



Morning Coffee

October 11, 2019

One Stop Investment Avenue



Market Updates

| Asian Markets | Close | Abs. Change | Per. Change |
|-------------------------------|----------|-------------|-------------|
| HANG-SENG (11Oct2019) | 26072.45 | 364.52 | 1.42 |
| NIKKEI 225 (11Oct2019) | 21748.95 | 196.97 | 0.91 |
| STRAIT TIMES (11Oct2019) | 3105.37 | 15.89 | 0.51 |
| | | | |
| Global Bellwethers | Close | Abs. Change | Per. Change |
| DOW JONES 30 (10Oct2019) | 26496.67 | 150.66 | 0.57 |
| NASDAQ (10Oct2019) | 7950.78 | 47.04 | 0.60 |
| FTSE UK (10Oct2019) | 7186.40 | 19.90 | 0.28 |
| | | | |
| Indian Benchmarks (10Oct2019) | Close | Abs. Change | Per. Change |
| NIFTY 50 | 11234.55 | (78.75) | (0.70) |
| NIFTY 200 | 5773.75 | (42.90) | (0.74) |
| NIFTY 500 | 9112.75 | (65.20) | (0.71) |
| | | | |
| Indian Broader M Markets | | | |
| NIFTY MIDCAP 100 | 15540.40 | (182.15) | (1.16) |
| NIFTY SMLCAP 100 | 5370.75 | (25.40) | (0.47) |
| | | | |
| NSE Sector indices | | | |
| NIFTY BANK | 28013.45 | (772.40) | (2.68) |
| NIFTY FINANCIAL SERVICES | 12721.80 | (248.65) | (1.92) |
| NIFTY IT | 15093.80 | (34.95) | (0.23) |
| NIFTY ENERGY | 15579.30 | 109.35 | 0.71 |
| NIFTY FMCG | 30147.20 | (121.95) | (0.40) |
| NIFTY AUTO | 7359.65 | (101.10) | (1.36) |
| NIFTY METAL | 2283.35 | (34.35) | (1.48) |
| NIFTY CONSUMPTION | 4860.55 | (7.15) | (0.15) |
| NIFTY PHARMA | 7235.60 | 0.00 | 0.00 |
| NIFTYINFRA | 3172.00 | 20.55 | 0.65 |
| NIFTY REALTY | 244.95 | (5.30) | (2.12) |
| NIFTY MEDIA | 1712.35 | (22.35) | (1.29) |
| NIFTY MNC | 13185.10 | (75.15) | (0.57) |

Fund Flow

| Participant (10Oct2019) | Latest | MTD (Calendar) | YTD (FY) |
|-------------------------|----------|----------------|------------|
| FII's | (263.11) | (4034.77) | (35863.17) |
| DII's | 502.67 | 5335.59 | 63081.68 |

Stocks in News

- IL&FS Group puts 485,000 sq. ft of commercial, residential spaces on sale. The group is seeking expression of interest (EoI) from potential buyers.
- TCS posts weaker growth than expected; Q2 net profit up 1.8% at Rs 8,042 cr. In the second quarter, the company's revenue and profitability were adversely affected largely owing to softness in financial services and retail verticals.
- Tata Sky takes lead over Dish TV in DTH segment for June quarter. Total subscriber base for the DTH market in the June quarter stood at 68.92 mn versus 72.44 mn in the March quarter.
- Asset quality concerns spoil IndusInd Bank's Q2 show; net profit surges 50%. Loan book growth slowed to 21 per cent and slippages and SMA-2 loan pool rose sharply.
- Vodafone Idea needs fresh round of equity infusion by 2021, say lenders. All telecom firms to remain under stress despite tariff hike.
- Reliance puts off gas bid to Nov 6 on bidders request due to festive season. The bidding was to happen on October 11, according to the bid document.
- Piramal Enterprises files complaint with Sebi against 'misleading rumours'. Certain market participants are spreading false/misleading rumours against the company's financial services business in an attempt to create panic among various stakeholders'.
- Lupin's ordeal with USFDA observations continues, shares slump over 10%. Anticipated increase in remediation and compliance costs, and possible delay in drug launches is pushing analysts to cut their forward estimates.

Economic News

- Input tax credit under GST regime restricted to 20% of claims: CBIC. Experts said it would block cash flow of businesses and increase their compliance burden.
- Revenue crunch prompts govt to consider GST rate hike on low-tax products. Goods and services falling under zero and 5% slabs may be hit.
- Indian miners reject govt plan to link coal index to foreign prices: Report. The government is creating a coal price index as part of its plans to open the coal sector to outside investment and end state-run Coal India's control over prices.
- MCA to probe Ludhiana's SEL Manufacturing over Rs 4,000-cr loan default. Officials have prepared SEL Manufacturing's assets list that includes a jet and a school.

Global News

- India, China private sector inks 129 MoUs ahead of Modi-Xi Jinping meet. India has time and again raised the issue of widening trade deficit with China, which stood at over \$50 billion in 2018-19.
- Millions in California without lights after power cut to prevent wildfires. The move came after catastrophic fires sent Pacific Gas & Electric Co. into bankruptcy and forced it to take more aggressive steps to prevent blazes.

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 | 11258.40 | 11363.25 | 11163.50 | 11210.95 | 11262.45 | 11309.90 | 11361.40 | BEAR |
| BANKNIFTY-NEAR MONTH | 28170.15 | 28989.95 | 27570.05 | 27870.10 | 28280.05 | 28580.10 | 28990.05 | BEAR |
| NIFTY MIDCAP 100 | 15540.40 | 15834.68 | 15389.80 | 15465.10 | 15596.95 | 15672.25 | 15804.10 | BEAR |
| NIFTY SMLCAP 100 | 5370.75 | 5505.58 | 5335.92 | 5353.33 | 5380.72 | 5398.13 | 5425.52 | BEAR |

Key Highlights:

Nifty honors the 20-day MA (11222).. bulls seems to be still in control despite the fall...

NIFTY SPOT: 11234.55 (-0.70%)

DYNAMIC PARAMETER: Inside Day Candle

TRADING ZONE:

Resistance : 11321 (3 Day High) / 11400 (5 Day High)

Support : 11181 (50% Fib Retracement) / 11066 (61.8% Fib Retracement)

BROADER MARKETS: OUTPERFORMED, MIDCAP 15540.40 (-1.16%), SMALLCAP 5370.75 (-0.47%), Advance-Divide: 644 / 1138

STRATEGY: Bearish till below 11321 level (3 Day High)

BANKNIFTY SPOT: 28013.45 (-2.68%)

DYNAMIC PARAMETER: INDEX formed Inside Day Candle

TRADING ZONE:

Resistance : 27702 (2 Day Low) / 27568 (5 Day Low)

Support : 28517 (20 Day SMA) / 28858 (5 Day High)

VIEW: Bearish till below 28858 (5 Day High)

Stocks to Watch:

| BULLISH | BEARISH |
|------------|------------|
| ASIANPAINT | YESBANK |
| BERGEPAIN | TATAELXSI |
| RELIANCE | RBLBANK |
| HINDUNILVR | GAIL |
| BHARTIARTL | INDUSINDBK |

Sector view for the day:

| Bullish Sectors | Bearish Sectors |
|-----------------|-----------------|
| ENERGY | PSU BANK |
| INFRA | REALTY |

Stock view for the day:

| Stock | View | Duration | CMP | Support | Resistance |
|----------|---------|----------|------|---------|------------|
| RELIANCE | BULLISH | INTRADAY | 1362 | 1335 | 1398 |
| RBLBANK | BEARISH | INTRADAY | 289 | 280 | 295 |

Derivatives Snapshot

| | Nifty Spot | Nifty Futures | Nifty Futures Prem. / Disc | Nifty Futures Basis | Nifty Futures OI | Nifty Futures Change in OI | Nifty Futures Volume (in cr.) | Highest Total OI Call Strike | Highest Total OI Put Strike | Nifty OI PCR | NSE VIX |
|----------|------------|---------------|----------------------------|---------------------|------------------|----------------------------|-------------------------------|------------------------------|-----------------------------|--------------|---------|
| Current | 11234.55 | 11254.25 | 19.70 | 47.50 | 14564775 | 14100 | 1.01 | 11500 | 11000 | 0.93 | 17.23 |
| Previous | 11313.30 | 11347.70 | 34.40 | 48.50 | 14550675 | -974175 | 1.34 | 11500 | 11000 | 0.98 | 17.16 |
| Change | -78.75 | -93.45 | - | - | - | - | - | - | - | - | 0.07 |
| % Chg | -0.70 | -0.82 | - | - | - | - | - | - | - | - | 0.41 |

Key Highlights:

- Nifty October Futures ended 93.45 points down @ 11254.25 with a premium of 19.70 points.
- Nifty futures open interest increased by 0.14 lakh shares with October series total open interest stands at 1.46 crore shares.
- Nifty 11500 call has highest OI, whereas 11000 put holds the highest OI and Banknifty 29000 call has highest OI and 28000 put has highest OI.
- Nifty 11300 call saw addition of 3.42 lakh shares in OI, whereas 11000 put saw unwinding of 1.25 lakh shares in OI.
- India VIX ended 0.41% down @ 17.23 against the previous close of 17.16

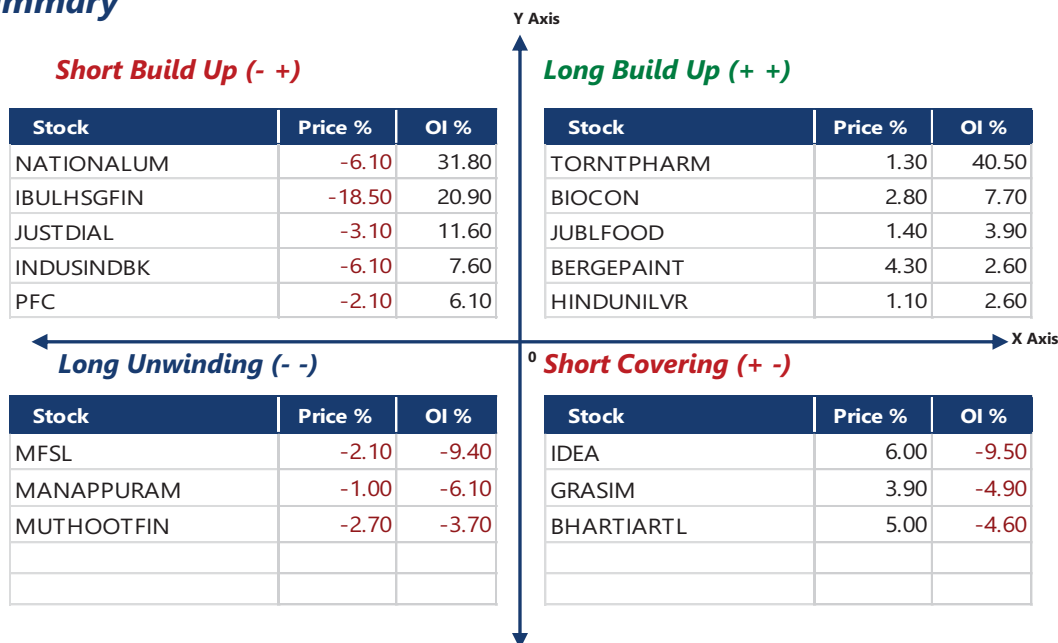
FII Derivatives Statistics

| | Buy (₹ in Cr.) | Sell (₹ in Cr.) | Net Buy Sell (₹ in Cr.) | Cumulative (₹ in Cr.) |
|---------------|----------------|-----------------|-------------------------|-----------------------|
| INDEX FUTURES | 3629.11 | 4313.77 | -684.66 | -343 |
| INDEX OPTIONS | 402790.87 | 398382.97 | 4407.90 | 15284 |
| STOCK FUTURES | 11723.98 | 11950.73 | -226.75 | -417 |
| STOCK OPTIONS | 4811.85 | 4904.28 | -92.43 | -316 |

Securities in Ban for Trade

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

Open Interest Summary



- Long Build Up:** When price of a particular stock/Index future rises along with the rise in Open Interest.
- Short Build Up:** When Price of a particular stock/Index future falls with the rise in Open Interest.
- Short Covering:** When price of a particular stock/Index future rises with the fall in Open Interest.
- Long Unwinding:** When price of a particular stock/Index future falls along with the fall in Open Interest.

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 | 661.85 | 661.00 | 809.00 | 0% | OPEN |
| 2 | 16-Aug-18 | Alembic Pharmaceuticals Ltd. | SALES NOTE | 536.15 | 674.00 | 808.00 | -20% | OPEN |
| 3 | 9-Aug-18 | Escorts Ltd | SALES NOTE | 601.75 | 873.00 | 1,012.00 | -31% | OPEN |
| 4 | 2-Aug-18 | Goodricke Group Ltd | SALES NOTE | 165.05 | 295.80 | 364.00 | -44% | OPEN |
| 5 | 20-Jul-18 | MAHINDRA CIE | SALES NOTE | 145.80 | 256.00 | 306.00 | -43% | OPEN |
| 6 | 11-Jun-18 | Wonderla Holidays Ltd. | SALES NOTE | 269.75 | 334.00 | 1,195.00 | -19% | OPEN |
| 7 | 24-Apr-18 | Ultamarine and Pigments Ltd | SALES NOTE | 189.00 | 365.00 | 446.00 | -48% | OPEN |
| 8 | 30-Jan-19 | CCL Products (India) Ltd. | SALES NOTE | 239.10 | 270.00 | 342.00 | -11% | OPEN |
| 9 | 19-Jul-19 | GRSE | SALES NOTE | 168.90 | 131.00 | 200.00 | 29% | OPEN |
| Average Returns as on 10-Oct-2019 | | | | | | | -29% | |

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 | 976.20 | 1091 | 2079 | -11% | OPEN |
| 2 | 17-Jun-15 | EICHER MOTORS | VALUE PICK | 18,100.00 | 19297 | 36957 | -6% | OPEN |
| 3 | 17-Jun-15 | GULF OIL LUBRIC | VALUE PICK | 852.45 | 442 | 802 | 93% | OPEN |
| 4 | 17-Jun-15 | KAJARIA CERA | VALUE PICK | 560.15 | 380 | 665 | 47% | OPEN |
| 5 | 17-Jun-15 | KOVAI MEDICAL | VALUE PICK | 650.00 | 560 | 1118 | 16% | OPEN |
| 6 | 17-Jun-15 | REPRO INDIA | VALUE PICK | 555.00 | 452 | 926 | 23% | OPEN |
| 7 | 17-Jun-15 | TATA ELXSI | VALUE PICK | 619.10 | 559 | 1084 | 11% | OPEN |
| 8 | 17-Jun-15 | UNITED SPIRITS | VALUE PICK | 614.80 | 693 | 1371 | -11% | OPEN |
| 9 | 17-Jun-15 | WABCO INDIA | VALUE PICK | 6,138.00 | 5406 | 10474 | 14% | OPEN |
| 10 | 17-Feb-16 | MINDA IND | VALUE PICK | 339.50 | 151 | 295 | 125% | OPEN |
| Average Returns as on 10-Oct-2019 | | | | | | | 19% | |

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 | 184.05 | 255.50 | 305.00 | -28% | OPEN |
| 3 | 31-Oct-18 | Tata Elxsi Ltd. | Diwali Pick | 619.10 | 955.30 | 1,144.00 | -35% | OPEN |
| Average Returns as on 10-Oct-2019 | | | | | | | -32% | |
| | | | | | | | | |
| | | | | | | | | |

*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 | 71.07 | (0.01) | (0.01) |
| EUR/INR | 78.40 | 0.38 | 0.48 |
| GBP/INR | 87.11 | 0.25 | 0.29 |
| JPY/INR | 66.17 | (0.49) | (0.74) |

| Particulars | Latest | Previous | Chg (bps) |
|-------------------------|--------|----------|-----------|
| 5 Year GOI Bond | 6.27 | 6.24 | 0.03 |
| 10 Year GOI Bond | 6.69 | 6.66 | 0.03 |
| 15-Year GOI Bond | 6.99 | 6.98 | 0.01 |
| Call Money (WAR) | 5.07 | 5.07 | - |
| CBLO (WAR) | 4.73 | 4.86 | (0.13) |
| US 10 Year | 1.58 | 1.53 | 0.05 |
| Crude Oil (in \$/bl) | 58.32 | 58.24 | 0.08 |
| Inflation (Monthly CPI) | 3.21 | 3.18 | 0.03 |

Highly Traded Govt. Bonds (Top 5)

| Security | Volume | High | Low | LTP |
|---------------|--------|----------|----------|--------|
| 7.26% GS 2029 | 9620 | 104.0450 | 103.86 | 103.90 |
| 7.32% GS 2024 | 1850 | 103.9875 | 103.8825 | 103.90 |
| 7.27% GS 2026 | 1430 | 104.25 | 104.11 | 104.13 |
| 7.57% GS 2033 | 1145 | 105.04 | 104.88 | 105.00 |
| 6.45% GS 2029 | 1010 | 99.95 | 99.85 | 99.90 |

Government Security Market:

- The Inter-bank call money rate traded in the range of 3.70% - 5.20% on Thursday ended at 5.10% .
- Total Borrowings From RBI's Repo with banks taking Rs. 43910 mn on Thursday Vs. Rs 46170 mn on Wednesday.
- The benchmark 7.26% GOI 2029 closed at 6.6860% on Thursday Vs. 6.6622% on Wednesday.

Global Debt Market:

U.S. government debt prices were slightly higher Thursday morning, as investors awaited high-level trade talks between the world's two largest economies. Market focus is largely attuned to global trade developments after a media report suggested U.S.-China trade talks could be cut short.

10 Year Benchmark Technical View:

10 year (7.26% GOI 2029) yield likely to move in the range of 6.65% to 6.69% level on Thursday.

Taxfree Bonds in Secondary Market:

| Issuer | Coupon | Yield | LTP | Volume | Maturity Date |
|--------|------------|--------|----------|--------|---------------|
| NHAI | 7.6 (7.35) | 5.65 | 1,177.51 | 10,831 | 11-Jan-31 |
| NHAI | 8.3 | 5.5801 | 1,162.10 | 10,486 | 25-Jan-27 |
| NHAI | 8.2 | 5.2037 | 1,066.05 | 5,768 | 25-Jan-22 |
| IRFC | 8 | 5.6366 | 1,051.00 | 5,155 | 23-Feb-22 |
| HUDCO | 8.2 | 5.7096 | 1,196.03 | 3,476 | 5-Mar-27 |

Taxable Bonds in Secondary Market:

| Issuer | Coupon | Yield | LTP | Volume | Maturity Date |
|------------|--------|-------|----------|--------|---------------|
| ECLFINANCE | 10.15 | 23.7 | 959.7 | 23,106 | 4-Jan-29 |
| ERFLNCIDI | 8.75 | 21.71 | 900 | 6,320 | 22-Mar-21 |
| ECLFINANCE | 12 | 19.3 | 974.9 | 2,000 | 26-Apr-20 |
| TCFSL | 8.8 | 7.58 | 1,025.00 | 1,240 | 27-Sep-21 |

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