



Morning Coffee

September 24, 2019

One Stop Investment Avenue



Market Updates

Asian Markets	Close	Abs. Change	Per. Change
HANG-SENG (24Sep2019)	26288.25	65.85	0.25
NIKKEI 225 (24Sep2019)	22118.58	39.49	0.18
STRAIT TIMES (24Sep2019)	3149.59	6.35	0.20
Global Bellwethers	Close	Abs. Change	Per. Change
DOW JONES 30 (23Sep2019)	26949.99	14.92	0.06
NASDAQ (23Sep2019)	8112.46	(5.21)	(0.06)
FTSE UK (23Sep2019)	7326.10	(18.80)	(0.26)
Indian Benchmarks (20Sep2019)	Close	Abs. Change	Per. Change
NIFTY 50	11274.20	569.40	5.32
NIFTY 200	5843.85	300.80	5.43
NIFTY 500	9230.50	464.05	5.29
Indian Broader M Markets			
NIFTY MIDCAP 100	16333.40	904.25	5.86
NIFTY SMLCAP 100	5643.55	212.95	3.92
NSE Sector indices			
NIFTY BANK	28981.55	2223.90	8.31
NIFTY FINANCIAL SERVICES	12859.85	858.60	7.15
NIFTY IT	15491.05	(31.40)	(0.20)
NIFTY ENERGY	14859.05	577.10	4.04
NIFTY FMCG	29835.35	1259.75	4.41
NIFTY AUTO	7605.85	685.25	9.90
NIFTY METAL	2497.65	134.20	5.68
NIFTY CONSUMPTION	4874.45	305.25	6.68
NIFTY PHARMA	7983.55	183.95	2.36
NIFTYINFRA	3121.05	137.55	4.61
NIFTY REALTY	265.30	9.90	3.88
NIFTY MEDIA	1845.85	60.20	3.37
NIFTY MNC	13150.05	918.05	7.51

Fund Flow

Participant (20Sep2019)	Latest	MTD (Calendar)	YTD (FY)
FIs	35.78	(9368.70)	(33395.73)
DIs	3001.32	11791.15	56441.16

Stocks in News

- Bajaj Auto plans to drive in three more KTM models by March-end. Notwithstanding slowdown in the broader two-wheeler market, Bajaj envisages sales of KTM motorcycles to grow by a third in 2019-20.
- Sebi imposes Rs 22 cr fine on Aurobindo Pharma, promoters, related entities. The company failed to disclose the price sensitive information regarding the Licensing and Supply Agreements to the stock exchange.
- Dish TV sets target to get 20% of subscribers to online streaming services. The company has a customer base of 23.9 million and had added around 200,000 new customers in the first quarter of the current fiscal year.
- Thomas cook collapse hits shares of Indian company it once owned. Thomas Cook India Ltd. resorted to a communication blitz in the past few days to clarify that the collapsed UK firm exited the Indian company seven years ago.
- Petronet disfavoured \$2.5 bn LNG deal in April; signs non-binding MoU now. The officials said the deal with Tellurian is far from closed and will require negotiations.
- PNB Housing to cut effective tax rate by 8-9% after FM's announcements. On September 20, Finance Minister Nirmala Sitharaman announced slashing the basic corporate tax rate for domestic companies to 22 per cent from 30 per cent.
- Infosys revisits global delivery model to lower dependence on H1B visas. Firm revealed this new strategy in Arizona, where the company opened its sixth tech and innovation centre.

Economic News

- Direct tax code panel wants 4 slabs, 35% I-T for Rs 2 crore income. Also suggests increasing no-tax threshold to Rs 5 lakh.
- Govt's decision to cut corporation tax likely to impact power bill. The source of power, renewable or non-renewable, and the nature of the market, regulated or merchant, will be a factor in deciding whether the cost would go down.
- RBI turns down Sebi plan for credit rating agencies' access to defaults. Market regulator has proposed letting rating agencies access the central bank's data base.
- Govt aims to revive closed sugar mills by using land for ethanol production. Gadkari said the ethanol economy has the potential to reach Rs 1 trillion from about Rs 25,000 crore and can reduce the annual Rs 7 trillion crude imports.

Global News

- Modi pledges to more than double India's non-fossil fuel target to 450 GW. In his Independence Day speech, Modi had announced that India will produce 175 GW of non-fossil fuel as part of its commitment to the Paris Climate agreement.
- Iran says seized UK-flagged oil tanker Stena Impero 'free' to leave. "The legal process has finished and based on that the conditions for letting the oil tanker go free have been fulfilled and the oil tanker can move," says official.

Source: BS = Business Standard, ToI: Times of India, MC = Money Control, B = Bloomberg

Technical Snapshot



Name	Previous Close	Reversal	Support 2	Support 1	Pivot Point	Resistance 1	Resistance 2	Trend
NIFTY-NEAR MONTH	11601.40	10678.60	11333.53	11467.47	11574.93	11708.87	11816.33	BULL
BANKNIFTY-NEAR MONTH	30590.00	26683.10	29161.37	29875.69	30305.32	31019.64	31449.27	BULL
NIFTY MIDCAP 100	16733.95	15336.85	16396.98	16565.47	16719.63	16888.12	17042.29	BULL
NIFTY SMLCAP 100	5820.75	5402.85	5672.35	5746.55	5790.60	5864.80	5908.85	BULL

Key Highlights:

Howdy MODI? Market gives the THUMBSUP to US-India entrepreneurship. NIFTY closes above 11600

NIFTY SPOT: 11603.40 (2.9%)

DYNAMIC PARAMETER: INDEX closes above 12 week HIGHS. Sustains a GAP-UP well

TRADING ZONE:

Resistance : 11789 (78.6% retracement) /

Support : 11543 (ATP), 11370 (50% retracement)

BROADER MARKETS: INLINE, MIDCAP 16745 (2.5%), SMALLCAP 5827 (3.3%), Advance-Dcline: 1197 / 622

STRATEGY: Maintain longs with a trailing stoploss of 11543 (day's ATP)

BANKNIFTY SPOT: 30566.20 (+5.52%)

DYNAMIC PARAMETER: INDEX closes above 30500 after sustaining a 1000 point+ GAP-UP

TRADING ZONE:

Resistance : 31660 (SWING High), 29705 (22nd July Gap)

Support : 29705 (22nd July Gap), 28669 (200 Day MA)

VIEW: Maintain Bullish stance till above 28669 (200 Day MA)

Stocks to Watch:

BULLISH	BEARISH
IOC	POWERGRID
KOTAKBANK	NTPC
BRITANNIA	TATAMOTORS
AXISBANK	CIPLA
ESCORTS	DRREDDY

Sector view for the day:

Bullish Sectors	Bearish Sectors
FMCG	IT
PVT BANK	PHARMA

Stock view for the day:

Stock	View	Duration	CMP	Support	Resistance
IOC	BULLISH	INTRADAY	160	157	166
CIPLA	BEARISH	INTRADAY	449	439	456

Derivatives Snapshot

	Nifty Spot	Nifty Futures	Nifty Futures Prem. / Disc	Nifty Futures Basis	Nifty Futures OI	Nifty Futures Change in OI	Nifty Futures Volume (incr.)	Highest Total OI Call Strike	Highest Total OI Put Strike	Nifty OI PCR	NSE VIX
Current	11600.20	11607.30	7.10	43.55	16460400	-1030650	2.06	11500	11000	1.56	16.79
Previous	11274.20	11295.50	21.30	39.15	17491050	-249225	3.70	11200	11000	1.40	15.40
Change	326.00	311.80	-	-	-	-	-	-	-	-	1.39
% Chg	2.89	2.76	-	-	-	-	-	-	-	-	9.03

Key Highlights:

- Nifty September Futures ended 311.80 point up @ 11607.30 with a premium of 7.10 points.
- Nifty futures open interest decreased by 10.31 lakh shares with September series total open interest stands at 1.65 crore shares.
- Nifty 11500 call has highest OI, whereas 11000 put holds the highest OI and Banknifty 31000 call has highest OI and 28000 put has highest OI .
- Nifty 11400 call saw unwinding of 12.31 lakh shares in OI, whereas 10500 put saw addition of 20.26 lakh shares in OI.
- India VIX ended 9.03% up @ 16.79 against the previous close of 15.40

FII Derivatives Statistics

	Buy (₹ in Cr.)	Sell (₹ in Cr.)	Net Buy Sell (₹ in Cr.)	Cumulative (₹ in Cr.)
INDEX FUTURES	8400.45	6707.39	1693.06	4507
INDEX OPTIONS	236613.20	234353.38	2259.82	17779
STOCK FUTURES	39258.44	38453.69	804.75	3635
STOCK OPTIONS	8861.16	8837.23	23.93	505

Securities in Ban for Trade

Sr. No.	Stock Name	Sr. No.	Stock Name
1	-	5	-
2	-	6	-
3	-	7	-
4	-	8	-

Stocks with Highest Rollovers

No.	Scrip	Closing Price	% Change	Rollover %
1	HDFC	-	-	60.98
2	RELIANCE	-	-	53.39
3	RAMCOCEM	-	-	48.38
4	TORNTPOWER	-	-	45.98
5	UPL	-	-	44.45

Stocks with Lowest Rollovers

No.	Scrip	Closing Price	% Change	Rollover %
1	ACC	-	-	11.58
2	NESTLEIND	-	-	11.79
3	HAVELLS	-	-	12.37
4	AMBUJACEM	-	-	14.93
5	HINDUNILVR	-	-	15.25

Nifty Futures has witnessed 27.41% rollover and Banknifty Futures has witnessed 27.79% rollover.

Equity Technical Recommendation:

Sr. No.	Date	Action	Company	Product *	Reco. Price	Target 01	Target 02	Stop Loss	Remarks
1	5-Sep-19	BUY	INFY	5 DAY	831	855	875	808	Stop Loss
2	9-Sep-19	BUY	BATAINDIA (20 QTY)	RMP	1559	1615	1655	1510	1st Target
3	20-Sep-19	BUY	ASIANPAINT	5 DAY	1648	1710	1760	1585	1st Target

Equity Technical - Product Profile

Product	Maximum Open Recommendations	Return Objective	Segment	Duration
Intraday	5	1%	Cash + F&O	Intraday
BTST / STBT	2	1-2%	F&O	1 Day
5-Day	5	2-4%	F&O	T + 5
Smart Trader Delivery	10	3-15%	Cash Only	Week to 3 Months
Rolling Reversal	1	Variable subject to market	F&O	-

Fundamental Recommendation:

Current Calls: Fundamental

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	10-Sep-18	Havells India Ltd	IC	731.90	661.00	809.00	11%	OPEN
2	16-Aug-18	Alembic Pharmaceuticals Ltd.	SALES NOTE	540.00	674.00	808.00	-20%	OPEN
3	9-Aug-18	Escorts Ltd	SALES NOTE	634.60	873.00	1,012.00	-27%	OPEN
4	2-Aug-18	Goodricke Group Ltd	SALES NOTE	169.50	295.80	364.00	-43%	OPEN
5	20-Jul-18	MAHINDRA CIE	SALES NOTE	174.10	256.00	306.00	-32%	OPEN
6	11-Jun-18	Wonderla Holidays Ltd.	SALES NOTE	289.00	334.00	1,195.00	-13%	OPEN
7	24-Apr-18	Ultamarine and Pigments Ltd	SALES NOTE	194.00	365.00	446.00	-47%	OPEN
8	30-Jan-19	CCL Products (India) Ltd.	SALES NOTE	240.95	270.00	342.00	-11%	OPEN
9	19-Jul-19	GRSE	SALES NOTE	157.50	131.00	168.00	20%	OPEN
		Average Returns as on 23-Sep-2019					-24%	

Fundamental Recommendation:

Current Calls: Value Picks

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	17-Jun-15	BASF INDIA	VALUE PICK	1,027.75	1091	2079	-6%	OPEN
2	17-Jun-15	EICHER MOTORS	VALUE PICK	19,236.50	19297	36957	0%	OPEN
3	17-Jun-15	GULF OIL LUBRIC	VALUE PICK	882.50	442	802	100%	OPEN
4	17-Jun-15	KAJARIA CERA	VALUE PICK	589.00	380	665	55%	OPEN
5	17-Jun-15	KOVAI MEDICAL	VALUE PICK	680.00	560	1118	21%	OPEN
6	17-Jun-15	REPRO INDIA	VALUE PICK	572.00	452	926	27%	OPEN
7	17-Jun-15	TATA ELXSI	VALUE PICK	648.90	559	1084	16%	OPEN
8	17-Jun-15	UNITED SPIRITS	VALUE PICK	646.05	693	1371	-7%	OPEN
9	17-Jun-15	WABCO INDIA	VALUE PICK	6,305.55	5406	10474	17%	OPEN
10	17-Feb-16	MINDA IND	VALUE PICK	343.00	151	295	127%	OPEN
Average Returns as on23-Sep-2019							25%	

Our recommendation of Diwali Picks 2018

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
2	31-Oct-18	Exide Industries Ltd.	Diwali Pick	201.00	255.50	305.00	-21%	OPEN
3	31-Oct-18	Tata Elxsi Ltd.	Diwali Pick	648.90	955.30	1,144.00	-32%	OPEN
Average Returns as on23-Sep-2019							-27%	

*Product profile

Value Picks	: Multi-bagger stocks with more than 2 years horizon.
Initiating coverage(IC)	: Average returns of 20-30% with a 12-24 months horizon.
Sales Note	: Average returns of 15-20% with a 10-15 months horizon.
Diwali Picks	: Average returns of 15-20% with a 10-15 months horizon.

Debt Market Snapshot

Forex Rates	Prev. Close	Abs. Change	Change (%)
USD/INR	70.94	(0.01)	(0.01)
EUR/INR	77.90	(0.39)	(0.50)
GBP/INR	88.31	(0.45)	(0.51)
JPY/INR	66.03	0.33	0.51

Particulars	Latest	Previous	Chg (bps)
5 Year GOI Bond	6.40	6.46	(0.06)
10 Year GOI Bond	6.75	6.79	(0.04)
15-Year GOI Bond	7.03	7.05	(0.02)
Call Money (WAR)	5.36	5.37	(0.01)
CBLO (WAR)	5.33	5.36	(0.03)
US 10 Year	1.72	1.78	(0.06)
Crude Oil (in \$/bl)	64.28	64.40	(0.12)
Inflation (Monthly CPI)	3.21	3.18	0.03

Highly Traded Govt. Bonds (Top 5)

Security	Volume	High	Low	LTP
7.26% GS 2029	25745	103.5775	103.0550	103.50
7.32% GS 2024	6910	103.46	103.10	103.4275
7.27% GS 2026	6280	103.5450	103.08	103.50
7.17% GS 2028	1715	102.03	101.56	101.9125
7.57% GS 2033	1580	104.84	104.26	104.73

Government Security Market:

- The Inter-bank call money rate traded in the range of 4.10% - 5.45% on Monday ended at 5.40% .
- Total Borrowings From RBI's Repo with banks taking Rs. 43120 mn on Monday Vs. Rs. 43580 mn on Friday.
- The benchmark 7.26% GOI 2029 closed at 6.7454% on Monday Vs. 6.7885% on Friday .

Global Debt Market:

U.S. equity futures fluctuated and European stocks retreated as disappointing data in the euro area overshadowed easing concern about trade relations between America and China. Treasuries rose and the common currency slid. U. S Benchmark gave earlier gains which had been spurred after people familiar with the matter said a planned visit to American farms by a Chinese delegation was cancelled at the request of the U.S.

10 Year Benchmark Technical View:

10 year (7.26% GOI 2029) yield likely to move in the range of 6.68% to 6.75% level on Tuesday .

Taxfree Bonds in Secondary Market:

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
PFC	8.2	5.6234	1,133.00	5,899	01-Feb-22
NHAI	8.2	5.4426	1,057.90	5,865	25-Jan-22
NHAI	7.69 (7.39)	5.42	1,163.80	2,795	09-Mar-31
NHAI	8.3	5.5621	1,159.99	2,778	25-Jan-27
HUDCO	8.2	5.2938	1,220.00	2,398	05-Mar-27

Taxable Bonds in Secondary Market:

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
TCFSL	8.9	7.828	1,035.00	1,549	27-Sep-23
TCFSL	8.8	7.54	1,022.00	1,230	27-Sep-21
IFCI	9.9	11.09	1,034.50	740	01-Dec-24
SBIN	9.5	7.68	11,311.00	66	04-Nov-25

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