



# MARKET MANTHRA

07-AUG-2018

## Domestic Indices

Indices	Close	Prv close	%Chg
NIFTY 50	11,244.7	11,346.2	-0.89
NIFTY BANK	27,356.0	27,596.6	-0.87
NIFTY MIDCAP 50	4,997.8	4,997.0	0.02
NIFTY AUTO	10,733.7	10,890.1	-1.44
NIFTY IT	14,552.6	14,679.4	-0.86
NIFTY METAL	3,327.8	3,320.0	0.23
NIFTY REALTY	268.8	273.4	-1.66
INDIA VIX	12.6	12.5	0.45

## 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

Gains in corporate-focused banks and optimism over earnings drove the Nifty 50 and Sensex to their lifetime highs early, but concern that trade disputes could escalate further weighed on global markets and saw the benchmark indices come off their highs. The rhetoric on global trade war was back in focus today, with China saying it is ready to face the economic fallout because of tariff disputes, in response to President Donald Trump claiming that the US had an upper hand. The Nifty 50 ended at its highest ever closing level of 11387.10, though off its lifetime high of 11427.65 points. The 50-stock index closed 26.3 points or 0.2% higher from the previous close.

## Global Market

Equities in Asia traded on a mixed note today as investor sentiment took a hit after China's local media said the country was ready for a "protracted war" with the US and that Washington had "lost its mind." Last week, China announced tariffs of 5-25% on about \$60 bln worth of US farm goods, metals and chemicals in response to President Donald Trump's advice to raise tariffs on Chinese goods worth \$200 bln to 25% from the proposed 10%.

## Market preview

Domestic equities are in for a lacklustre session of trading today as cues from other Asian equities remain tepid and as investors may look at booking some profits after the recent rally. Benchmark indices have hit record highs on four of the previous six sessions leading investors to question the current valuation of Indian equities at a time when corporate earnings growth has been modest or just in line with market expectation. Moreover, an overnight spike in crude oil prices and the rising trade war rhetoric between the US and China will likely keep investor optimism in check. Lack of broad-based gains in the market and likely profit booking in some index-heavyweights such as is also expected to keep risk appetite in check.

## News corner

## Corporate

**PNB Housing up as global investors in fray for share**

Shares of PNB Housing Finance rose nearly 4% on reports that two global investor syndicates are competing to purchase controlling stake in the company. One of the groups comprises Fullerton India Credit Co, The Blackstone Group and Temasek Holdings, while the other is led by CPP Investment Board and Apax Partners. The deal is expected to fetch 140 bln rupees, a report said. The housing finance company has a market value of 212.02 bln rupees. Punjab National Bank and The Carlyle Group, which collectively own about 66% in the housing finance company, have put their stakes on the block. The stock snapped its five-session losing streak today, having declined over 6% during the period.

**Dena Bank asset quality stable in Apr-Jun**

Shares of Dena Bank rose nearly 7% after the bank's asset quality remained stable for the quarter ended June. Dena Bank reported a net non-performing assets ratio of 11.04% as against 11.95% a quarter ago, while gross non-performing assets ratio stood at 22.69% as compared to 22.04%, a quarter ago.

## Domestic

**Uniform GST rate sought for auto components**

The Automotive Component Manufacturers Association of India (ACMA) on Monday said that there should be a rationalisation of Goods and Services Tax (GST) and it should be uniform because high tax rate has made it difficult to eradicate grey operations in the after-market. Currently 60 per cent of auto components attract 18 per cent rate, but the remaining 40 per cent attract 28 per cent and these are largely components for two-wheelers and tractors — the most price sensitive segments of the market, it said. "One of the key demands of the industry has been a uniform 18 per cent GST rate across auto component sector. The high rate has led to flourishing grey operations in the after-market. A benign rate of 18 per cent will not only ensure better compliance, but will also ensure a larger tax base," Nirmal Minda, President, ACMA, told reporters here.

## International

**COMMODITY**

**CRUDE OIL:** Prices rose to their highest level on Monday since Jun 29, on the back of reports that crude production in Saudi Arabia declined to around 10.3 mln barrels a day in July, compared with 10.49 mln barrels a day in the previous month. This comes at a time when Organization of Petroleum Exporting Countries and other oil producers agreed to start ramping up production amid threat of disruption in supply from Iran. Further, reimposition of sanctions on Iran by the US led to concerns over disruption of Iranian exports by more than 1 mln barrels a day out of the country's roughly 2.5-mln-barrel a day of crude exports, thereby supporting prices. --NYMEX Sep futures (a barrel): \$69.01 Monday vs \$68.49 Friday

**GOLD:** Futures ended lower on Monday due to a strong dollar globally on expectation that the US Federal Reserve will remain on track to raise interest rates gradually.

### Stock to watch

- **AKZO NOBEL INDIA:** The company's Managing Director Jayakumar Krishnaswamy has resigned with effect from September to pursue an external opportunity
- **ANDHRA BANK:** The bank's board will meet on Friday to consider share issue of up to 20.19 bln rupees to the government on preferential basis
- **BANK OF BARODA:** Has put on sale a 4% stake in Clearing Corp of India in order to raise at least 1.24 bln rupees
- **BHARAT PETROLEUM CORP:** Will shut its 120,000 barrels-per-day joint venture Bina refinery from mid-August for 45 days, a month ahead of the previous plan after a minor fire at the delayed coker, sources said
- **BRITANNIA INDUSTRIES:** Will invest its highest ever amount on consumer campaigns over the next three months, as part of its centenary year celebrations, Managing Director Varun Berry said
- **COAL INDIA:** The government is considering selling at least 5% stake in the company this fiscal year
- **DFM FOODS:** The board has approved subdivision of one share of face value of 10 rupees each into five shares of 2 rupees each
- **HEG:** Plans to approach the Supreme Court to seek an exemption on import of needle coke, in view of the proposed ban on import of petroleum coke
- **HDFC BANK:** The bank increased fixed deposit rates on various maturities by up to 0.6%, effective Monday
- **IDFC:** The company termed the report on sale of its asset management business deal as market speculation, but added that it keeps evaluating opportunities from time to time
- **INDIAN OIL CORP:** Plans to invest 1.43 trln rupees over the next five years in a number of projects with the primary objective of boosting its consolidated refining capacity

### Data Alert

#### Overseas

- UK BANK XXXXXXXX
- US XXXXXXXXXXXX

#### 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	

#### RESULT TODAY

ADANIENT	BIRLACORPN
DOLPHINOFF	MPHASIS
MOTHERSUMI	PNB
SOBHA	WONDERLA
RSWM	NITINSPIN

### 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

This report/ document has been prepared by the Research department of Muthoot Securities Limited solely for the information of authorized recipient. All reasonable care has taken to ensure that the information contained herein is not misleading or untrue at the time of publication, but we make no representation as to its accuracy or completeness. All information is for private use of the person to whom it is provided and is not for public distribution and without liability whatsoever on the part of Muthoot Securities Limited. This report shall not be copied, printed, distributed or re-distributed to any person. Nothing contained herein should be construed as an offer to buy or sell or a solicitation of an offer to buy or sell. Past performance is no guide to the future. Muthoot Securities Ltd shall not be liable for any direct or indirect losses arising from the action initiated by you on the basis of information provided in this report/ document and accepts no responsibility for statements made or any other source of information received by you and you would be doing so at your own risk. Muthoot Securities Limited, its associate and group companies, its directors, associates, employees from time to time may have various interests/ positions in any of the securities of the Company (ies) mentioned therein or be engaged in any other transactions involving such securities or otherwise in other securities of the companies / organization mentioned in the document or may have other potential conflict of interest with respect of any recommendation and / related information and opinions.