIL S PATEL	SELL	100000	530
NSE	27-Jun-17	ARROWGREEN	PATEL JIGISHA SHILPAN	SELL	200000	530
NSE	27-Jun-17	ARROWGREEN	PATEL SHILPAN PRAVIN	SELL	100000	530
NSE	27-Jun-17	ARROWGREEN	RISHIL S PATEL	SELL	100000	530
NSE	27-Jun-17	JPASSOCIAT	ADROIT SHARE & STOCK BROKER PVT. LTD.	SELL	35072351	21.08
NSE	27-Jun-17	JPASSOCIAT	SHAASTRA SECURITIES TRADING PRIVATE LI	SELL	20095482	20.98
NSE	27-Jun-17	JPASSOCIAT	SHANTI ENTREPRENEURS	SELL	15131114	21
NSE	27-Jun-17	PRAKASH	ELARA CAPITAL MAURITIUS LTD - FCCB	SELL	968318	96.01

F&O OPEN INTEREST (Number of Contracts)



MARKET MOVERS (1 MONTH CHANGE)



Result Calendar Q4FY17

BSE Code	Company Name	Date	BSE Code	Company Name	Date
532649	NECLIFE	27-Jun-17	517330	CMI	29-Jun-17
526431	WELTI	27-Jun-17	500645	DEEPAKFERT	30-Jun-17
533303	BFINVEST	28-Jun-17	532751	EASUNREYRL	30-Jun-17
500020	BOMDYEING	28-Jun-17	519234	SIEL	30-Jun-17
507435	KHODAY	28-Jun-17	539956	TAALENT	30-Jun-17
540125	RADHIKAJWE	28-Jun-17			

Economic Calendar

Country	Monday 27th June 17	Tuesday 28th June 17	Wednesday 29th May 17	Thursday 30th June 17	Friday 1st July 17
US	S&P/CS Composite-20 HPI y/y, CB Consumer Confidence, Richmond Manufacturing Index.	Goods Trade Balance, Prelim Wholesale Inventories m/m, Pending Home Sales m/m, Crude Oil Inventories, Bank Stress Test Results.	Final GDP q/q, Unemployment Claims, Final GDP Price Index q/q, Natural Gas Storage.	Core PCE Price Index m/m, Personal Spending m/m, Personal Income m/m, Chicago PMI, Revised UoM Consumer Sentiment, Revised UoM Inflation Expectations.	Final Manufacturing PMI, ISM Manufacturing PMI, Construction Spending m/m, ISM Manufacturing Prices, Total Vehicle Sales.
UK/EURO ZONE	French Prelim CPI m/m, BBA Mortgage Approvals, Italian 10-y Bond Auction, CBI Realized Sales.	German Prelim CPI m/m, French Consumer Spending m/m, Spanish Flash CPI y/y, M3 Money Supply y/y, Private Loans y/y.	GfK German Consumer Climate, Italian Monthly Unemployment Rate, Net Lending to Individuals m/m, M4 Money Supply m/m, Mortgage Approvals,	German Retail Sales m/m, German Import Prices m/m, German Unemployment Change, Current Account, Final GDP q/q, Index of Services 3m/3m, Revised Business Investment q/q, CPI Flash Estimate y/y, Core CPI Flash Estimate y/y, Italian Prelim CPI m/m.	Spanish Unemployment Change, Italian Manufacturing PMI, French Final Manufacturing PMI, German Final Manufacturing PMI, Final Manufacturing PMI, Manufacturing PMI, Unemployment Rate, Spanish 10-y Bond Auction, French 10-y Bond Auction, BOE Financial Stability Report.
INDIA					Auto no, Nikkei Manufacturing PMI.

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