



# Morning Coffee

December 31, 2019

One Stop Investment Avenue



## Market Updates

Asian Markets	Close	Abs. Change	Per. Change
HANG-SENG	28134.39	(185.00)	(0.65%)
NIKKEI 225	23656.62	(181.10)	(0.76%)
STRAIT TIMES	3222.31	(0.13)	(0.00%)

Global Bellwethers	Close	Abs. Change	Per. Change
DOW JONES 30	28462.14	(183.12)	(0.64%)
NASDAQ	8945.99	(60.62)	(0.67%)
FTSE UK	7587.05	(57.85)	(0.76%)

Indian Benchmarks (30Dec2019)	Close	Abs. Change	Per. Change
NIFTY 50	12255.85	10.05	0.08%
NIFTY 200	6293.45	7.20	0.11%
NIFTY 500	9924.70	16.00	0.16%

Indian Broader Markets	Close	Abs. Change	Per. Change
NIFTY MIDCAP 100	17078.80	72.50	0.43%
NIFTY SMLCAP 100	5796.10	38.85	0.67%

NSE Sector indices	Close	Abs. Change	Per. Change
NIFTY BANK	32354.90	(57.45)	(0.18%)
NIFTY FINANCIAL SERVICES	14650.60	(28.75)	(0.20%)
NIFTY IT	15775.00	(5.70)	(0.04%)
NIFTY ENERGY	15962.15	17.20	0.11%
NIFTY FMCG	30225.35	79.90	0.27%
NIFTY AUTO	8325.40	119.50	1.46%
NIFTY METAL	2796.50	36.15	0.13%
NIFTY CONSUMPTION	4997.70	19.65	0.04%
NIFTY PHARMA	8083.10	15.05	0.02%
NIFTYINFRA	3271.20	9.40	0.29%
NIFTY REALTY	296.45	0.35	0.12%
NIFTY MEDIA	1830.30	14.75	0.81%
NIFTY MNC	13833.75	93.45	0.68%

## Fund Flow

Participant ₹ in crore	Latest	MTD Calendar	YTD (FY)
FII's	(130.52)	11240	(8234.38)
DII's	201.32	(6558.77)	53524.95

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

## Stocks in News

- Reliance, BP pay \$36 mn for exit of Niko in KG-D6 block, acquire 10% stake. The firm was paid USD 36 million to settle an arbitration it had initiated against Reliance and BP trying to force it out of the block over default in payment.
- Pricy valuation may not limit upside in SBI Life Insurance stock. Increased business contribution from SBI's branches and lower costs to enable faster growth in earnings.
- Vodafone Idea mobile customer base drops by 36.3 mn to 336.3 mn in Nov. The telecom operator had reported an increase of 1.89 lakh mobile customers on its network in October.
- Tata group stronger, more resilient and future ready: Chandrasekaran. "Macro uncertainties will persist in 2020, but they will also be accompanied by new opportunities across different businesses and markets," Chandrasekaran said.
- Brokerages bullish on Adani Ports post acquisition of Snowman Logistics. The sale to ADSEZ is part of Gateway's plan to divest its non-core assets, deleverage its balance sheet, and fund future capital expenditure plans in the rail segment.
- Billionaire Hinduja brothers set to bid for Jet Airways by Jan 15: Report. Deliberations are at early stage and Hinduja Group may decide against bidding, or other bidders may emerge.
- Creditors of cash-strapped DHFL claim dues worth Rs 87,905.6 crore. Of the total, the financial creditors - banks, bond holders and other financial institutions - have claimed Rs 86,892 crore.

## Economic News

- RBI wants urban cooperative banks to focus mainly on priority sector. UCBS' target for priority-sector lending has been proposed at 75 per cent of their credit from 40 per cent now.
- States likely to step up borrowing in 4th quarter for social expenditures. Almost all states have raised much more debt than at the same time last year, except Maharashtra.
- Govt working on strategy on import regulation of non-essential items. The target is to formulate these regulations for about 5,000 products but the current focus is on 371 items which accounts for \$127 billion worth of imports.

## Global News

- Insurance to futures, China's \$45 trn finance industry is set to open up. President Xi Jinping is seeking to cushion the world's No. 2 economy against the steepest slowdown since the early 1990s.
- US carries out air strikes against pro-Iran militant group in Iraq, Syria. Fifteen fighters were killed by the US strikes in western Iraq, while several were wounded, according to an official from the Tehran-backed Hashed al-Shaabi paramilitary force.

## Technical Snapshot



Name	Previous Close	Reversal	Support 2	Support 1	Pivot Point	Resistance 1	Resistance 2	Trend
NIFTY-NEAR MONTH	12332.40	12120.00	12246.80	12289.60	12318.80	12361.60	12390.80	BULL
BANKNIFTY-NEAR MONTH	32552.60	31945.00	32242.97	32397.79	32585.82	32740.64	32928.67	BULL
NIFTY MIDCAP 100	17069.80	16840.50	16976.37	17023.09	17059.27	17105.98	17142.17	BULL
NIFTY SMLCAP 100	5792.10	5672.53	5758.90	5775.50	5788.70	5805.30	5818.50	BULL

## Key Highlights:

**NIFTY continues its attempt to test new high...**

**NIFTY SPOT:** 12260.60 (0.12%)

**DYNAMIC PARAMETER:** Nifty ended the session with a low volatility candle.

**TRADING ZONE:**

**Resistance:** 12293 (All Time High) / 12355 (Fibonacci Extension)

**Support:** 12118 (3 Day Low), 12046 (2 Week Low)

**BROADER MARKETS:** OUTPERFORMED, MIDCAP 17069.80 (0.37%), SMALLCAP 5792.10 (0.61%), Advance-Dcline: 1075/ 747

**STRATEGY:** Hold longs with stop loss to 12046 (2 Week Low)

**BANKNIFTY SPOT:** 32354.90 (-0.18%)

**DYNAMIC PARAMETER:** Spinning Top Candle pattern

**TRADING ZONE:**

**Resistance :** 32613 (All Time High / 32716 (Fibonacci Extension)

**Support :** 32248 (Day Low) / 32056 (2 Day Low)

**VIEW:** Bullish till above 31711 (Gap Support)

## Stocks to Watch:

BULLISH	BEARISH
PVR	YESBANK
TATAMOTORS	ITC
BATAINDIA	PEL
TATASTEEL	ICICIPRULI
UPL	PETRONET

## Sector view for the day:

Bullish Sectors	Bearish Sectors
AUTO	PSU BANK
METAL	FIN SERVICE

## Stock view for the day:

Stock	View	Duration	CMP	Support	Resistance
BATAINDIA	BULLISH	INTRADAY	1762	1738	1794
PEL	BEARISH	INTRADAY	1585	1552	1612

## 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	12255.85	12329.30	73.45	40.70	12108300	-55200	0.55	12500	12000	1.18	11.01
Previous	12245.80	12319.25	73.45	36.75	12163500	836850	0.77	12500	12000	1.17	10.53
Change	10.05	10.05	-	-	-	-	-	-	-	-	0.48
% Chg	0.08	0.08	-	-	-	-	-	-	-	-	4.56

### Key Highlights:

- Nifty January Futures ended 10.05 points up @ 12329.30 with a premium of 73.45 points.
- Nifty futures open interest decreased by 0.55 lakh shares with January series total open interest stands at 1.21 crore shares.
- Nifty 12500 call has highest OI, whereas 12000 put holds the highest OI and Banknifty 33000 call has highest OI and 31000 put has highest OI.
- Nifty 12300 call saw addition of 1.57 lakh shares in OI, whereas 11900 put saw addition of 2.35 lakh shares in OI.
- India VIX ended 4.56% up @ 11.01 against the previous close of 10.53

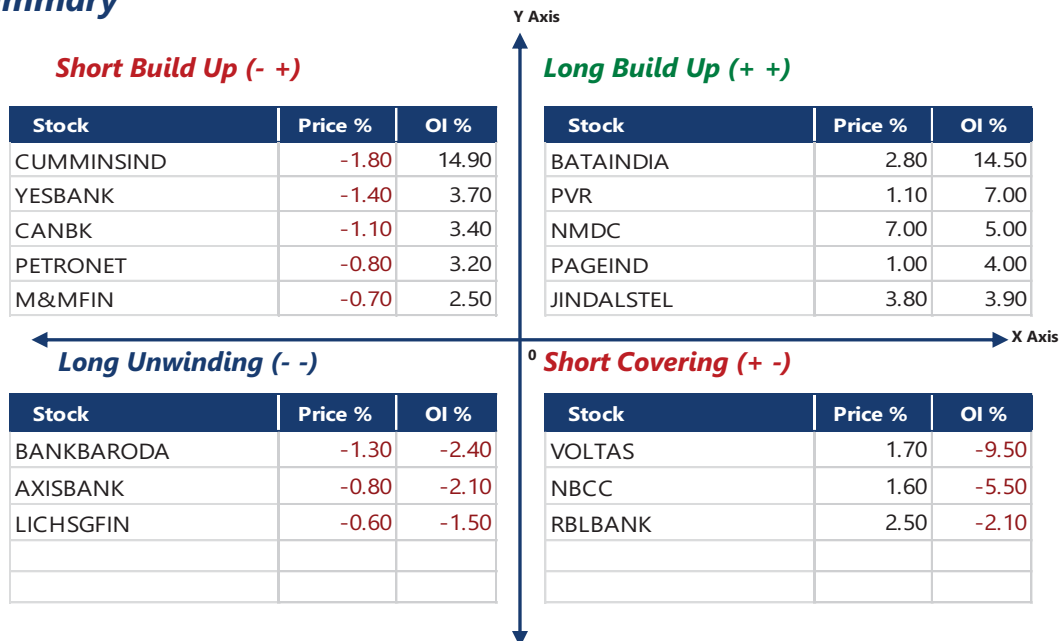
### FII Derivatives Statistics

	Buy (₹ in Cr.)	Sell (₹ in Cr.)	Net Buy Sell (₹ in Cr.)	Cumulative (₹ in Cr.)
INDEX FUTURES	1817.14	2154.56	-337.42	-263
INDEX OPTIONS	214407.99	213470.58	937.41	2323
STOCK FUTURES	8515.92	8613.85	-97.93	709
STOCK OPTIONS	2481.18	2438.62	42.56	108

### 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	653.30	661.00	809.00	-1%	OPEN
2	16-Aug-18	Alembic Pharmaceuticals Ltd.	SALES NOTE	572.50	674.00	808.00	-15%	OPEN
3	9-Aug-18	Escorts Ltd	SALES NOTE	631.50	873.00	1,012.00	-28%	OPEN
4	2-Aug-18	Goodricke Group Ltd	SALES NOTE	197.00	295.80	364.00	-33%	OPEN
5	20-Jul-18	MAHINDRA CIE	SALES NOTE	166.80	256.00	306.00	-35%	OPEN
6	11-Jun-18	Wonderla Holidays Ltd.	SALES NOTE	244.60	334.00	1,195.00	-27%	OPEN
7	24-Apr-18	Ultamarine and Pigments Ltd	SALES NOTE	180.45	365.00	446.00	-51%	OPEN
8	30-Jan-19	CCL Products (India) Ltd.	SALES NOTE	197.85	270.00	342.00	-27%	OPEN
Average Returns as on30-Dec-2019							-27%	

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	12-Dec-19	State Bank of India	New Year Pick	334.25	321.00	382.00	4%	OPEN
2	12-Dec-19	Godrej Consumer Products	New Year Pick	690.00	660.00	765.00	5%	OPEN
Average Returns as on30-Dec-2019							4%	



## 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	995.00	1091	2079	-9%	OPEN
2	17-Jun-15	EICHER MOTORS	VALUE PICK	22,829.00	19297	36957	18%	OPEN
3	17-Jun-15	GULF OIL LUBRIC	VALUE PICK	839.00	442	802	90%	OPEN
4	17-Jun-15	KAJARIA CERA	VALUE PICK	514.00	380	665	35%	OPEN
5	17-Jun-15	KOVAI MEDICAL	VALUE PICK	744.00	560	1118	33%	OPEN
6	17-Jun-15	REPRO INDIA	VALUE PICK	596.50	452	926	32%	OPEN
7	17-Jun-15	TATA ELXSI	VALUE PICK	832.95	559	1084	49%	OPEN
8	17-Jun-15	UNITED SPIRITS	VALUE PICK	592.30	693	1371	-15%	OPEN
9	17-Jun-15	WABCO INDIA	VALUE PICK	6,480.90	5406	10474	20%	OPEN
10	17-Feb-16	MINDA IND	VALUE PICK	361.70	151	295	140%	OPEN
Average Returns as on30-Dec-2019							28%	

### Our recommendation of Diwali Picks 2019

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	12-Oct-19	Kotak Mahindra Bank Ltd.	Diwali Pick	1,687.00	1,588.00	1,870.00	6%	OPEN
2	12-Oct-19	Reliance Industries Ltd.	Diwali Pick	1,544.20	1,353.00	1,620.00	14%	OPEN
3	12-Oct-19	ICICI Lombard General Ins Co. Ltd.	Diwali Pick	1,384.50	1,207.00	1,425.00	15%	OPEN
4	12-Oct-19	Bajaj Finance Ltd.	Diwali Pick	4,237.85	3,973.00	4,720.00	7%	OPEN
5	12-Oct-19	Hindustan Unilever Ltd.	Diwali Pick	1,936.80	2,005.00	2,400.00	-3%	OPEN
Average Returns as on30-Dec-2019							8%	

### Our recommendation of Diwali Picks 2018

Sr. No	Date	Company	Product *	CMP	Reco. Price	Target	Return since Inception	Remarks
1	31-Oct-18	Exide Industries Ltd.	Diwali Pick	185.05	255.50	305.00	-28%	OPEN
2	31-Oct-18	Tata Elxsi Ltd.	Diwali Pick	832.95	955.30	1,144.00	-13%	OPEN
Average Returns as on30-Dec-2019							-20%	

### \*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	70.91	(0.04)	(0.06)
EUR/INR	78.59	(0.03)	(0.04)
GBP/INR	93.485	(0.28)	(0.30)
JPY/INR	65.3282	(0.12)	(0.18)

Particulars	Latest	Previous	Chg (bps)
5 Year GOI Bond	6.46	6.43	0.03
10 Year GOI Bond	6.55	6.50	0.05
15 Year GOI Bond	6.98	6.95	0.03
Call Money (WAR)	5.09	5.11	(0.02)
CBLO (WAR)	4.61	4.50	0.11
US 10 Year	1.88	1.89	(0.01)
Crude Oil (in \$/bl)	66.87	67.92	1.05
Inflation (Monthly CPI)	5.54	4.62	0.92

## Highly Traded Govt. Bonds (Top 5)

Security	Volume	High	Low	LTP
6.45% GS 2029	6390	99.63	99.2850	99.2850
7.32% GS 2024	2250	103.1075	103.02	103.04
6.35% GS 2020	1955	100.0050	100.0025	100.0050
7.26% GS 2029	1210	103.36	103.15	103.20
7.57% GS 2033	1150	105.3775	105.05	105.10

## Government Security Market:

- The Inter-bank call money rate traded in the range of 3.40% - 5.25% on Monday ended at 5.10%.
- Total Borrowings From RBI's Repo with banks taking Rs. 42790 mn on Monday Vs. Rs. 28940 mn on Friday.
- The benchmark 6.45% GOI 2029 closed at 6.5484% on Monday Vs. 6.5056% on Friday .

### Global Debt Market:

An end-of-year flame out for corporate debt markets in Latin America is likely to stretch into the new year as the region's economy sputters, cooling a boom in demand for bonds from Brazil to Mexico .Sluggish growth, widespread social unrest and low interest rates will continue to weaken demand for local-currency debt.

### 10 Year Benchmark Technical View:

10 year Benchmark yield likely to move in the range of 6.48% to 6.51% level on Tuesday.

## Taxfree Bonds in Secondary Market:

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
RECLTD	7.38	5.8043	1,104.00	8,173	19-Dec-27
NHAI	8.3	5.6414	1,172.00	7,091	25-Jan-27
NHAI	7.6 (7.35)	5.6	1,195.00	3,215	11-Jan-31
NHAI	7.69 (7.39)	5.6069	1,163.30	2,602	09-Mar-31
IRFC	7.53 (7.28)	5.64	1,146.00	2,632	21-Dec-30

## Taxable Bonds in Secondary Market:

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
NTPC	8.49	7.5909	13.71	27,478	25-Mar-25
ECLFINANCE	10.15	10.7	975.05	9,468	04-Jan-29
TCFSL	8.8	8.1756	1,032.00	2,090	27-Sep-21
IFCI	9.9	10.6718	978.95	1,347	01-Dec-24

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