



Muthoot Securities

# MARKET MANTHRA

01-AUG-2018

## Domestic Indices

Indices	Close	Prv close	%Chg
NIFTY 50	11,356.5	11,319.6	0.33
NIFTY BANK	27,764.2	27,842.6	-0.28
NIFTY MIDCAP 50	5,010.9	4,996.4	0.29
NIFTY AUTO	10,973.8	10,925.1	0.45
NIFTY IT	14,587.8	14,420.6	1.16
NIFTY METAL	3,335.1	3,320.3	0.45
NIFTY REALTY	272.9	268.4	1.68
INDIA VIX	12.4	12.6	-1.25

## 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
NIKKEI	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

## Market Snapshot



Nifty Spot intraday 5 Min

## Market wrap up

Domestic benchmark indices ended their second best month of 2018 at record closing highs aided by late gains in Asian equities and a surge in the shares of index heavyweights such as Reliance Industries and Hindustan Unilever. In July, the Nifty 50 and BSE Sensex clocked gains of 6.0% and 6.2%, respectively, their second best monthly performance in 2018 so far. The Sensex saw six new record closing highs in July, while the Nifty 50 saw four. The number of gainers outpaced the losers in the session with 992 out of 2,067 stock ending in the green. Of the 500 stocks part of the Nifty 500 index, 14 scrips hit their 52-week high while five hit their 52-week low.

## Global Market

Most Asian share indices rose today mirroring gains in US and European equities because investors' sentiment improved following reports that the US and China are trying to restart negotiations to ease trade tensions. On Tuesday, a report said that US Treasury Secretary Steven Mnuchin and Chinese Vice-Premier Liu He are discussing ways to avert a trade war between the world's two largest economies. The US has already imposed 25% tariffs on \$34 bln worth of Chinese imports

## Market preview

Benchmark indices are seen opening higher today mirroring the strength in other Asian equities and US markets overnight. However, gains may not sustain as investors are likely to stay on the sidelines ahead of the outcome of Reserve Bank of India's monetary policy due later today. Given the rise in domestic inflation over the last couple of months, elevated crude oil prices, and the government's decision to announce a substantial increase in minimum support prices of kharif crops, several market players do not rule out another increase in interest rates by the central bank. Today, the Nifty 50 is seen moving between 11260 points and 11385 points.

## News corner

## Corporate

**V-Guard Apr-Jun net profit up 48% on year on higher sales, margins**

V-Guard Industries Ltd posted a 48% on-year rise in net profit for the June quarter at 344 mln rupees. Revenue from operations for the quarter was up 11.6% at 6.35 bln rupees. The sales are not comparable on an annual basis as the figure for the year-ago period included excise duty, while goods and services tax, which subsumed excise duty effective Jul 1 2017, is excluded from Apr-Jun sales. Total expenditure, including finance cost, was 5.94 bln rupees, compared with 5.41 bln rupees a year ago. The total expenditure for the year-ago period includes excise duty. The company's operating margin expanded to 7.32% in Apr-Jun from 5.83% a year ago.

**Dabur India hits lifetime high as Apr-Jun margins rise**

Shares of Dabur India surged nearly 9% to a lifetime high of 428.45 rupees, as the company's operating margin for the June quarter expanded to 18.56% from 17.26% a year ago. Dabur India's earnings are impressive and the company promises good growth in the fast moving consumer goods sector. Dabur India said growth of 24.7% in the company's domestic revenue in Apr-Jun was led by the highest ever volume growth of 21%, while its international business reported growth of 11.5%.

## Domestic

**RBI's slumber on policy rates can delay investment decision-making**

It's probably the longest in recent times that the RBI stayed 'neutral,' allowing itself flexibility to hike or cut rates at will. The downside is, it shows uncertainty in monetary policy forecast and could even delay investment decision-making. The six-member Monetary Policy Committee has only one job: gauge economic variables and forecast its policy direction for the rest of the world, by being dovish (implying rate cuts) or hawkish (consecutive hikes). It can stay neutral, but doing so for extended periods only creates uncertainty.

## International

**COMMODITY**

**CRUDE OIL:** Futures settled nearly 2% lower on Tuesday because concern over Iranian oil eased slightly after Trump said he would meet Iranian President Hassan Rouhani without any precondition. The Trump administration had pledged to reintroduce sanctions on exports of Iranian oil, which would come into effect in November. Oil prices extended fall in electronic trading because the American Petroleum Institute data, post market hours, showed that US inventories rose 5.6 mln barrels last week. Traders are now focussing the Energy Information Administration's data on petroleum stocks, which is due today. NYMEX Sep futures (a barrel): \$68.76 Tuesday vs \$70.13 Monday

**GOLD:** Futures rose on Tuesday because the Chinese yuan strengthened against the dollar following the report on US and China trying to restart negotiations for defusing trade tensions. Market participants were concerned over demand from Chinese investors due to tariffs and an expensive dollar.

## Stock to watch

- **ASIAN PAINTS:** Has cut product prices by 3-11% to pass on the benefits of the reduction in the goods and services tax rate on paints, the company said in a public notice
- **ATUL AUTO:** The company is firming up plans to set up a new manufacturing facility near Ahmedabad in Gujarat and aims to commence production by October next year
- **AXIS BANK:** WhatsApp has updated its privacy policy for payment services in India and has added the bank and HDFC BANK to its list of partner banks, which already includes ICICI BANK
- **BANK OF BARODA:** Has closed its branch at Bahamas from Thursday, the one at Oman from Jul 2, and the branch at Bahrain from Jun 28 as part of its plan to rationalise overseas operations
- **BANK OF INDIA:** Has identified seven-eight accounts with an exposure aggregating 20-30 bln rupees, to be shifted to the proposed asset management company, which has been envisaged for resolution by the Sunil Mehta panel under Project Sashakt
- **BHARTI AIRTEL:** The company's enterprise, or 'business-to-business arm', will act as a major growth engine, and the company is digitising this business to spur growth and acquire new customers, a source said
- **BIOCON:** Is aiming to register a 66% growth in its biologics business this fiscal, which the company hopes will help it clock a revenue of \$200 mln on the back of emerging markets growth
- **C & C CONSTRUCTIONS:** HDFC Mutual Fund has sold 581,615 shares or 2.29% stake in the company through the open market on Monday
- **COAL INDIA:** Is considering outsourcing coal bed methane production to global operators and will set aside 30 bln rupees to part-finance the initiative, company executives said

## Data Alert

### Overseas

- EUROCOIN INDICATOR OF EURO AREA ECONOMIC ACTIVITY in Jul.
- US ADVANCE ESTIMATE GDP for Apr-Jun . 1800 IST

### Domestic

- Rbi POLICY REVIEW

## Actions watch

### BONUS

Company	Ratio	Ex.date
KARURVYSA	1:10	14-AUG
BOROSIL	3:1	02-AUG
WHEELS	1:1	08-AUG

### Major Dividends

Company	Div/Share	Ex.date
KALPATPOWER	02.50 Rs	30-JUL
NCC	01.00 Rs	30-JUL
DHANUKA	03.50 Rs	30-JUL
ALLSEC	05.00 Rs	30-JUL
JMCPROJECT	03.00 Rs	30-JUL

### DERIVATIVES IN BAN PERIOD

NA	

### RESULT TODAY

APOLLOTYRE	EXIDEIND
GDL	RELINFRA
TATAGLOBAL	TORNTPOWER
PIDILITIND	TATAGLOBAL
JINDALSAW	ORIENTCEM
SUTLEJTEX	TRIVENI

## Thought of the day

**Everyone has the brainpower to follow the stock market. If you made it through fifth-grade math, you can do it**  
Peter Lynch



## Previous Tracker

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