



MARKET MANTHRA

16-OCT-2019

Domestic Indices

index	Close	Prv close	%Chg
NIFTY 50	11,428.3	11,341.2	0.77
NIFTY SMLCAP 50	2,612.1	2,604.1	0.31
NIFTY MIDCAP 50	4,290.7	4,268.8	0.51
NIFTY SMLCAP 250	4,504.8	4,507.6	-0.06
NIFTY BANK	28,555.1	28,182.0	1.32
NIFTY FIN SERVICE	12,904.6	12,791.2	0.89
NIFTY METAL	2,397.1	2,360.2	1.56
INDIA VIX	16.8	17.4	-3.67

Global indices

Indices	Close	Prv close	%Chg
NASDAQ	7,344.0	7,190.0	-1.80
FTSE	7,069.0	7,086.0	0.42
CAC 40	5,236.0	5,243.0	0.29
DAX	12,247.0	12,248.0	0.30
NIKKIEI	12,380.0	12,319.0	-0.47
HANGSENG	31,549.0	31,563.0	0.11
KOSPI	2,485.0	2,504.0	0.42
SHANGHAI	3,290.0	3,305.0	0.34

As on 8.00 IST

Nifty Watch



Nifty Spot intraday 5 Min

Market wrap up

Optimism over the US and China agreeing to a preliminary trade agreement, which will help boost global manufacturing and trade, and hopes of demand revival in automobiles and fast moving consumer goods sectors led to gains in share indices for the third straight day, lifting the Nifty 50 above the 11400-point mark. Foreign portfolio investors buying Indian shares for the past two days and the benefit of the corporate tax rate cut actually flowing into the earnings per share of companies has also been improving sentiment. The Nifty 50 ended at 11428.30, up 87.15 points or 0.8% from the previous close, and the Sensex closed 291.62 points or 0.8% higher at 38506.09.

Global Market

Most Asian indices were subdued as optimism over the initial truce between the US and China started to wane after the latter said that it wanted further talks before signing a deal, which led to caution among investors. Japanese shares, however, posted gains after a holiday on Monday. However, US as well as European stocks closed lower overnight on uncertainty over the progress in the negotiations, and as hopes of UK Prime Minister Boris Johnson securing a deal before Brexit appeared to be fading, which turned investors cautious.

Market preview

Benchmark indices are likely to sustain gains on Wednesday in the hope of demand reviving ahead of the festival season and on firm global cues. Improvement in liquidity following measures announced by global central banks and the incremental buying by portfolio investors will underpin the gains in equities. Easing trade tensions will continue to lift shares of metal companies higher. Automobile companies will also stand to benefit from the development, aided by hopes of demand revival ahead of the festival season.

News corner

Corporate

Indiabulls Housing down on worry buyback may not happen

Shares of Indiabulls Housing Finance fell nearly 8% today to 182.20 rupees on concerns that the non-bank lender will not be eligible to conduct a share buyback. The concerns surfaced after the company said it will consult SEBI for the buyback. The board of Indiabulls Housing is mulling a share buyback and will seek the regulator's view on the applicability of the debt-equity ratio of 6:1, an exchange filing said. As on Mar 31, the company's debt-equity ratio stood at 7:1, according to data on Cogencis Corporate Fundamental Database.

VA Tech Wabag tanks 31% in 11 days on bleak outlook

Shares of VA Tech Wabag extended losses to the 11th consecutive day due to concern over the outlook for the company, Rising debt owing to delay in collections from clients has affected the company's working capital. Along with mounting receivables, slow momentum of new orders has persistently weighed on the company's revenue and hit its profitability. The company had earlier said its supply chain and sub-contractors face tight liquidity conditions.

Domestic

Negative core WPI inflation and IIP de-growth are disturbing sign: SBI research

The negative core Wholesale Price Index (WPI) inflation and de-growth in the Index of Industrial Production (IIP) are a disturbing sign, causing serious concerns about the decelerating economy, according to State Bank of India's economic research report 'Ecowrap'. WPI core inflation, which plunged to negative territory in August 2019, has deteriorated further and declined to a 38-month low to (-) 1.07 per cent in September 2019. It is believed that core WPI will remain in negative zone for next couple of months and this is bad news for economy as negative core WPI is eventually conveying lack of purchasing power which is a disturbing sign. Simultaneously, core CPI is likely to decline below 4 per cent, indicating weak demand condition

International

COMMODITY

CRUDE OIL: Futures settled sharply lower on Monday after China expressed caution about the initial phase of the deal, raising scepticism over the progress in further talks, which led to worries over subdued demand for the commodity. Media reports suggested that Chinese President Xi Jinping had sought more talks with the US before signing the initial deal with Trump. NYMEX Nov futures (a barrel): \$53.59 Monday vs \$54.70 Friday

PRECIOUS METALS: Gold futures ended higher on Monday as investors turned to the safe-haven metal following reports that China was not yet ready to sign the partial trade deal reached with the US. China also wants a commitment that the US would not impose the next round of proposed tariffs, scheduled to come into effect from Dec 15.

Stock to watch

- **ARSS INFRASTRUCTURE PROJECTS:** The company's joint venture ARSS-SCPL has bagged an order worth 504 mln rupees from RAIL VIKAS NIGAM to construct a railway line connecting Rayagada and Jimidipeta on the Waltair division of east coast railway in Odisha
- **AU SMALL FINANCE BANK:** The bank and Altico Capital have proposed settlement terms in the Bombay High Court. The court has directed both parties to file signed consent terms by today
- **BAJAJ CONSUMER CARE:** Promoter Bajaj Resources has sold 21.86% stake or 32.3 mln shares in the company through a bulk deal on BSE at 194.56 rupees a share
- **BANK OF MAHARASHTRA:** Has lodged a complaint with Pune police and cyber cell against the circulation of fake news and spreading of rumours about its financial health on WhatsApp, a news site and other social media platforms
- **CG POWER AND INDUSTRIAL SOLUTIONS:** Banks plan to restructure 40 bln rupees of loans given to the company, including an easier moratorium on repayments and standstill arrangements to pay past loans, in a bid to keep the company's operations going
- **COX & KINGS:** Anil Khandelwal has resigned as chief financial officer of the company effective Monday due to personal reasons
- **DALMIA BHARAT:** The company clarified that arm Calcom Cement has not defaulted on any of its payment obligations towards GuarantCo and that the latter is being repaid as agreed upon, along with interest liability
- **DELTA CORP:** Expects to do better in the Oct-Mar period on likely improvement in economy. The company expects 20-25% growth in online gaming revenue this financial year, and the Jul-Sep revenue of 2 bln rupees from its main offshore casino business to be a new base to grow on.

Data Alert

Overseas

- EU INDUSTRIAL PRODUCTION for Aug. 1430 IST

Domestic

- WPI for Sep, by commerce and industry ministry. 1200 IST.
- CPI (COMBINED) for Sep, by CSO. 1730 IST.

Actions watch

BONUS

Company	Ratio	Ex.date
AARTIIND	1:1	27-SEP
IMPAL	1:2	25-OCT

Major Dividends

Company	Div/Share	Ex.date
ACCELYA	Rs 15.00	10-OCT
GOCLCORP	Rs.2.00	14-OCT
INFY	Rs. 8.00	23-OCT
TCS	Rs.5.00	17-OCT
ALPHAGEO	Rs.8.00	19-SEP

DERIVATIVES IN BAN PERIOD

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RESULTS TODAY

BIRLAMONEY	FEDRLBANK
HATHWAY	MINDTREE
DHRUVES	EIMCOELECO
CHADPAP	KOKUYOCLMLN

Thought of the day

“Wide diversification is only required when investors do not understand what they are doing.”
Warren Buffett

Previous Tracker**Disclaimer**

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