



Muthoot Securities

MARKET MANTHRA

02-AUG-2018

Domestic Indices

Indices	Close	Prv close	%Chg
NIFTY 50	11,346.2	11,356.5	-0.09
NIFTY BANK	27,596.6	27,764.2	-0.60
NIFTY MIDCAP 50	4,997.0	5,010.9	-0.28
NIFTY AUTO	10,890.1	10,973.8	-0.76
NIFTY IT	14,679.4	14,587.8	0.63
NIFTY METAL	3,320.0	3,335.1	-0.45
NIFTY REALTY	273.4	272.9	0.18
INDIA VIX	12.5	12.5	0.16

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

Market Snapshot



Nifty Spot intraday 5 Min

Market wrap up

Benchmark share indices snapped their four-day gaining streak as the Reserve Bank of India not only raised the key policy rate by 25 basis points, but also laced its commentary with variables that left market participants nonplussed about the direction for markets. Losses in shares of rate-sensitive sectors such as banks, non-banking finance companies and automobiles also added to the weakness. Shares of state-owned banks recovered as government bond prices rose sharply as the RBI's 'neutral' stance calmed concerns over further hikes in interest rates. A rise in government bond prices is positive for state-owned banks as it lowers the losses in their investment portfolio.

Global Market

Most Asian share indices slipped today because investors' sentiment dampened on fear over further escalation of the trade war between the US and China after some advisers recommended US President Donald Trump to hike planned 10% tariffs on \$200 bln worth of Chinese imports to 25%. Beijing is planning to retaliate if the US steps up its trade tariffs on Chinese imports. Global equity markets were also weighed by the US Federal Reserve's indication of two more rate hikes this year.

Market preview

Domestic benchmark indices are seen lower today mirroring the weakness in global equities on fears over a possible escalation in the trade war between the US and China. On Wednesday, reports said the US is considering a 25% tariff on \$200 bln worth of Chinese imports as against 10% planned earlier. However, sentiment will remain positive after US Federal Reserve left the federal funds rate target range unchanged at 1.75-2.00%, while indicating that two more rate hikes were on the cards this year. Today, Nifty 50 index is seen in the range of 11270-11420 points. Shares of Oil and Natural Gas Corp and Indiabulls Housing Finance will also be in focus ahead of their Apr-Jun earnings

News corner

Corporate

Emami down 6% as Apr-Jun consol PAT sharply below view

Shares of Emami erased gains and fell nearly 6% as the company's Apr-Jun consolidated net profit at 266.6 mln rupees was below analysts' estimates of 497.1 mln rupees. The company's revenue from operations rose 13% to 6.1 bln rupees due to double-digit growth in volumes. Backed by strong growth in sales through the direct distribution and modern trade channels, sales volume in the quarter jumped 16% on year. A low base last year as volumes had declined 18% in the corresponding period a year ago also aided growth. Operating margin expanded 560 basis points to 20.1%.

Hero Motocorp in focus as Jul two-wheeler sales rise 9%

Shares of Hero Motocorp will be in focus today because the company, late on Wednesday, posted a 9% on-year rise in July two-wheeler sales to 679,862 units. In Jul 2017, the company had registered a 17% on-year growth in two-wheeler sales to 623,269 units. The company expects to grow at double digits in the upcoming festival season, Chairman, Managing Director, and Chief Executive Officer Pawan Munjal said. The company has lined up multiple product launches ahead of the festival season, including Xtreme 200R motorcycle and 125cc scooters.

Domestic

RBI hikes rates by 25 bps

The Reserve Bank of India (RBI) on expected lines hikes rate by 25 bps to 6.5 percent. The decision of the MPC is consistent with the neutral stance of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 percent. Commenting on inflation, the RBI said that retail inflation, measured by the year-on-year change in the CPI, rose from 4.9 percent in May to 5 percent in June. Going forward, inflation is projected at 4.6 percent in Q2, 4.8 percent in H2 of 2018-19 and 5.0 percent in Q1. Turning to the growth outlook, various indicators suggest that economic activity has continued to be strong. GDP growth projection for 2018-19 is retained, as in the June statement, at 7.4 percent, ranging 7.5-7.6 percent in H1 and 7.3-7.4 percent in H2, said the RBI note.

International

COMMODITY

CRUDE OIL: Futures settled 1.6% lower on Wednesday after US government data showed an unexpected increase in inventories of crude. The US Energy Information Administration reported on Wednesday that domestic crude supplies rose 3.8 mln barrels for the week ended Jul 27. --NYMEX Sep futures (a barrel): \$67.66 Wednesday vs \$68.76 Tuesday

GOLD: Futures fell on Wednesday due to a rise in US Treasury yields and a firm dollar after the US Fed noted that economic activity and job gains have remained "strong". Higher US interest rates tend to boost the greenback and makes dollar-priced gold costlier for non-US investors. --COMEX Dec futures (troy ounce): \$1,227.6 Wednesday vs \$1,233.6 Tuesday

Stock to watch

- **APOLLO TYRES:** Is setting up a new manufacturing facility in Andhra Pradesh to enhance capacity and meet the increased demand for passenger and commercial tyres
- **BASF INDIA:** The company's Germany-based parent company BASF SE has completed the acquisition of a range of businesses and assets of Bayer
- **BHARAT HEAVY ELECTRICALS:** Has moved the National Company Law Tribunal against the insolvency resolution professional of Monnet Power Co, seeking that the company's entire operational debt of 9 bln rupees be admitted.
- **BSE:** Subsidiary BSE Investments has acquired 24% stake in CDSL Commodity Repository
- **DARSHAN ORNA:** The company's board will meet on Aug 7 to consider issue of bonus share
- **EICHER MOTORS:** Total commercial vehicle sales in July were 5,964 units, up 37% from 4,363 units a year ago
- **EIH:** Which runs luxury hotel chains under the Oberoi brand, has put on hold its plans for a project in Navi Mumbai, to be spread over 15-acre land owned by Mukesh Ambani-owned Reliance group
- **FORTIS HEALTHCARE:** Coming down heavily on Malvinder Mohan Singh and Shivinder Mohan Singh, former promoters of the company, the Delhi High Court on Wednesday directed the brothers to attend the next hearing on Aug 10, in person.
- **GPT INFRAPROJECTS:** The company won a 3.62-bln-rupee contract from Rail Vikas Nigam
- **GUJARAT ALKALIES & CHEMICALS:** The company's new poly-aluminium chloride plant, having capacity of 32,000 tn per annum, at Vadodara in Gujarat, began commercial production on Tuesday.
- **HCL TECHNOLOGIES:** Plans to hire about 5,000 freshers across India in the current financial year ending March, under its New Vistas programme,

Data Alert

Overseas

- UK BANK OF ENGLAND INFLATION REPORT. 1630 IST
- US EXPORT SALES. 1800 IST

Domestic

- WATER LEVEL IN MAJOR RESERVOIRS as of today, by CWC.

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	
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RESULT TODAY

CAPF	GEOJITFSL
IBULHSGFIN	JKLAKSHMI
MANPASAND	MARICO
MOIL	ONGC
SHAKTIPUMP	TCI
ONGC	TCI

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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