



Muthoot Securities

MARKET MANTHRA

05-OCT-2018

Domestic Indices

Indices	Close	Prv close	%Chg
NIFTY 50	10,599.3	10,858.3	-2.39
NIFTY BANK	24,819.3	25,069.9	-1.00
NIFTY MIDCAP 50	4,553.3	4,650.5	-2.09
NIFTY AUTO	9,207.0	9,375.3	-1.80
NIFTY IT	15,441.1	15,909.8	-2.95
NIFTY METAL	3,572.4	3,592.0	-0.55
NIFTY REALTY	214.7	216.2	-0.72
INDIA VIX	19.6	18.1	8.05

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

Benchmark equity indices saw their sharpest one-day fall in nearly two years as a plunge in shares of state-owned oil marketing companies and fears of an acceleration in interest rate hikes by the US Federal Reserve spooked investors. State-owned oil refiners registered their biggest one-day loss in at least 10 years towards end of trade after the government asked them to absorb a 1-rupee-per-ltr cut in prices of petroleum products. Expectations of a more than a 25-basis-point rate hike by the Reserve Bank of India when it announces the outcome of the Monetary Policy Committee's three-day meeting on Friday also weighed on sentiment.

Global Market

Major Asian share indices opened sharply lower today mirroring weakness in global equity markets on continued rise in US Treasury yields. Strong economic data and hawkish speeches by Federal Reserve officials, including Chairman Jerome Powell, spooked investors on Wednesday and pushed up US Treasury yields on Thursday also. A rise in US yield dampened appetite for stocks, as it offers high returns for income-seeking investors, without the risk or volatility typically associated with equities.

Market preview

Benchmark equity indices are seen volatile ahead of the Reserve Bank of India's monetary policy announcement on Friday. A likely repo rate hike of 25 basis points by the central bank is largely factored in, and we expect the indices to recover from lows on some buying by mutual funds and financial institutions. Any indication of a sharper hike in interest rates in the near future could be negative for the stock markets. Nifty 50 is seen moving between 10415 and 10715 points. Shares of oil marketing companies are seen weak, as the government, while announcing a cut in excise duty on petrol and diesel, asked these companies to absorb a cut of 1 rupee per litre in petrol and diesel prices.

News corner

Corporate

Bearish bets in TCS Oct on concern over rich valuations

Positioning in the put options of Tata Consultancy Services indicates that traders expect the stock to fall nearly 8% to 1,900 rupees in the near term as market players are worried that expensive valuations of the stock do not leave much scope for more gains in the counter. The highest open interest among the stock's in-the-money put options was at the 1,900-rupee strike price. The premium for the contract climbed 244%. Traders added short positions in the October futures of the stock and open interest in the contract rose 11%.

Eicher Motors loses most valued bike maker in India tag

Eicher Motors lost the tag of India's most valued motorcycle maker to Bajaj Auto after over one-year at the summit. Since Sep 29, 2017, when it became the most valued two-wheeler maker, shares of Eicher Motors have declined 32%. Rival Bajaj Auto has declined 14% during the same period. Eicher Motors is currently valued at 578.5 bln rupees compared with Bajaj Auto's market value of 777.2 bln rupees.

Domestic

Petrol, diesel prices cut by Rs 2.50 after excise reduction

The government on Thursday announced a Rs 2.50 a litre cut in petrol and diesel prices, factoring in excise duty reduction of Rs 1.50 per litre and asking oil companies to absorb another Re 1. Finance Minister Arun Jaitley said the excise duty cut would have an impact of Rs 10,500 crore on central government's tax revenues. He also asked state governments to follow suit by cutting a sales tax or VAT by a similar amount. The reduction followed petrol and diesel prices touching new highs. In Delhi, where the fuel prices are the lowest among all metros and most state capital, petrol is sold at Rs 84 per litre and diesel at Rs 75.45. Jaitley said the move followed Brent crude oil touching four-year high of USD 86 a barrel Wednesday and interest rates in US reaching seven-year high. Inflation in India, however, is still moderate at less than 4 per cent and higher direct tax collections give comfort with regard to fiscal deficit,

International

COMMODITY

CRUDE OIL: Futures dropped nearly 3% on Thursday as global supply concerns eased and the market re-evaluated the impact of US inventory build-up. On Thursday, Saudi Oil Minister Khalid al-Falih's comments that Saudi Arabia has ample spare production capacity calmed markets. Media reports Russia and Saudi Arabia struck a private deal in September to raise crude output, also dragged prices lower. Energy Information Administration data on Wednesday showed US crude oil stocks rose by nearly 8 mln barrels last week to about 404 mln barrels, the biggest increase since March 2017

GOLD: Future ended lower on Thursday as rise in US bond yields and a largely strong US dollar weakened demand for the precious metal. Prices for gold had climbed early Thursday as global stock markets fell, and as benchmark US stock indexes traded lower.

Stock to watch

- **BAJAJ AUTO:** Will offer five rounds of free servicing, own-damage insurance cover, and a warranty for five years on select motorcycles across all dealerships in India from Friday, at no additional cost
- **BHARTI AIRTEL:** Subsidiary Airtel Payments Bank has reported a 10% increase in its loss at 2.72 bln rupees during 2017-18 (Apr-Mar) against 2.44 bln rupees in the year-ago period
- **BHARAT GEARS:** The board will meet on Tuesday to consider rights issue of shares
- **BHUSHAN STEEL:** Jul-Sep steel sales were up 10.7% on year at 1.14 mln tn.
- **CADILA HEALTHCARE:** The US Food and Drug Administration made no observation after completing its inspection at the company's biologics manufacturing facility at Zydus Biotech park in Ahmedabad
- **DABUR INDIA:** Plans to expand and strengthen its distribution network with a focus on its direct reach. From around 1 mln retail outlets, the company proposes to take it to 1.2 mln this financial year.
- **DILIP BUILDCON:** Has received letter of award from the Rajasthan government for a 6.01-bln-rupee project
- **HATHWAY CABLE & DATACOM:** Has launched an over-the-top set top box that will allow users to watch almost all over-the-top apps on the TV screen besides live TV
- **HINDUSTAN CONSTRUCTION CO:** The management of the company has initiated the settlement process for former employees of Steiner India Lavasa business unit for their unpaid dues
- **HINDALCO INDUSTRIES:** Has raised the prices of aluminium ingots, billets and wire rods by a sharp 5-6% with effect from Thursday, sources said
- **JET AIRWAYS INDIA:** Has received around 2.58 bln rupees from Jet Privilege, its customer loyalty programme, for advance ticket sale

Data Alert

Overseas

- WMA, FOREX RESERVES as on Friday, by RBI
- US JOB CUT REPORT for September. 1700 IST

Domestic

- WMA, FOREX RESERVES as on Friday, by RBI

Actions watch

BONUS

Company	Ratio	Ex.date
CUPIN	1:5	11-OCT

Major Dividends

Company	Div/Share	Ex.date
HGS	02.50 Rs	25-SEP
ACCELEYA	32.00 Rs	27-SEP

DERIVATIVES IN BAN PERIOD

NA	
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AGM TODAY

RUBBER PRODUCTS

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**Disclaimer**

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