

NIFTY KEY LEVELS

Support 1 : 10840
Support 2 : 10780
Resistance1: 11000
Resistance2: 11040

Events Today

Dividend

63MOONS, BALMLAWRIE, BDH, BLIL, COMSYN, DHARAMSI, GSFC, GULFOILLUB, HINDUJAVEN, HVMV, IMPAL, JAYSYN, JINDRILL, KKCL, KTIL, MAHSEAMLES, MEERA, MIRZAINI, NFL, ORVENPR, PONDYOXIDE, PRECWIPE, STARPAPER.

Ex-Date : 09/09/2019

Nifty Intraday Chart



Market Outlook

On Friday, Nifty opened positive at 10883.80 and made a low of 10867.45. From there it moved towards the high of 10957.05 and closed positive at 10946.20. Broader selling was witnessed in FMCG, PHARMA and REALTY, whereas rest of the indices closed with positive bias. India VIX closed negative by 5.78% at 16.27.

Index has formed a big body bullish candlestick pattern on last trading session indicating strong buying on lower levels and bullish bias to continue further. However Nifty is trading below 11000 psychological marks it can continue to trade lower towards 10700 marks whereas higher-high & higher-low pattern in last 3 trading sessions can be considered as an early sign of reversal of trend.

Indian Market

Index (Prev. Close)	Value	% Change
SENSEX	36,981.77	0.92%
NIFTY	10,946.20	0.91%
BANK NIFTY	27,247.90	1.22%

Global Market

Index (Prev. Close)	Value	% Change
DOW	26,797.46	0.26%
NASDAQ	8,103.07	-0.17%
CAC	5,603.99	0.19%
DAX	12,191.73	0.54%
FTSE	7,282.34	0.15%
EW ALL SHARE	17,958.37	0.78%

Morning Asian Market (8:30 am)

SGX NIFTY	10,980.00	0.19%
NIKKIE	21,287.50	0.41%
HANG SENG	26,655.50	-0.13%

Commodity Market

Commodity(Prev. Close)	Value	% Change
GOLD	38,553.00	-0.88%
SILVER	47,885.00	-3.18%
CRUDEOIL	61.80	0.44%
NATURALGAS	179.10	1.99%

Currency Market

Currency (Prev. Close)	Value	% Change
RS./DOLLAR	71.72	-0.17%
RS./EURO	79.05	-0.46%
RS./POUND	88.25	-0.51%

Bond Yield

Bond yield (Prev. Close)	Value	% Change
G-sec 10YR : IND	6.60	0.36%

% Change in 1 day

Institutional Turnover

FII

Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
06-Sep-19	3317	4274	(957)
Sep-19	14230	19503	(5273)
2019	903038	884022	19951

DII

Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
06-Sep-19	3301	2093	1207
Sep-19	13427	8964	4462
2019	621947	583766	38181

Please refer to page pg 4 for Bulk deals, Dividends, Bonus, Spilts, Buyback.

Quote of the Day : "Never invest in a business you cannot understand."

Monthly Auto Volume: August 2019**MACRO****04-Sep-19**

The auto sales have seen no signs of improvement during the month of August 2019. Monsoon combined with flood across several parts of the country along with customers deferring the purchase of vehicle due to upcoming festival season have dampened the sales. However, there has been some pick-up in demand in the last few days, especially in southern and western region on account of the upcoming Onam and Ganpati festivals. The passenger vehicle segment had declined by 36% YoY. OEMs continued with inventory correction through production cuts during the month. The commercial vehicle segment declined by 41% YoY due to poor freight availability and lower freight rates which continued to hamper the demand. The two wheeler segment has declined by 17% YoY. Enquiries and walk-ins have seen a substantial jump in the last few days of the month. The 3W segment has also contracted by 9% YoY due to headwinds across key international markets and subdued domestic demand. The tractor segment has also declined by 17% YoY. ASHOKLEY, BAJAJ-AUTO, EICHERMOT, ESCORTS, HEROMOTOCO, M&M, MARUTI, TATAMOTORS and TVSMOTOR sales declined by 47%, 11%,25%, 16%, 21%, 23%, 33%, 48% and 15% YoY respectively.

BALKRISIND**NEUTRAL****23-Aug-19**

EBITDA margin has contracted by 125 bps to 22.4% on a sequential basis due to increase in the branding expense and weaker operating leverage. We expect that the margin will deteriorate based on higher branding expenses, challenging global macroeconomic environment and new plants. The expansion at USA green field plant is on hold looking at the sluggish demand scenario in the US market. The carbon black plant has also commenced production which will further put pressure on the bottom-line. However the management expects margins to improve by 100bps due to backward integration once the plant reaches the full capacity. Factoring the decline in share of overseas business, higher branding expenses and higher start up cost on new plant we reduce FY20/21 EPS estimates by 11%/8%. We value the stock at 18x FY21e EPS to arrive at a target price of Rs.764 and maintain Neutral.

MOTHERSUMI**UNDER REVIEW****23-Aug-19**

Global demand scenario continues to be benign and margin pressure on OEMs gets passed on to component manufacturers also. Going ahead we expect that volumes in the European region will get further impacted by WLTP norm, emission norms and slow-down in class-8 truck volumes may further impact growth prospects. The margins are expected to improve gradually based on the stable commodity prices and cost cutting initiatives. However higher fixed cost on new plants due to lower utilizations will keep the margins in 8-9% range. Higher depreciation cost and increased borrowings will continue to put bottom-line under pressure. The company is expected to go for acquisitions in order to achieve its USD18 bn revenue guidance which will further increase the debt level going ahead. Hence considering the uncertain growth prospects we keep the stock under review.

GABRIEL**NEUTRAL****23-Aug-19**

The margins improved by 120bps on sequential basis on account of reduction in commodity prices and higher aftermarket sales. The two-wheeler segment continues to perform better while the company has lost market share in the PV segment. The higher inventory level remains a concern for the company as OEMs have scheduled production cuts looking at the uncertain demand scenario. The export aftermarket has also seen decline due to slowdown in two major export markets; Sri-Lanka and Latin America. The margin profile will continue to be below 9% because of weaker operating leverage and higher fixed cost on upcoming Sanand plant. Factoring the slowdown in demand (85% revenue from OEMs), adverse product mix (reducing PV share) and near to mid-term uncertainty, we value GABRIEL at 16x FY20e EPS to arrive at a target price of Rs.107 and maintain Neutral.

INDOSTAR**NEUTRAL****20-Aug-19**

The recent inorganic CV acquisition from IIFL has driven growth in INDOSTAR finance while old portfolio growth has grown marginally due to the liquidity situation. Management is forging tie-ups with various banks to continue its growth trajectory irrespective of the liquidity crisis. Management optimistically guided for loan growth in the range of 30-40 %. It has slow down incremental disbursement in the corporate segment amidst real estate stress. The acquisition of high yielding CV segment has offset margin pressure irrespective of high-cost borrowings during the quarter. Asset quality has deteriorated due to rising slippages in the corporate account; along with inherited NPLs in the CV acquisition which IIFL has provided an upfront cash payment for redressal. We remain cautious on the stock on the back rising slippages in the corporate account, slowdown in the SME segment, margin pressure and liquidity crisis. We downgrade the stock to NEUTRAL at .75x FY21 at Rs 284.

Stocks in News:

- ❑ **Maruti Suzuki:** Suzuki Motor India Pvt Ltd has decided to hold back its planned investments on capacity enhancement due to the ongoing slowdown in two-wheeler sales and expectation of a hit in the market by the transition to stricter BS-VI emission norm from BS-IV in April 2020.
- ❑ **Equitas Holdings Ltd:** EHL has proposed a new scheme of arrangement to list its small financing bank arm ESFB after being denied an extension to the listing deadline by the RBI as well as approval to reverse merger proposal by Sebi. Under the new scheme, EHL has proposed to capitalise free reserves of Equitas Small Finance Bank (ESFB) and issue shares of the subsidiary to its shareholders without cash consideration.
- ❑ **Punjab National Bank:** State-owned Punjab National Bank has put up for sale nearly a dozen non-performing assets (NPA) to recover dues of more than Rs 1,234 crore. The lender has invited bids from asset reconstruction companies (ARCs)/ NBFCs/ banks/ financial institutions for 11 NPA accounts.
- ❑ **Aurobindo Pharma:** The US arm of drug major Aurobindo Pharma is recalling 2,352 bottles of lipid-lowering Simvastatin tablets from the American market, the latest enforcement report of the US health regulator said .
- ❑ **Eveready Industries:** Duracell Inc., owned by Warren Buffett's Berkshire Hathaway is set to acquire BM Khaitan's flagship Eveready Industries' battery and flashlight business in a slump sale of Rs 1,600- 1,700 crore.
- ❑ **Canara Bank & CAN FIN HOMES.** Canara Bank sought expression of interest from bidders to sell its entire stake of 30 percent in Can Fin Homes.
- ❑ **Varun Beverages** on Saturday said it has raised Rs 900 crore (\$125 million) through qualified institutional placement. The company sold 1.47 crore shares at an average price of Rs 612 apiece in the sale that opened Sept. 3 and closed Sept. 6. Varun Beverages plans to use the proceeds for investments in units, repaying debts and for acquisitions according to the terms of the deal.
- ❑ **GAIL:** Canada's Brookfield Asset Management and Singapore's Temasek Holdings Ltd have joined the race to buy the gas pipeline assets of state-run Gail (India) Ltd, three people aware of the matter said. Gail, which is in the process of divesting its pipeline business, has already received interest from state-run Indian Oil Corp. Ltd (IOCL) and Bharat Petroleum Corp. Ltd (BPCL) for the gas transmission assets.

Red: Negative Impact **Green:** Positive Impact **Black :** Neutral.

BULK DEAL

EXCHANGE	Date	SECURITY NAME	CLIENT NAME	DEAL TYPE	QUANTITY	PRICE
BSE	06-09-19	ACTIVE	SMITH AND THOMSON REALTY PRIVATE LIMITED	S	110000	15.78
BSE	06-09-19	AMFL	TEJAS HARSHADBHAI PATEL	B	128000	9.06
BSE	06-09-19	AMFL	NISHA JIGARBHAI SHAH	S	120000	9.06
BSE	06-09-19	CONFINT	DINESH NATHA PAGI	S	139881	0.64
BSE	06-09-19	CONFINT	MANOJNAGINLALJAIN	B	205832	0.65
BSE	06-09-19	CONFINT	SHIV RATAN BHAUKA	S	96000	0.66
BSE	06-09-19	DHANVARSHA	YAN SECURITIES	B	200000	53.5
BSE	06-09-19	DHANVARSHA	DAHIBEN DWARKADAS PATEL	S	136199	53.5
BSE	06-09-19	DHANVARSHA	MUKUL RATILAL TELI	S	74076	53.5
BSE	06-09-19	HITECHWIND	RUPAL BHAVIN SHAH	B	26300	9.4
BSE	06-09-19	HITECHWIND	DAXABEN PRAVINBHAI SHAH	S	26300	9.4
BSE	06-09-19	JSHL	AVINASH TIWARI	S	35000	7.64
BSE	06-09-19	JSHL	MANISHA SINHA	S	65000	7.61
BSE	06-09-19	MODINATUR	OWN INFRACON PRIVATE LIMITED	B	365385	33.55
BSE	06-09-19	MODINATUR	PENTAGON BUILDERS PVT LTD	S	365385	33.55
BSE	06-09-19	PANAFIC	COMPETENT FINLEASE PVT LTD	S	993435	0.28
BSE	06-09-19	PANAFIC	WEEKLINE INVESTMENT AND TRADING COMPANY LIMITED	B	993436	0.28
BSE	06-09-19	PANTH	PANKAJ LABHUBHAI DANGAR	B	63450	129.45
BSE	06-09-19	PANTH	PANKAJ LABHUBHAI DANGAR	S	2005	128
BSE	06-09-19	SBC	NEERAJ KUMAR & SONS (HUF)	B	84000	24.18
BSE	06-09-19	TRANSPACT	ARYAMAN BROKING LIMITED	B	4000	131
BSE	06-09-19	YOGYA	MEET PARESH SHAH	B	32000	35.28
BSE	06-09-19	YOGYA	MEET PARESH SHAH	S	16000	33.9

Economic Calendar					
Country	Monday 9th September 19	Tuesday 10th September 19	Wednesday 11th September 19	Thursday 12th September 19	Friday 13th September 19
US		API Weekly Crude Oil Stock, JOLTs Job Openings	Crude Oil Inventories, OPEC Monthly Report, 10-Year Note Auction	OPEC Meeting, Initial Jobless Claims	Retail Sales
UK/EURO ZONE	GDP, Industrial Production, Trade Balance	Average Earnings Index +Bonus, Claimant Count Change, Employment Change		Industrial Production, ECB Interest Rate Decision	
INDIA		India - Moharram		CPI , Industrial Production	

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
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