

# Opening Bell

## Market Outlook

Indian markets are expected to open flat on the back of mixed cues from global markets. Markets will react to the revised rates on various items announced by GST council meet on Friday

## Markets Yesterday

- Indian markets ended modestly in green ahead of the announcement of IIP data scheduled later in the day
- US markets ended on a mixed note as the effect of Senate's version of tax reform continued during the trading session
- 

## Key Developments

- IIP for the month of Sep'17 recorded increase in output by 3.8% YoY led by 7.9% YoY growth in output of mining industry. Following the trend manufacturing and electricity sector also recorded growth in output by 3.4% YoY each during the period. Manufacturing growth largely driven by production growth in the consumer non durable, primary goods and capital goods sector by 10%, 6.6% and 7.4% YoY respectively. However, output of consumer durable segment declined by 4.8% YoY. Cumulatively IIP for the period of Apr'-Sep'17 recorded marginal increase in output by 2.5%
- All restaurants in hotel premises which charge ₹ 7500 per room will pay 5% GST without input tax credit. However, all restaurants in hotel premises charging room tariff of more than 7500 even for a single room will have to pay 18% GST and will have input tax credit.
- GST rate on aircraft engines, aircraft tyres and aircraft seats have been reduced from 28 to 5%.

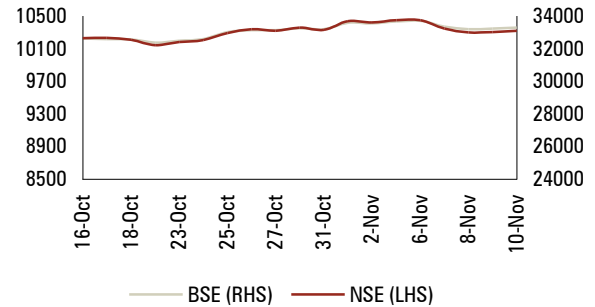
## Nifty Heat Map

|               |                  |                 |                   |               |                   |               |                  |               |                  |
|---------------|------------------|-----------------|-------------------|---------------|-------------------|---------------|------------------|---------------|------------------|
| SBI           | 333.6<br>6.3%    | L&T             | 1,265.0<br>4.0%   | HUL           | 1,290.7<br>3.0%   | M&M           | 1,393.0<br>2.3%  | ICICI Bank    | 318.5<br>2.3%    |
| Ultratech     | 4,450.9<br>2.0%  | Bajaj Auto      | 3,253.4<br>1.7%   | Power Grid    | 211.4<br>1.6%     | GAIL          | 457.1<br>1.3%    | Zee Ent.      | 542.8<br>0.9%    |
| Axis Bank     | 544.8<br>0.8%    | ONGC            | 191.1<br>0.8%     | Infosys       | 962.1<br>0.8%     | ITC           | 261.7<br>0.6%    | Coal India    | 284.4<br>0.4%    |
| Lupin         | 833.3<br>0.3%    | Hindalco        | 264.1<br>0.3%     | Hero Moto     | 3,605.1<br>0.2%   | TECHM         | 491.0<br>0.2%    | IOC           | 394.9<br>0.1%    |
| Wipro         | 302.7<br>0.0%    | Vedanta Ltd     | 323.9<br>0.0%     | Bharti Airtel | 503.5<br>-0.2%    | Tata Steel    | 702.3<br>-0.2%   | Yes Bank      | 304.1<br>-0.2%   |
| Maruti        | 8,183.5<br>-0.3% | Adani Ports     | 432.1<br>-0.3%    | HDFC Bank     | 1,822.0<br>-0.3%  | Ambuja Cement | 270.1<br>-0.3%   | Indusind Bank | 1,660.3<br>-0.4% |
| Bajaj Finance | 1,745.0<br>-0.5% | Bharti Infratel | 426.8<br>-0.6%    | IBULHSG FIN   | 1,225.1<br>-0.8%  | NTPC          | 176.6<br>-0.8%   | Cipla         | 609.3<br>-0.9%   |
| Dr Reddy      | 2,347.9<br>-0.9% | HDFC Ltd        | 1,709.5<br>-0.9%  | Eicher        | 30,551.7<br>-1.0% | TCS           | 2,708.8<br>-1.0% | HCL Tech      | 867.1<br>-1.0%   |
| Sun Pharma    | 527.9<br>-1.1%   | Kotak Bank      | 993.4<br>-1.2%    | UPL           | 735.1<br>-1.3%    | Asian Paints  | 1,178.6<br>-1.4% | RIL           | 883.9<br>-1.8%   |
| BPCL          | 512.1<br>-1.9%   | BOSCH           | 20,457.1<br>-3.2% | HPCL          | 416.9<br>-3.4%    | Tata Motors   | 422.6<br>-4.0%   | Aurobin       | 740.1<br>-6.2%   |

## Today's Highlights

Results: NTPC, GSPL, Apollo Hosp., Prabhat Dairy, Indian Hotels, Sunteck Realty, Sadbhav, Kanpur Plastipack, Idea cellular

## Index Movement (past month)



|        | Close  | Previous | Chg (%) | MTD(%) | YTD(%) | P/E (1yr fwd) |
|--------|--------|----------|---------|--------|--------|---------------|
| Sensex | 33,315 | 33,251   | 0.2     | 0.3    | 25.1   | 22.9          |
| Nifty  | 10,322 | 10,309   | 0.1     | -0.1   | 26.1   | 21.9          |

## Institutional Activity

|            | CY15   | CY16   | YTD CY17 | Yesterday | Last 5 Days |
|------------|--------|--------|----------|-----------|-------------|
| FII (₹ cr) | 16,347 | 14,049 | -32,399  | -529      | -4,044      |
| DII (₹ cr) | 66,249 | 11,320 | 75,436   | 1,921     | 2,880       |

## World Indices – Monthly performance

|  | Nikkei | Kospi    | BSE     | NSE    | Dow Jones |
|--|--------|----------|---------|--------|-----------|
|  | 22,869 | 2,531    | 33,315  | 10,322 | 23,422    |
|  | 9.9%   | 4.5%     | 4.4%    | 3.0%   | 2.6%      |
|  | Nasdaq | Shanghai | Germany | France | U.K.      |
|  | 6,751  | 3,443    | 13,127  | 5,381  | 7,433     |
|  | 2.5%   | 1.5%     | 1.4%    | 0.3%   | -1.4%     |

## Markets Today

|                    | Close   | Previous | Change (%) | MTD(%) | YTD(%) |
|--------------------|---------|----------|------------|--------|--------|
| <b>Commodities</b> |         |          |            |        |        |
| Gold (₹/10 gm)     | 29,501  | 29,391   | 0.4        | 0.6    | 6.0    |
| Silver (₹/kg)      | 39,489  | 39,527   | -0.1       | 1.7    | 0.1    |
| Crude (\$/barrel)  | 63.6    | 63.5     | 0.0        | 3.6    | 11.8   |
| Copper (\$/tonne)  | 6753.75 | 6778     | -0.4       | -0.9   | 22.3   |
| <b>Currency</b>    |         |          |            |        |        |
| USD/INR            | 65.17   | 64.94    | 0.3        | -0.6   | 4.2    |
| EUR/USD            | 1.17    | 1.17     | -0.1       | 0.1    | 10.8   |
| USD/YEN            | 113.67  | 113.53   | 0.1        | 0.0    | 2.9    |
| <b>ADRs</b>        |         |          |            |        |        |
| HDFC Bank          | 94.0    | 94.7     | -0.7       | 1.9    | 54.9   |
| Tata Motors        | 32.3    | 33.1     | -2.2       | -1.3   | -6.0   |
| Infosys            | 15.0    | 15.0     | 0.2        | 1.1    | 1.2    |
| Dr Reddys Labs     | 35.6    | 35.9     | -0.9       | -2.1   | -21.4  |

## Key Data Points

### KEY ECONOMIC INDICATORS

| Key Economic Indicator         | Period    | Latest       | Prior Values |
|--------------------------------|-----------|--------------|--------------|
| RBI Cash Reserve Ratio         | N/A       | 4.00%        | 4.00%        |
| RBI Repo Rate                  | N/A       | 6.00%        | 6.25%        |
| RBI Reverse Repo Rate          | N/A       | 5.75%        | 6.00%        |
| CPI YY                         | September | 3.28%        | 3.36%        |
| Current Account Balance        | Q2        | -14.3bln \$  | -3.4bln \$   |
| Exports - USD                  | July      | 22.54bln \$  | 23.56bln \$  |
| FX Reserves, USD Final         | w/e       | 375.72bln \$ | 372.73bln \$ |
| GDP Quarterly yy               | Q1        | 5.70%        | 6.10%        |
| GDP Annual                     | 12M       | 7.10%        | 7.60%        |
| Imports - USD                  | July      | 33.99bln \$  | 36.52bln \$  |
| Industrial Output yy           | August    | 4.30%        | 1.20%        |
| Manufacturing Output           | August    | 3.10%        | 0.10%        |
| Trade Deficit - RBI            | Q2        | -41.2bln \$  | -29.7bln \$  |
| Trade Deficit Govt - USD       | September | 8.98bln \$   | 11.64bln \$  |
| WPI Food yy                    | September | 2.04%        | 5.75%        |
| WPI Fuel yy                    | September | 9.01%        | 9.99%        |
| WPI Inflation yy               | September | 2.60%        | 3.24%        |
| WPI Manufacturing Inflation yy | September | 2.72%        | 2.45%        |

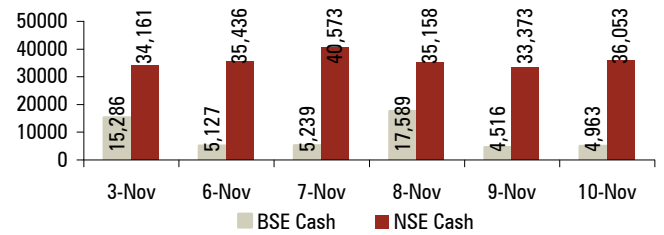
## Sectoral Index

| Sector            | Close    | Previous | Change  | % Change | Volume   |
|-------------------|----------|----------|---------|----------|----------|
| Auto              | 24931.75 | 25090.54 | -158.79 | (0.63)   | 4512000  |
| Banks             | 28920.88 | 28634.75 | 286.13  | 1.00     | 21371000 |
| BSE Small Cap     | 11792.74 | 11901.39 | -108.65 | (0.91)   | 66926000 |
| Capital Goods     | 18736.1  | 18392.77 | 343.33  | 1.87     | 10985000 |
| Consumer Durables | 20524.52 | 20249.62 | 274.9   | 1.36     | 1843000  |
| FMCG              | 8304.6   | 8368.14  | -63.54  | (0.76)   | 1023000  |
| Healthcare        | 17870.57 | 18140.06 | -269.49 | (1.49)   | 1830000  |
| IT                | 11396.98 | 11501.95 | -104.97 | (0.91)   | 1254000  |
| Metals            | 14633.62 | 14583.59 | 50.03   | 0.34     | 9498000  |
| Mid Cap           | 10993.02 | 11070.76 | -77.74  | (0.70)   | 64406000 |
| Oil & Gas         | 15978.51 | 16092.09 | -113.58 | (0.71)   | 2358000  |
| Power             | 2291.08  | 2288.79  | 2.29    | 0.10     | 16889000 |
| PSU               | 9370.4   | 9289.41  | 80.99   | 0.87     | 39162000 |
| Real Estate       | 2307.89  | 2308.02  | -0.13   | (0.01)   | 6654000  |

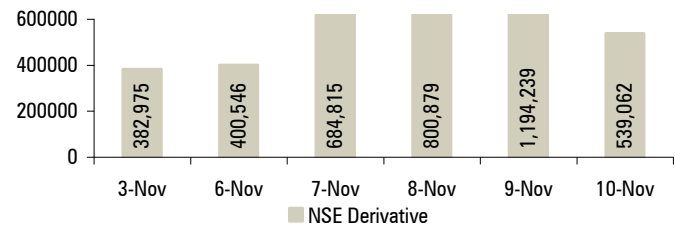
## Key News for Today

| Company/ Industry         | News  | View  | Impact |
|---------------------------|---|---|--------|
| Building Materials Sector | The GST rates for building materials like tiles, plywood, sanitary ware, marble and granite have been revised downwards from 28% to 18%.                                  | This downward revision of GST rate would lead to a faster un-organised to organised shift, thereby benefiting organised players in the building material sector.<br>Key beneficiaries: Century Plyboards, Greenply Industries, Kajaria Ceramics, Somany Ceramics, Asian Granito, Pokarna. | ↑      |
| Retail Sector             | The GST rates on various mass consumption products such as watches, luggage, stoves, cooker and other domestic appliances have been lowered to 18% from the existing 28%. | Lower tax rates would aid volume growth for the above mentioned products. Key beneficiaries: Titan, VIP Industries, TTK Prestige and Butterfly Gandhimathi Appliance.   | ↑      |

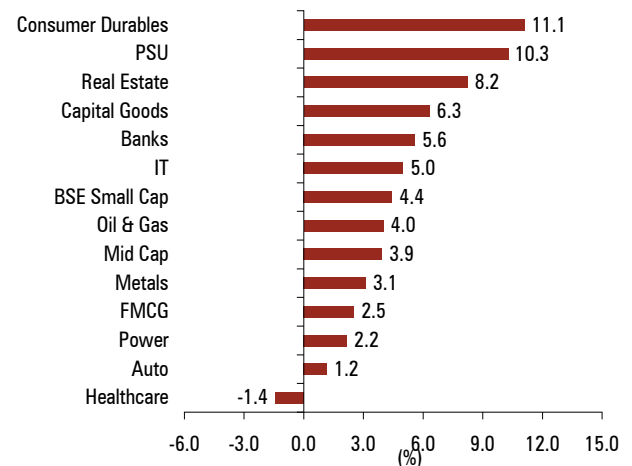
## Exchange Cash Turnover (₹ crore)

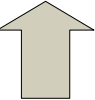




## NSE Derivative Turnover (₹ crore)



## Sectoral Performance – Monthly Returns (%)



|   |   |   |  |
|---|---|---|--|
| Petronet LNG  | As per media sources, Petronet LNG has plans to buy stake in either of the planned projects of RasGas or QatarGas in Qatar  | Petronet's plans to enter into international markets especially in Qatar will give it an edge and bargaining power to procure LNG at lower cost in the long term  |   |
| Control Print Ltd   | The company reported robust performance in Q2FY18. Net sales for the quarter came in at ₹ 41.5 crore, up 25% YoY. EBITDA in Q2FY18 stood at ₹ 11.8 crore with corresponding EBITDA margins at 28.4%, down 60 bps YoY. PAT in Q2FY18 stood at ₹ 7.4 crore, up 6%YoY. PAT growth lags the top line growth primarily driven by increase in depreciation charge coupled with lower other income | Sales growth of 25% is encouraging with Q2FY18 marks the second consequent quarter of higher double digit growth for the company. Margins profile of 28%+ also bodes well for the company. However, on the balance sheet front, the company did witness certain stretching of working capital and consequent increase in short term borrowings. Given, the product profile and robust demand prospects we believe the company is on a strong footing with healthy profitability going ahead   |   |
| HUL,GSK Consumer, Nestle, Marico, Havells, Bajaj Electricals , Vguard | In the major rejig to the GST rate, GST council cut the rates of 211 items (products & services), which majorly included FMCG & Consumer durable goods. We believe companies will pass on the benefit of this indirect tax, either in the form of price cuts or grammage increase, to support the ailing volume growth  | Detergent, which contributes ~ 20% to the HUL sales, GST rate, has been reduced from 28% to 18%. Similarly reduction in indirect tax rates in shampoos and Cosmetics would also benefit HUL, Jyothy lab and Marico. GST rate in Chocolates reduced from 28% to 18% (chocolates contributes ~13% to the Neslte's sales). GSK consumer would also be bigger beneficiary as GST rate has been cut down from 28% to 18%. In the consumer discretionary space reduction in tax rate in Fans, switches, wire & cables and lamps & light fittings would benefits Havells, Vguard and Bajaj electricals in our coverage universe. |  |

#### Key developments (Continued...)

- The company has put capacity to the tune of 2670 MW in commercial operation in Q2FY18E. We expect NTPC to report strong generation growth of 7% YoY at 64.8 billion units. Energy sold may also grow 7.1% YoY at 60.5 BUs. We have assumed a decline in realisation as lower GST on coal will be passed on to consumers in terms of lower tariff. We have built in tariff of ₹ 3.2 kWHR in Q2FY18E. Hence, we expect NTPC to report revenue growth of 2.3% YoY at ₹ 19533.8 crore while PAT is expected to grow 6.3% YoY to ₹ 2337.7 crore
- We expect GSPL's gas transmission volumes at 28.5 mmscmd with growth of 6% QoQ (15.8% YoY) due to better offtake from large industrial customer. Revenues are expected to increase 6.8% QoQ (22.7% YoY) to ₹ 316.5 crore with transmission tariffs same as in Q1FY18 at ₹ 1.2 per scm. Subsequently, PAT is expected to increase 2.9% QoQ and 20.9% YoY to ₹ 156.9 crore
- Monsoon is expected to adversely impact Star Cement's volume leading to decline of 10.0% on YoY basis. Consequently, we expect topline to decline by 8.8% YoY in Q2FY18E. However, EBITDA/t is expected to increase from ₹ 980/t to ₹ 1,137/t mainly led by cost rationalisation. Further, PAT is expected to increase from ₹ 0.7 crore to ₹ 13.5 crore mainly due to lower interest expenses and lower minority interest (due to reverse merger)

### Key developments (Continued...)

- Indian Hotel's consolidated revenue growth may broadly remain subdued on account of sale of its key international hotels. Standalone domestic segment growth is expected to remain better. We expect domestic net revenues to grow 5.0% YoY to ₹ 539 crore while the international segment may report revenue de-growth of 6.3% YoY. OPM may decline due to GST impact although sale of loss making units aided by cost control measures would help the company trim margins only by 20 bps YoY. Lower depreciation and interest cost may narrow down losses during the quarter
- Idea is expected to report weak set of numbers as revenues are expected to decline 17% YoY on account of net loss of ~9 mn subscribers in this quarter which coupled with seasonality would put pressure on financials. Net loss would be around ₹ 1030 for the quarter.
- Larsen & Toubro (L&T) reported Q2FY18 performance, which were a decent set of results amid a challenging environment on account of GST transition. Standalone EBITDA margins came in at 8.3% up 90 bps YoY. On a consolidated basis, EBITDA margins came in at 11.3%. The company has maintained revenue growth guidance of 12% for FY18E while it has trimmed down its inflows guidance to marginal YoY growth.
- Bharat Petroleum Corporation's (BPCL) Q2FY18 results which were below our estimates on the operational front. The revenues declined 4% QoQ to ₹ 64127.3 crore below our estimate of ₹ 67215.3 crore. The GRM's stood at US\$ 8/bbl below our estimate of US\$ 9.2 /bbl. However, EBITDA at ₹ 3527.6 crore came slightly above our estimates of ₹ 3231.7 crore mainly on account of better than expected performance of marketing segment and lower than expected employee expenses. Subsequently, the reported PAT which was contributed by higher than estimated other income stood at ₹ 2354.6 crore above our estimates of ₹ 1985.4 crore.
- Coal India reported mixed set of numbers for Q2FY18, wherein topline came in line with our estimate while reported EBITDA and PAT came in below our estimate. The company reported a total operating income of ₹ 18148 crore (up 12% YoY) in line with our estimate of ₹ 18341 crore. Reported EBITDA came in at ₹ 1231 crore. Employee benefit during Q2FY18 includes additional provision to the tune of ₹ 2300.87 crore towards salary and wages of the non-executive employee (pay revision due w.e.f 1st July, 2016) and adhoc provision of ₹95.14 crore towards salary and wages of the executive employees (pay revision due w.e.f 1st January, 2017). Adjusted EBITDA for the quarter stood at ₹ 3627 crore (our estimate of ₹ 3029 crore. The ensuing report PAT stood at ₹ 369 crore.
- Nestlé India reported a robust set of numbers in Q3CY17 with healthy volume growth in domestic business. Net sales grew by 7.5% YoY to ₹ 2500.6 crore on the back of strong 9.1% growth in domestic business largely led by healthy volume growth. Maggi Noodles contributed to the volume growth after company is in the process of rebuilding the Maggi brand. Export revenue grew by 2.6% to ₹ 160.0 crore. Operating margins improved by 240 bps at 23.8% with the 340 bps lower other expenses. Net profit grew by 23.3% to ₹ 343.2 crore (I-direct estimate: ₹ 293.9 crore) supported by healthy operational performance.
- McLeod Russel reported revenue in-line with our estimates; however, it was a miss on operating margin and profit fronts. Sales for the quarter was flat on YoY basis to ₹ 468.6 crore, broadly in-line with our estimates at ₹ 473.5 crore. Realisation for the quarter grew by 3.9% to ₹ 180.6/kg. Company reported 2.4% YoY volume growth to 256 lakh kg. EBITDA grew by 10.5% to ₹ 216.0 crore (I-direct estimate: 251.7 crore). Employee cost continued to rise and stood at 48.3% of net sales against 44.4% in same quarter last year. PAT for the quarter grew 8.7% YoY to ₹ 143.5 crore (I-direct estimate: ₹ 175.8 crore). Company approved to enter into a share purchase agreement with Eveready to operate & manage Greendale India (wholly owned subsidiary of Eveready involved in packet tea under the brand Tez) in a JV of 50:50.
- Timken India reported decent Q2FY18 numbers. Revenues came in at ₹ 310.2 crore, up 9.8% YoY. EBITDA increased 13.1% YoY to ₹ 53.8 crore as the company reported steady EBITDA margins of 17.3% in Q2FY18. We expected margins of 16.9%. Gross margins for the quarter stood healthy at 44%. PAT increased 24.7% YoY to ₹ 37.3 crore as the company reported higher other income of ₹ 14.8 crore vs. ₹ 1.7 crore in Q2FY17.
- Cochin Shipyard Ltd reported decent Q2FY18 numbers. Optically the numbers look weak, due to above performance of the company in Q2FY17. Revenue increased 7.6% YoY to ₹ 583.2 crore. Shipbuilding and ship repair segment contributed 72.4% and 27.6% respectively to the topline company. Both the segments clocked stable EBIT margins. Shipbuilding segment reported EBIT margins of 11.8% whereas Ship repair segment reported margins of 33%. PAT de-grew 8.1% YoY at ₹ 100.2 crore. Other income witnessed substantial jump of 47.2% at ₹ 65.2 crore
- Siyaram Silk Mills (SSML) reported mixed set of Q2FY18 numbers. Revenues for the quarter came in at ₹ 422.6 crore vs. 422.2 crore in Q2FY17. EBITDA margins for the quarter improved 270 bps YoY to 15.2%, mainly on account of significant expansion in gross margins to the tune of 592 bps YoY to 56.9%. The resultant PAT came in at ₹ 30.7 crore, up 19.1% YoY. Higher depreciation cost (up 15% YoY) and decline in other income (down 19.5% YoY) moderated the PAT growth.

### Key developments (Continued...)

- Rupa & Co. reported mixed set of Q2FY18 numbers wherein revenues were below our estimates, while PAT was in line with our estimates. Revenues for the quarter declined 7.3% YoY to ₹ 248.2 (I-direct estimate: ₹ 278.4 crore). Despite decline in revenues, operating margins for the quarter expanded 130 bps YoY to 15.4% (I-direct estimate of 12.0%). The beat was mainly on account of decline in sub-contracting expense by 27.6% YoY to ₹ 51.5 crore. The resultant PAT came in at ₹ 21.6 crore (I-direct estimate: ₹ 20.2 crore), up 1.8% YoY.
- Dredging Corporation of India (DCI) Q2FY18 revenues were below our estimates, however profitability were above our estimates. Reported revenues remained flattish at ₹ 161.3 crore (I-direct estimate: ₹ 172 crore). EBITDA stood at ₹ 51.4 crore (I-direct estimate ₹ 40 crore). PAT stood at ₹ 18.6 crore (I-direct estimate: ₹ 5.6 crore).
- VST Tillers & Tractors reported muted performance in Q2FY18 largely driven by soft realisations and dis-proportionate increase in other overhead expenses. Sales in Q2FY18 came in at ₹ 175.5 crore, flat YoY. EBITDA for the quarter stood at ₹ 24.4 crore with consequent operating margins at 13.9%, down 100 bps YoY. PAT in Q2FY18 came in at ₹ 18.7 crore, up 7% YoY. Higher PAT was supported by higher other income (₹ 5.8 crore) and lower effective tax rate (30.5%).
- Sun TV Q2FY18 numbers were slightly ahead of our expectations. Ad revenues grew by 4%YoY vs our expectations of 3.9%. The subscription revenues grew by 21% YoY, but on account of restated base numbers, the growth was 14.5%. PAT came marginally below because of higher than expected Movie amortisation cost
- JK cement's reported good set of numbers. The beat at topline led to higher than anticipated profitability. Revenues increased 20.1% YoY to ₹ 1,107.7 crore (above I-direct estimate ₹ 1009.2 crore).EBITDA margin increased 165 bps YoY to 18.7% (vs I-direct estimate of 15.6%) mainly led by 7.8% YoY decline in other expenses.
- Mangalam Cement results were above our estimate. The company's revenue and EBITDA were above our estimate, however, PAT was below our estimate mainly due to higher tax expenses. Revenues increased by 25.3% YoY to ₹ 237.3 crore mainly led by 0.75 MT capacity expansion at Aligarh, UP in August 2016. On the margin front, the EBITDA margin increased by 22 bps YoY (down 397 bps QoQ) to 11.5% (vs I-direct estimate of 11.5%) in Q2FY18
- As per media sources, Virat Kohli is set to launch his collection of premium men's innerwear and sleepwear with an exclusive brand license agreement with Lux Industries under the brand name 'One8'.
- As per media sources, ONGC has plans to complete the acquisition of government's 51.1% stake in HPCL by March 2018
- Axis Bank has announced capital raising plan of ₹ 11626 crore through a combination of shares and warrants. Major contributors to the issue include - Bain Capital's at \$1.6 billion while LIC would invest \$200 million. The bank will issue ~17 crore shares at ₹ 525 per share and warrants would be issued at ₹ 565. For existing shareholders, the fund raising will entail a dilution of 8.23%, while the deal is book accretive to the extent of ~ ₹ 30 per share. For the bank, CaR will improve to 18.66% from current 16.32%.
- The government has set a 2020 deadline to redevelop 10 railway stations at a cost of ₹ 5000 crore. The redevelopment will be carried out under a self-financing model through land monetisation by NBCC. The stations selected are Delhi Sarai Rohilla, Lucknow, Gomti Nagar, Kota, Tirupati, Nellore, Ernakulam, Puducherry, Madgaon and Thane.

### Nifty Chart



### Technical Outlook

Nifty traded with high volatility and settled with marginal gains for second consecutive session on Friday. Broader markets also traded in a range as the BSE midcap closed marginally lower by 0.1% whereas the small cap indices closed higher by 0.3%. The price action resulted in a high wave candle, which carries a lower high/low as the index continues to trade with high volatility for a second consecutive session. In the coming sessions, the index is likely to continue with its range bound consolidation. The index holding above previous week low (10254) will be crucial for pullback efforts to materialize in the coming sessions. Failure to do so will lead to continuance of profit booking trend. Lowering of GST rates on higher tax bracket items will result in stock specific action.

### Pivot Points

| Index/Stocks         | Close   | S1      | S2      | R1      | R2      | Trend    |
|----------------------|---------|---------|---------|---------|---------|----------|
| S&P BSE SENSEX INDEX | 33314.6 | 33156.0 | 32996.0 | 33428.0 | 33540.0 | Negative |
| Nifty 50             | 10321.8 | 10269.0 | 10216.0 | 10360.0 | 10398.0 | Negative |
| ACC LTD              | 1754.3  | 1741.0  | 1728.0  | 1771.0  | 1788.0  | Negative |
| AXIS BANK LTD        | 544.8   | 535.0   | 526.0   | 552.0   | 559.0   | Negative |
| HDFC BANK LTD        | 1822.0  | 1811.0  | 1801.0  | 1834.0  | 1845.0  | Negative |
| STATE BANK IND       | 333.6   | 316.0   | 298.0   | 345.0   | 356.0   | Positive |
| HOUSING DEV FIN      | 1709.5  | 1696.0  | 1682.0  | 1725.0  | 1740.0  | Negative |
| MARUTI SUZUKI IN     | 8183.5  | 8117.0  | 8052.0  | 8241.0  | 8300.0  | Negative |
| TATA MOTORS LTD      | 422.6   | 415.0   | 408.0   | 434.0   | 446.0   | Negative |
| MAHINDRA & MAHIN     | 1393.0  | 1356.0  | 1319.0  | 1421.0  | 1449.0  | Positive |
| BAJAJ AUTO LTD       | 3109.4  | 3061.0  | 3013.0  | 3149.0  | 3187.0  | Positive |
| TATA CONSULTANCY     | 2708.8  | 2692.0  | 2676.0  | 2725.0  | 2742.0  | Negative |
| INFOSYS LTD          | 962.1   | 954.0   | 945.0   | 968.0   | 973.0   | Positive |
| CIPLA LTD            | 609.3   | 601.0   | 593.0   | 618.0   | 629.0   | Negative |
| OIL & NATURAL GA     | 191.1   | 189.0   | 187.0   | 194.0   | 195.0   | Neutral  |
| RELIANCE INDS        | 883.9   | 875.0   | 866.0   | 897.0   | 910.0   | Negative |
| BHARTI AIRTEL        | 503.5   | 496.0   | 489.0   | 511.0   | 519.0   | Positive |
| DLF LTD              | 207.9   | 204.0   | 201.0   | 211.0   | 215.0   | Negative |

### CNX Nifty Technical Picture

| Nifty 50       | Intraday    | Short Term |
|----------------|-------------|------------|
| Trend          | Up          | Up         |
| Trend Reversal |             |            |
| Support        | 10290-10255 | 10200      |
| Resistance     | 10345-10370 | 10600      |
| 20 Days EMA    |             | 10284      |
| 200 days EMA   |             | 9598       |

### Advances / Declines

|     | Advances | Declines | Unchanged |
|-----|----------|----------|-----------|
| BSE | 1155     | 1528     | 159       |
| NSE | 709      | 994      | 75        |

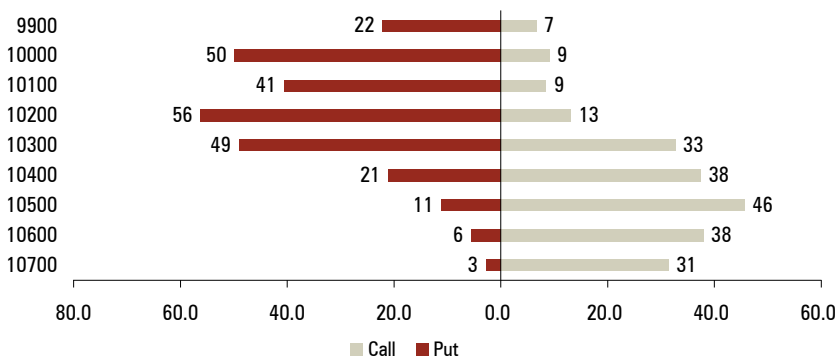
### Daily Technical Calls

- Buy Hindustan Unilever in the range of 1292.00-1294.00
- Buy Ultratech in the range of 4458.00-4463.00

\*All recommendations are of November Future

See Momentum Pick for more details

### Nifty Call – Put Strike (No. of shares in lakh) – November 2017



### Intraday Derivative Strategy

i) Axis Bank

Buy AXIBAN NOV Fut at 554.00-555.00

CMP: 549

Target 1: 559.5 Target 2: 567

Stop Loss: 549.5

ii) Hindustan Petroleum

Sell HINPET NOV Fut at 414.00-415.00

CMP: 417.6

Target 1: 411 Target 2: 405.3

Stop Loss: 418.6

See Daily Derivatives for more details

### Results/Events Calendar

| 30  | October Monday   | 31   | October Tuesday   | 01   | November Wednesday   | 02 | November Thursday | 03 | November Friday | 04 | November Saturday |
|---|--|--|---|--|--|----|-------------------|----|-----------------|----|-------------------|
| Mahindra Lifespace, EIH<br>HDFC Ltd, Tata Steel, Marico<br>Lupin, Kajaria, Supreme Ind<br>Alembic, Bharti Infratel, BEL<br>LIC Housing Fin, Century Ply | Info Edge, JSW Steel, Divis<br>Dr Reddy, Dabur, VST Ind, Indigo<br>Bharti Airtel, Swaraj Engines<br>Ajanta Pharma, Symphony<br>KPIT, DB Corp, Inox Leisure, Zee Me | Tech Mahindra, Eclerx<br>Godrej Consumer, ENIL<br>Greaves Cotton, Firstsource<br>Hero MotoCorp, Grindwel North<br>Apollo Tyres, TCI Express                | Taj GVK, HEG, Glenmark<br>TCI, CCL Products, Powergrid<br>Ramco Cement, Natco, PGIL<br>KSB Pumps, Vedanta<br>Royal Orchid, Orient Cement              | EPC Industrie, PNB<br>Titan, Hindalco<br>Godrej Agrovet  | Nicco Parks  |    |                   |    |                 |    |                   |
| 06  | November Monday  | 07   | November Tuesday  | 08   | November Wednesday   | 09 | November Thursday | 10 | November Friday | 11 | November Saturday |
| Gujarat Gas<br>Gulf Oil Lubricants<br>KEC International<br>NRB  | WABCO, Indoco Remedies<br>Prism Cement, Cipla, BHEL<br>Castrol India, Alembic Pharma<br>Butterfly Gandhimati, Taro<br>Bayer Cropscience                            | Thermax, Petronet LNG, MGL<br>Pidilite, Voltas, Shree Cement<br>VA Tech Wabag, Bharat Forge<br>JK Lakshmi Cement, Navneet<br>Ashok Leyland, City Union Ban | Amara Raja Batteries, Trent<br>Tata Motors, TV Today<br>Bajaj Electricals, Dalmia Bharat<br>Page, India Cements, Jagran Pr<br>HPCL, Saurashtra Cement | Nestle, Timken, Dredging Corp<br>M&M, Motherson Sumi<br>Bosch, Gujarat Siddhee<br>Deccan Cement, Kesoram<br>Ashoka Buildcon, Sobha Ltd | Mangalam Cement, L&T<br>JK Cement, VST Tillers & Tract<br>Coal India, Control Print<br>Kirkoskar Brothers, Siyaram<br>Birla Corp, Visaka Ind |    |                   |    |                 |    |                   |
| 13  | November Monday  | 14   | November Tuesday  | 15   | November Wednesday   | 16 | November Thursday | 17 | November Friday | 18 | November Saturday |
| Kanpur Plastipack, NTPC<br>GSPL, Sadbhav Engineering<br>Apollo Hospitals, Idea Cellular<br>Star Cement, Sunteck Realty<br>Prabhat Dairy, Indian Hotels  | Cadila, IPCA, Eicher Motors<br>NCC Limited, GAIL, Bata, NBCC<br>Cox & Kings, Simplex Infra<br>Bank of Baroda, PNC Infra<br>Sun Pharma, Shankara Building           | CARE<br>Wonderla Holidays<br>US CPI YoY  | Gati<br>US Industrial Prod MoM  | ECB Current Account SA<br>US Building Permits MoM  |  |    |                   |    |                 |    |                   |
| 20  | November Monday  | 21   | November Tuesday  | 22   | November Wednesday   | 23 | November Thursday | 24 | November Friday | 25 | November Saturday |
| Japan Trade Balance   | US Existing Home Sales MoM   | US Initial Jobless Claims  | Monsanto India<br>Markit Eurozone Mfg PMI   | Markit US Mfg PMI<br>Markit US Services PMI  |  |    |                   |    |                 |    |                   |
| 27  | November Monday  | 28   | November Tuesday  | 29   | November Wednesday   | 30 | November Thursday | 01 | December Friday | 02 | December Saturday |
| China Industrial Profits YoY  | UK GDP YoY   | US GDP Annualized QoQ  | India GDP YoY<br>India GVA YoY<br>China Manufacturing PMI<br>Japan Industrial Prod YoY<br>Eurozone CPI Core YoY                                       | Nikkei India PMI Mfg<br>Nikkei India Services PMI<br>Markit US Mfg PMI<br>Nikkei Japan PMI Mfg<br>Markit Eurozone Mfg PMI              |  |    |                   |    |                 |    |                   |

### Major Economic Events this Week

| Date   | Event                     | Country | Period | Expected  | Previous   |
|--------|---------------------------|---------|--------|-----------|------------|
| 13-Nov | CPI YoY                   | IN      | Oct    | 3.5%      | 3.3%       |
| 13-Nov | Trade Balance             | IN      | Oct    | -\$10500m | -\$8984.3m |
| 13-Nov | Exports YoY               | IN      | Oct    | --        | 25.7%      |
| 13-Nov | Imports YoY               | IN      | Oct    | --        | 18.1%      |
| 13-Nov | PPI YoY                   | JN      | Oct    | 3.1%      | 3.0%       |
| 14-Nov | Wholesale Prices YoY      | IN      | Oct    | 3.0%      | 2.6%       |
| 14-Nov | Industrial Production YoY | CH      | Oct    | 6.3%      | 6.6%       |
| 14-Nov | GDP SA YoY                | EU      | 3Q P   | 2.5%      | 2.5%       |
| 14-Nov | CPI Core YoY              | UK      | Oct    | 2.9%      | 2.7%       |
| 15-Nov | CPI YoY                   | US      | Oct    | 2.0%      | 2.2%       |
| 15-Nov | GDP SA QoQ                | JN      | 3Q P   | 0.4%      | 0.6%       |
| 15-Nov | Industrial Production YoY | JN      | Sep F  | --        | 2.5%       |
| 15-Nov | Trade Balance SA          | EU      | Sep    | --        | 21.6b      |
| 16-Nov | Industrial Production MoM | US      | Oct    | 0.4%      | 0.3%       |
| 16-Nov | CPI Core YoY              | EU      | Oct F  | 0.9%      | 0.9%       |

### Results

| Company             | Revenue  |       | Chg(%) |         | EBITDA |       | Chg(%)   |       | PAT   |         | Chg(%) |     |
|---------------------|----------|-------|--------|---------|--------|-------|----------|-------|-------|---------|--------|-----|
|                     | Q2FY18E  | YoY   | QoQ    | Q2FY18E | YoY    | QoQ   | Q2FY18E  | YoY   | QoQ   | Q2FY18E | YoY    | QoQ |
| NTPC                | 19,533.8 | 2.3   | -1.7   | 5,295.9 | 4.0    | 5.1   | 2,337.7  | 6.3   | -10.7 |         |        |     |
| GSPL                | 316.5    | 22.7  | 6.8    | 286.0   | 26.5   | 3.6   | 156.9    | 20.9  | 2.9   |         |        |     |
| Sadbhav Engineering | 685.0    | 11.3  | -27.5  | 75.4    | 15.3   | -29.4 | 22.7     | 22.8  | -59.0 |         |        |     |
| Apollo Hospitals    | 1,835.1  | 12.3  | 7.2    | 221.2   | -0.3   | 22.2  | 82.1     | -10.7 | 51.8  |         |        |     |
| Idea Cellular       | 7,682.7  | -17.4 | -5.9   | 1,575.3 | -44.5  | -16.0 | -1,030.6 | PL    | NA    |         |        |     |
| Prabhat Dairy       | 415.7    | 28.1  | 15.6   | 34.5    | 25.2   | 22.0  | 12.3     | 37.4  | 110.0 |         |        |     |
| Indian Hotels       | 887.3    | 0.3   | -2.2   | 69.5    | -1.6   | -23.3 | -28.1    | NA    | NA    |         |        |     |

Revenue = Nil; EBITDA = PPP for Banks and NBFC

### Recent Releases

| Date             | Report   |
|------------------|--|
| 10 November 2017 | <a href="#">Result Update – Arvind Ltd</a>       |
| 10 November 2017 | <a href="#">Result Update – CESC</a>             |
| 10 November 2017 | <a href="#">Result Update – Bharat Forge</a>     |
| 10 November 2017 | <a href="#">Result Update – India Cement</a>     |
| 10 November 2017 | <a href="#">Result Update- Bajaj Electricals</a> |



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com



## Disclaimer

### ANALYST CERTIFICATION

We /I, Pankaj Pandey Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a Sebi registered Research Analyst with Sebi Registration Number – INH000000990. ICICI Securities is a wholly-owned subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

It is confirmed that Pankaj Pandey Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities has received an investment banking mandate from Government of India for disinvestment in ONGC. This report is prepared based on publicly available information.