



Muthoot Securities

MARKET MANTHRA

10-OCT-2018

Domestic Indices

Indices	Close	Prv close	%Chg
NIFTY 50	10,348.1	10,316.5	0.31
NIFTY BANK	24,618.4	24,443.5	0.72
NIFTY MIDCAP 50	4,367.1	4,407.5	-0.92
NIFTY AUTO	8,969.1	8,915.1	0.61
NIFTY IT	15,305.2	15,591.7	-1.84
NIFTY METAL	3,339.5	3,444.7	-3.05
NIFTY REALTY	202.1	208.8	-3.21
INDIA VIX	20.2	19.7	2.55

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

Buyin Worry over the adverse impact of high crude oil prices and rise in US treasury yields on global growth, particularly emerging markets with higher current account deficit, led to a sell-off in domestic equities. On a day when Tata Motors lost 13% due to concern over arm Jaguar Land Rover's operations, benchmark indices swung between gains and losses the entire day as investors booked profits with every rise in the market, because they see the headwinds related to the global and local economy persisting. Yields on the 10-year US bond hit a fresh seven-year high, while crude oil prices surged to reclaim the \$85 per barrel

Global Market

US indices ended lower on Tuesday as investors continued to worry over the impact of higher bond yields on equities. On Tuesday, the benchmark 10-year US bond yield hit a fresh seven-year high, but ended lower. Rising yields would mean higher borrowing costs for companies and investors and this is making traders re-asses the risk premium being paid for shares which is already considered lofty by some measures.

Market preview

Benchmark share indices are seen opening flat to marginally higher tracking other Asian equities. However, rising crude oil prices and sustained weakness in the rupee will keep sentiment under pressure. Investors will likely 'sell-on-rise', using any bounce-back in share prices to book profits. Key Asian equities rose as investor concern eased after the US 10-year bond yield settled lower on Tuesday, retreating from a fresh seven-year high. The rise in the 10-year US bond yield, earlier in the day, led investors to re-assess the risk premium being paid for shares. Today, the Nifty 50 index is seen finding support at 10200 points, while resistance is likely at 10400 points.

News corner**Corporate****Jet Air seen down as 2 aircraft grounded on cash crunch**

-Shares of Jet Airways India are seen down today on reports that the company has grounded two of its wide-body aircraft due to insufficient funds for engine and other spare parts. These aircraft are grounded at the government-run Chennai International Airport since at least a week, reports said. The company's fund raising plans may also need to be put on hold as private equity giants Blackstone and TPG Capital, which were eyeing to buy a stake in loyalty programme Jet Privilege, are having second thoughts due to concern over the airline's financial health,

SBI eyed as lender to buy 450-bln-rupee NBFC assets

Shares of State Bank of India will be in focus today as India's largest lender said it will buy quality assets worth up to 450 bln rupees from non-banking financial companies. Non-banking financial companies typically sell a part of their loan portfolio after holding them for a certain required period. Banks usually buy these portfolios to meet priority sector lending requirement or to show loan growth in their books.

Domestic**Falling rupee to adversely impact the profitability of corporates in FY19: CARE**

India Inc's profitability could be adversely impacted in FY2019 as the total impact of the rupee's depreciation on their external commercial borrowings (ECBs) due to interest outflow and principal repayment could be in the range of ₹33,000-35,000 crore under the assumption of no hedging by them, cautioned CARE Ratings. The credit rating agency assessed there could be an additional interest outflow of ₹10,600-12,800 crore on account of the depreciation in the rupee during the current financial year depending on the interest rate and exchange rate assumptions. "This is the additional burden for the corporates having borrowed funds via the ECB route, and is purely based on the assumption of no hedging. This could be unfavourable for corporates as the profitability of such companies will be adversely impacted," said Madan Sabnavis, Chief Economist, CARE Ratings, in a report.

International**COMMODITY**

CRUDE OIL: Futures settled higher on Tuesday on signs that Iran crude exports have declined even before US sanctions officially come into force in early November. According to a Reuters report, Iran exported 1.1 mln barrels per day of crude in the first week of October as against 1.6 mln bpd in September. Investors also eyed the risks to energy infrastructure as Hurricane Michael is headed for the Gulf of Mexico. On Tuesday, the Bureau of Safety and Environmental Enforcement reported that 39.5% of oil production and 28.4% of natural gas production in the Gulf of Mexico has been suspended as the hurricane heads into the region

GOLD: Prices settled higher as dollar weakened after reports of a tense meeting between US Secretary of State Mike Pompeo and his Chinese counterpart, which renewed concerns over US-China trade tensions.

Stock to watch

- **AJANTA PHARMA:** The Delhi High Court has allowed the company to manufacture and sell its fixed dose combination drug containing benzoxium chloride, provided the company made only chewable tablets and mouthwash from the combination
- **BANK OF BARODA:** After getting approvals from their respective boards, the bank, VIJAYA BANK, and DENA BANK have sent the proposal of a merger of the three lenders to the government for a final approval, a top bank official said
- **BHARAT FORGE:** BF-NTPC Energy Systems, a 51:49 joint venture between the company and NTPC, has initiated voluntary liquidation process as the business has not commenced any activity
- **BHARAT GEARS:** The board has approved raising up to 150 mln rupees through a rights issue
- **BSE:** Said its commodities derivatives trading platform, which deals in gold and silver contracts at present, registered a record daily turnover of 1.96 bln rupees on Oct 8
- **DEWAN HOUSING FINANCE CORP:** Is said to have sold about 50-70 bln rupees of its loans to the STATE BANK OF INDIA, a transaction that should help restore investor confidence in non-banking finance companies currently battling tight liquidity conditions
- **DR REDDY'S LABORATORIES:** Has launched Colesevelam HCl tablets, USP, a generic version of Welchol tablets in the US
- **GAMMON INDIA:** Banks have written to the regional passport officer, Mumbai, asking him to impound the passport of Abhijit Rajan, chairman of the company.
- **GLENMARK PHARMACEUTICALS:** Has signed an agreement to sell its active pharmaceutical ingredient business to its wholly-owned subsidiary Glenmark Life Sciences.

Data Alert

Overseas

- UK GDP ESTIMATES for Aug. 1400 IST
- UK INDEX OF PRODUCTION for Aug. 1400 IST

Domestic

- Rainfall for week to Oct 10, by IMD

Actions watch

BONUS

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

Major Dividends

Company	Div/Share	Ex.date
MINDTREE		25-OCT
ICICIGI		29-OCT
DABUR		09-NOV
PGHH		20-NOV

DERIVATIVES IN BAN PERIOD

NA	
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RESULTS TODAY

ZEEL

BANDHAN BANK

INDIABULLS VENTURES

UTTAM GALVA STEELS

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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