Opening Bell

November 23, 2017

Market Outlook

Indian markets are expected to open flat to positive today on the back of mixed global cues. The markets will react to the Cabinet's approval for changes in the insolvency code and be mainly driven by FII, DII flows today.

Markets Yesterday

- Domestic markets ended modestly in the green extending the upward trend seen in the last five sessions post the upgradation of India's sovereign rating

- US markets ended mixed after the release of the minutes of the US Federal Reserve's latest monetary policy meet with indications of near term interest rate hikes

Key Developments

- World Steel Association reported crude steel production for October 2017. Global crude steel production was at 145.3 million tonne (MT), up 5.9% YoY. Chinese crude steel production in the month came in at 72.4 MT, up 6.1% YoY, while Indian production was up 5.3% YoY to 8.6 MT. Global crude steel capacity utilisation ratio for October 2017 was at 73% (up 300 bps YoY)

- As per media sources, oil marketing companies have decided to speed up their processes to upgrade refineries in line with BS-VI norms. This has come post the government's announcement to roll out BS-VI fuels in the Delhi and NCR region from April 1, 2018, which was earlier scheduled in 2020

- The tax department has raised a service tax demand of about ₹ 10,000 crore from information technology and IT-enabled services companies in the country. This has sent a shockwave through an industry already reeling under tighter US immigration laws and increasing automation

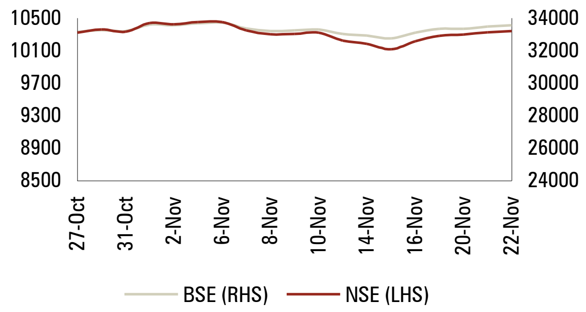
Nifty Heat Map

Zee Ent. 562.1 4.0%	Adani Ports 414.5 3.4%	GAIL 469.1 2.0%	Ultratech 4,230.4 1.6%	Ambuja Cement 265.6 1.5%
SBI 335.3 1.4%	HDFC Ltd 1,718.2 1.4%	Asian Paints 1,174.3 1.2%	Maruti 8,513.2 1.0%	Tata Motors 428.6 1.0%
M&M 1,429.5 1.0%	ITC 258.2 0.9%	HCL Tech 842.2 0.5%	Cipla 619.3 0.5%	HDFC Bank 1,855.3 0.5%
Bajaj Auto 3,313.2 0.4%	TCS 2,680.7 0.3%	ONGC 181.3 0.2%	Power Grid 207.1 0.2%	HPCL 419.5 0.2%
Wipro 294.3 0.1%	IBULHSG FIN 1,178.6 0.1%	Infosys 966.3 0.0%	L&T 1,222.7 0.0%	IOC 396.0 0.0%
Tata Steel 711.1 0.0%	RIL 930.8 -0.2%	ICICI Bank 318.9 -0.3%	Kotak Bank 1,026.3 -0.3%	Hero Moto 3,661.3 -0.5%
Sun Pharma 535.3 -0.5%	HUL 1,270.5 -0.5%	NTPC 181.9 -0.6%	Coal India 271.8 -0.7%	BPCL 507.7 -0.7%
Eicher 30,178.2 -0.8%	Yes Bank 309.8 -0.8%	Bharti Airtel 499.1 -0.8%	UPL 747.1 -1.0%	Vedanta Ltd 309.5 -1.1%
Axis Bank 540.5 -1.2%	BOSCH 19,008.8 -1.2%	Lupin 827.4 -1.2%	Indusind Bank 1,627.4 -1.3%	Dr Reddy 2,360.7 -1.4%
Hindalco 257.8 -1.4%	Aurobin 698.4 -1.5%	Bharti Infratel 376.5 -1.9%	Bajaj Finance 1,774.0 -2.0%	TECHM 482.6 -2.3%

Today's Highlights

Results: Monsanto India
UK GDP YoY, Markit eurozone manufacturing PMI

Index Movement (past month)



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	33,562	33,478	0.2	1.0	26.0	23.3
Nifty	10,342	10,327	0.1	0.1	26.3	22.1

Institutional Activity

	CY15	CY16	YTD CY17	Yesterday	Last 5 Days
FII (₹ cr)	16,768	14,049	-31,135	-441	-698
DII (₹ cr)	66,249	11,320	80,625	837	4,590

World Indices – Monthly performance

BSE 33,562 3.6%	Nasdaq 6,867 3.6%	Nikkei 22,416 3.2%	Kospi 2,538 2.0%	NSE 10,342 1.9%
Shanghai 3,417 1.5%	Dow Jones 23,526 1.1%	Germany 13,015 0.2%	France 5,353 -0.4%	U.K. 7,419 -1.4%

Markets Today

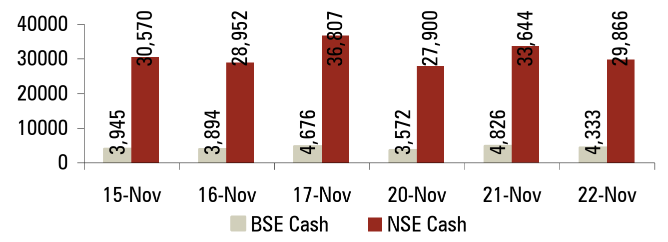
	Close	Previous	Change (%)	MTD(%)	YTD(%)
Commodities					
Gold (₹/10 gm)	29,429	29,434	0.0	0.3	5.7
Silver (₹/kg)	39,271	39,296	-0.1	1.1	-0.4
Crude ($/barrel)	63.2	63.3	-0.3	2.9	11.2
Copper ($/tonne)	6923	6877.5	0.7	1.6	25.3
Currency					
USD/INR	64.93	64.89	0.1	-0.3	4.6
EUR/USD	1.18	1.18	0.0	1.5	12.4
USD/YEN	111.19	111.22	0.0	2.2	5.2
ADRs					
HDFC Bank	97.9	96.7	1.3	4.7	59.3
Tata Motors	32.9	32.7	0.5	-0.1	-4.9
Infosys	15.2	15.1	0.5	1.8	2.0
Dr Reddys Labs	35.9	36.8	-2.5	1.2	-18.7

Key Data Points

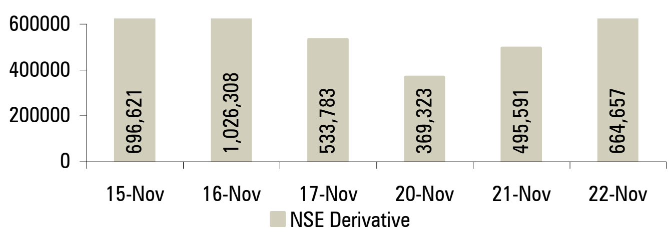
KEY ECONOMIC INDICATORS

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	October	3.58%	3.28%
Current Account Balance	Q2	-14.3bln $	-3.4bln $
Exports - USD	October	23.1bln $	28.61bln $
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	October	37.12bln $	37.6bln $
Industrial Output yy	September	3.80%	4.30%
Manufacturing Output	September	3.40%	3.10%
Trade Deficit - RBI	Q2	-41.2bln $	-29.7bln $
Trade Deficit Govt - USD	October	14.02bln $	8.98bln $
WPI Food yy	October	4.30%	2.04%
WPI Fuel yy	October	10.52%	9.01%
WPI Inflation yy	October	3.59%	2.60%
WPI Manufacturing Inflation yy	October	2.62%	2.72%

Exchange Cash Turnover (₹ crore)



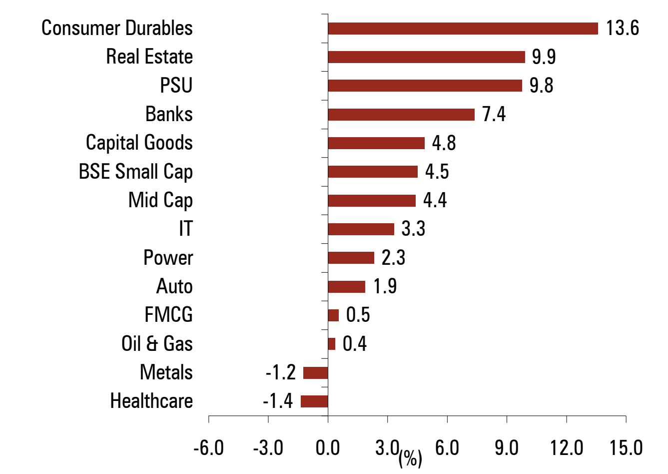
NSE Derivative Turnover (₹ crore)



Sectoral Index

Sector	Close	Previous	Change	% Change	Volume
Auto	25290.61	25214.64	75.97	0.30	2351000
Banks	29189.38	29207.02	-17.64	(0.06)	10981000
BSE Small Cap	11792.74	11901.39	-108.65	(0.91)	66926000
Capital Goods	18333.85	18315.03	18.82	0.10	6895000
Consumer Durables	20734.08	20788.31	-54.23	(0.26)	794000
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	14363.82	14459.02	-95.2	(0.66)	3191000
Mid Cap	10993.02	11070.76	-77.74	(0.70)	64406000
Oil & Gas	15953.55	15946.63	6.92	0.04	2994000
Power	2305.19	2306.39	-1.2	(0.05)	14103000
PSU	9328.77	9301.43	27.34	0.29	25945000
Real Estate	2380.88	2382.17	-1.29	(0.05)	9313000

Sectoral Performance – Monthly Returns (%)



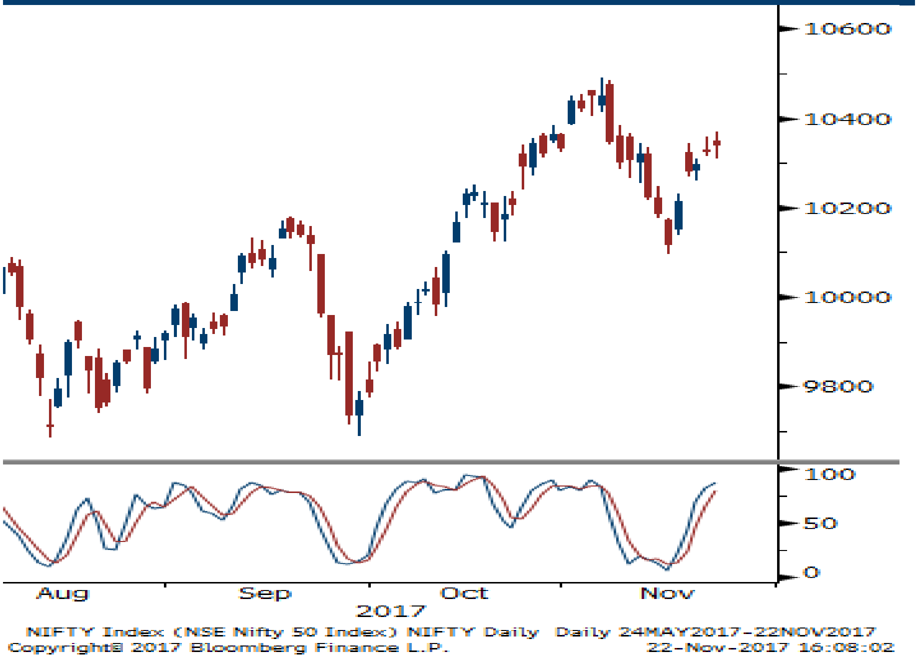
Key News for Today

Company/ Industry	News	View	Impact
Banking	The Union Cabinet has approved a proposal to promulgate an ordinance to amend the Insolvency and Bankruptcy Code (IBC) to improve the quality of the resolution process by prescribing an eligibility criteria of prospective resolution applicants. According to amendments, wilful defaulters, people convicted of fraud or found guilty of siphoning off money earlier from any company, disqualified directors will be barred from participating in bidding for stressed assets	As per the amendment, promoters, in general, would not be barred from participating in the bidding of stressed assets. This amendment is positive for the sector as it removes ambiguity with respect to promoters as applicant in bidding for stressed assets, which will enable faster resolution ahead	
Gujarat Pipavav Port	Maersk has decided to shift FI3 service from Mundra port to Pipavav port from January 2018	The FI3 service can add a volume of 10000 TEUs per month for Gujarat Pipavav Port and aid volume growth	

Key developments (Continued…)

- Eicher Trucks and Buses, part of Volvo Eicher Commercial Vehicles (VECV – a JV between Eicher Motor & Volvo), has launched five variants of CV for the e-commerce industry priced between ₹ 16.26 lakh and ₹ 27.4 lakh. The company has showcased five new variants of light and medium duty vehicles in the Pro 1,000 and Pro 3,000 series range
- According to a Niti Aayog report, India's move towards 100% electric vehicles (EVs) fleet by 2030 could create a $300 billion domestic market for EV batteries
- According to media reports, Maruti Suzuki is planning to produce 3 million units by 2025, after the initial 2 million is crossed in 2020. It is also planning the new generation Swift hatchback that will be manufactured at parent Suzuki Motor's Gujarat plant, which is to kick off production from December 2017 with full ramp up happening by February 2018

Nifty Chart



Technical Outlook

Equity benchmarks continued their winning streak for a fifth session amid a global equity rally as strong global growth and rising corporate profits boosted sentiments. Broader markets, however, lagged benchmarks as the Nifty midcap index ended flat after registering fresh highs while the Nifty small cap index gained 0.5% on Wednesday

The price action formed a High wave candle as it carries a shadow on either side indicating intraday volatility. It carries a higher high but lower low indicating continuance of a breather near the 61.8% retracement of the seven-day decline (10490-10094). The bias would continue to remain positive above Monday's low of 10261 as the index remains on course towards short-term target of 10600 in coming weeks as it is the pattern implication of the double bottom breakout.

Pivot Points

Index/Stocks	Close	S1	S2	R1	R2	Trend
S&P BSE SENSEX INDEX	33561.6	33465.0	33371.0	33655.0	33749.0	Positive
Nifty 50	10342.3	10311.0	10281.0	10370.0	10399.0	Neutral
ACC LTD	1722.3	1708.0	1694.0	1735.0	1748.0	Positive
AXIS BANK LTD	540.5	537.0	534.0	545.0	550.0	Negative
HDFC BANK LTD	1855.3	1846.0	1838.0	1861.0	1868.0	Positive
STATE BANK IND	335.3	328.0	321.0	341.0	347.0	Neutral
HOUSING DEV FIN	1718.2	1699.0	1680.0	1731.0	1744.0	Positive
MARUTI SUZUKI IN	8513.2	8463.0	8413.0	8544.0	8575.0	Positive
TATA MOTORS LTD	428.6	425.0	421.0	434.0	438.0	Positive
MAHINDRA & MAHIN	1429.5	1418.0	1408.0	1440.0	1452.0	Positive
BAJAJ AUTO LTD	3109.4	3061.0	3013.0	3149.0	3187.0	Positive
TATA CONSULTANCY	2680.7	2666.0	2651.0	2704.0	2725.0	Positive
INFOSYS LTD	966.3	963.0	959.0	971.0	975.0	Neutral
CIPLA LTD	619.3	614.0	608.0	626.0	632.0	Positive
OIL & NATURAL GA	181.3	179.0	178.0	182.0	184.0	Positive
RELIANCE INDS	930.8	923.0	916.0	939.0	946.0	Negative
BHARTI AIRTEL	499.1	495.0	489.0	507.0	513.0	Neutral
DLF LTD	219.9	217.0	215.0	223.0	227.0	Negative

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range bound	Up
Trend Reversal		
Support	10310-10280	10100
Resistance	10370-10395	10600
20 Days EMA		10273
200 days EMA		9652

Advances / Declines

	Advances	Declines	Unchanged
BSE	1284	1423	160
NSE	804	943	70

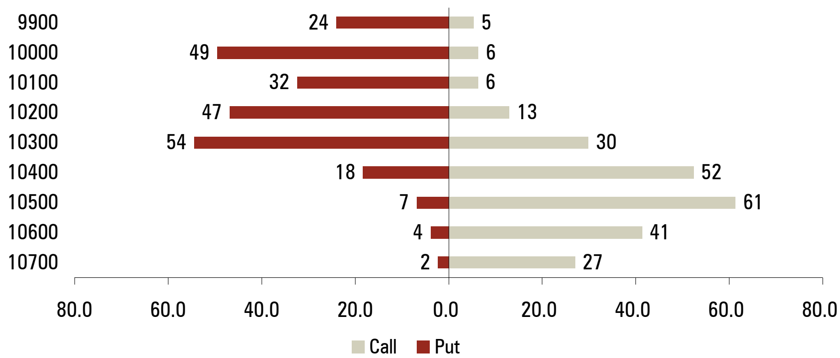
Daily Technical Calls

1. Buy Sun TV in the range of 877.50-878.50
2. Buy TVS Motors in the range of 717.00-718.00

*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) PC Jewellers

Buy PCJEW NOV Fut at 366.50-367.00

CMP: 363

Target 1: 370.7 Target 2: 376.7

Stop Loss: 362.7

ii) LIC Housing

Sell LICHF NOV Fut at 594.60-595.00

CMP: 598.7

Target 1: 590 Target 2: 582.5

Stop Loss: 600

See Daily Derivatives for more details

Results/Events Calendar

06 November Monday Gujarat Gas Gulf Oil Lubricants KEC International NRB	**07** November Tuesday WABCO, Indoco Remedies Prism Cement, Cipla, BHEL Castrol India, Alembic Pharma Butterfly Gandhimati,Taro Bayer Cropscience	**08** November Wednesday Thermax,Petronet LNG,MGL Pidilite, Voltas,Shree Cement VA Tech Wabag,Bharat Forge JK Lakshmi Cement,Navneet Ashok Leyland,City Union Ban	**09** November Thursday Amara Raja Batteries, Trent Tata Motors, TV Today Bajaj Electricals,Dalmia Bharat Page,India Cements,Jagran Pra HPCL, Saurashtra Cement	**10** November Friday Nestle,Timken,Dredging Corp M&M, Motherson Sumi Bosch, Gujarat Siddhee Deccan Cement, Kesoram Ashoka Buildcon, Sobha Ltd	**11** November Saturday Mangalam Cement, L&T JK Cement,VST Tillers&Tractc Coal India, Control Print Kirloskar Brothers,Siyaram Birla Corp,Visaka Ind
13 November Monday Kanpur Plastipack,NTPC GSPL, Sadbhav Engineering Apollo Hospitals,Idea Celluar Star Cement,Sunteck Realty Prabhat Dairy, Indian Hotels	**14** November Tuesday Cadila, IPCA,Eicher Motors NCC Limited, GAIL,Bata,NBCC Cox & Kings, Simplex Infra Bank of Baroda, PNC Infra Sun Pharma, Shankara Building	**15** November Wednesday CARE Wonderla Holidays US CPI YoY	**16** November Thursday Gati US Industrial Prod MoM	**17** November Friday ECB Current Account SA US Building Permits MoM	**18** November Saturday
20 November Monday Japan Trade Balance	**21** November Tuesday US Existing Home Sales MoM	**22** November Wednesday US Initial Jobless Claims	**23** November Thursday Monsanto India Markit Eurozone Mfg PMI UK GDP YoY	**24** November Friday Markit US Mfg PMI Markit US Services PMI	**25** November Saturday
27 November Monday China Industrial Profits YoY	**28** November Tuesday	**29** November Wednesday US GDP Annualized QoQ	**30** November Thursday India GDP YoY India GVA YoY China Manufacturing PMI Japan Industrial Prod YoY Eurozone CPI Core YoY	**01** December Friday Nikkei India PMI Mfg Markit UK PMI Mfg Markit US Mfg PMI Nikkei Japan PMI Mfg Markit Eurozone Mfg PMI	**02** December Saturday
04 December Monday Eurozone PPI YoY	**05** December Tuesday US Trade Balance Markit US Services PMI Eurozone GDP SA YoY	**06** December Wednesday RBI Repurchase Rate RBI Reverse Repo Rate RBI Cash Reserve Ratio Nikkei India Services PMI	**07** December Thursday US Initial Jobless Claims	**08** December Friday US Unemployement Rate UK Industrial Prod YoY UK Mfg Prodn YoY Japan GDP SA QoQ	**09** December Saturday China CPI YoY

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
21-Nov	Existing Home Sales MoM	US	Oct	2.0%	0.2%

Date	Event	Country	Period	Expected	Previous
23-Nov	UK GDP YoY	UK	3Q P	1.5%	1.5%
23-Nov	Markit Eurozone Manufactu	EU	Nov P	58.2	58.5
23-Nov	Markit Eurozone Services P	EU	Nov P	55.2	55.0
24-Nov	Markit US Manufacturing P	US	Nov P	55.0	54.6
24-Nov	Markit US Services PMI	US	Nov P	55.3	55.3
24-Nov	Nikkei Japan PMI Mfg	JN	Nov P	--	52.8

Bulk Deals

Company	Client Name	Type	No. of shares	Price (₹)
BSE*				
Excel	Aspire Emerging Fund	Buy	180000	121.5
Thyrocare	Samara Capital Partners Fund I Limited	Sell	740000	668.2
NSE*				
Gati Limited	Green India Venture Fund	Sell	1,873,500	127.4

Recent Releases

Date	Report
22 November 2017	Management Meet Update – Nesco Ltd
22 November 2017	Monthly Update – Health Check
21 November 2017	Result Update – Somany Ceramics
20 November 2017	Result Update – Tata Motors
20 November 2017	Result Update – Simplex Infrastructure

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