



# MARKET MANTHRA

06-Jul-2018

## Domestic Indices

Indices	Close	Prv close	%Chg
NIFTY 50	10,749.8	10,769.9	-0.19
NIFTY BANK	26,503.3	26,434.0	0.26
NIFTY MIDCAP 50	4,843.8	4,899.1	-1.13
NIFTY AUTO	10,925.8	10,914.4	0.10
NIFTY IT	13,970.5	14,126.2	-1.10
NIFTY METAL	3,322.5	3,370.5	-1.42
NIFTY REALTY	264.7	269.5	-1.80
INDIA VIX	12.6	12.7	-0.41

## 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 indices closed lower amid escalating concern of a US-China trade war impacting the global stock markets. The Nifty Metal index closed down 1.4% ahead of the expected implementation of tariffs by the US on \$34 bln worth of Chinese products on Friday, and China officials reiterating on their retaliation. Nifty 50 index closed at 10749.75 points, down 20.15 points or 0.2% , while the S&P BSE Sensex ended at 35574.55 points, down 70.85 points or 0.2%. Shares of heavyweights Infosys and Reliance Industries contributed the most to the decline in the indices, as these stocks ended down 4.5% and 2.6%, respectively.

## Global Market

Most equity markets in Asia were higher in early trade today, primarily driven by overnight gains in US stock market. However, shares in China were weak as it braced for the US' tariffs that become effective later today. China is widely expected to retaliate with equal amounts of duties on US goods. The US is due to impose duties on up to \$450 bln of Chinese imports, with the first \$34-bln tranche set to become effective later today.

## Market preview

Domestic benchmark indices are likely to open with modest gains today aided by positive cues from US equities overnight. However, gains are likely to be capped on mixed cues from other Asian markets. Asian equities, which rose in early trade tracking positive close in US markets overnight, turned choppy after news reports said that the US is planning to follow up the imposition of tariffs on Chinese goods worth \$34 bln with duties on goods worth \$300 bln soon. Investors are concerned that tariffs on such a large scale will lead to a full-blown trade war between the two of the world's largest economies with China threatening to retaliate.

## News corner

### Corporate

#### **United Spirits slumps as Karnataka hikes tax on liquor**

Shares of United Spirits slumped 5.8% to hit an over-one-month low of 628.20 rupees after the Karnataka government raised tax on liquor by 400 basis points. There is a risk that other states that have announced loan waivers for farmers may take cues from the hike in tax on liquor in Karnataka

#### **PNB recovers as bk may turn profitable Oct-Dec onwards**

Shares of Punjab National Bank recovered and rose nearly 3% after Cogencis reported that the bank expects to turn profitable from Oct-Dec onwards. The bank had reported record losses of 134.2 bln rupees for the quarter ended March as it had to make provisions for the near \$2-bln fraud committed by Nirav Modi and Mehul Choksi. The bank recovered 80-bln-rupee worth of stressed assets in the quarter ended June and expects to recover further 120 bln rupees in stressed assets in Jul-Sep.

### Domestic

#### **Petrol, diesel price hiked for first time in more than a month**

Petrol and diesel prices were today hiked for the first time in more than a month on the back of rising international rates and weakening rupee. The increase of 16 paisa a litre in petrol and 12 paisa per litre in diesel came after an eight-day self-imposed hiatus in rate revisions by state-oil firms in anticipation of softening international rates due to the OPEC's decision to raise output by 1 million barrels per day. The price of petrol in Delhi climbed to Rs 75.71 per litre from Rs 75.55 and diesel to Rs 67.50 a litre from Rs 67.38, according to price notification of Indian Oil Corp (IOC). The three state-owned fuel retailers, IOC, Bharat Petroleum Corp Ltd (BPCL) and Hindustan Petroleum Corp Ltd (HPCL) had not revised petrol and diesel prices since June 26.

### International

#### **COMMODITY**

**CRUDE OIL:** Prices fell on Thursday after an unexpected rise in crude oil inventories. Further, US President Trump's demand that the Organization of the Petroleum Exporting Countries do more to control rising prices also led to some weakness. The fall in prices intensified towards the end of trade after reports raised speculation that Saudi Arabia was pushing for higher oil prices by agreeing to cut production ahead of the initial public offering of Aramco. --NYMEX Aug futures (a barrel): \$72.94 Thursday vs \$74.14 Tuesday

**GOLD:** Prices settled higher on Thursday due to weakness in the US dollar, which drove demand for the dollar-denominated asset and also on safe-haven buying ahead of US-China trade tariffs coming into effect. However, following the minutes from the US Fed, released after the settlement, that did not offer any inclination of the central bank to pause for further hikes in key interest rates, prices eased in electronic trade.

## Stock to watch

- **ABB INDIA:** Is looking to expand its facilities to cater to growing demands from railways and also increasing focus on renewable energy space, sources said
- **ADHUNIK METALIKS:** UK-based Liberty House's resolution plan for the company, which is undergoing insolvency proceedings, has been approved by the committee of creditors.
- **APOLLO HOSPITALS ENTERPRISE:** Has acquired 50% stake in Medics International Lifesciences for 910 mln rupees
- **ASSAM CO INDIA:** After months in courts and allegations of favouritism by the resolution professional, the company is finally set to be bagged by billionaire B.R. Shetty, sources said
- **BANDHAN BANK:** The Reserve Bank of India has approved the re-appointment of Chandra Shekhar Ghosh as the managing director and chief executive officer for a term of three years, effective Jul 10 to Jul 9, 2021
- **BERGER PAINTS INDIA:** Has signed a shareholders' agreement with Japan-based Rock Paint Co to setup a joint venture in India--Berger Rock Paints for automotive refinish paints
- **BHARAT HEAVY ELECTRICALS:** With the Indian Navy increasingly choosing the Ukrainian Zorya gas turbine to power its warships, the company is setting up a joint venture in India with the manufacturer, Zorya Mashproekt, to overhaul turbines in India
- **CEAT:** Has signed an agreement with the Tamil Nadu government for establishing a tyre manufacturing facility near Chennai at an investment of 40 bln rupees
- **DPSC:** South Bihar Power Distribution Co has terminated distribution franchisee agreement with the company's wholly-owned subsidiary India Power Corp (Bodhgaya

## Data Alert

### Overseas

- US GOLDMAN SACHS WEEKLY CHAIN STORE SALES INDEX
- US JOHNSON REDBOOK RETAIL SALES INDEX

### Domestic

- Water level in major reservoirs as on Jul 5

## Actions watch

### BONUS

Company	Ratio	Ex.date
AVANTIFEED	1:2	26-JUN
GICRE	1:1	12-JULY
NIACL	1:1	27-JUN

### Major Dividends

Company	Div/Share	Ex.date
RIL	03.50 Rs	04-JUL
SUNDARMFN	07.00 Rs	04-JUL
HAVELLS	04.00 Rs	04-JUL
TATASTEEL	10.00 Rs	05-JUL
BAJAJ-AUTO	60.00 Rs	05-JUL

### DERIVATIVES IN BAN PERIOD

### RESULT TODAY

ALPHA  
GMBREW  
SELMCL  
STEELCO

## Thought of the day

**Successful traders always follow the line of least resistance. Follow the trend. The trend is your friend**  
Jesse Livermore



## Previous Tracker

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