

Market Outlook

Indian markets are likely to open on a flat to higher note on the back of positive cues from global markets. The outcome of the US Federal Reserve meet and fund flows from institutional investors will influence the market movement over the next few days.

Markets Yesterday

- Domestic markets ended on a flat note ahead of the Fed meeting scheduled today
- US markets ended modestly higher ahead of the Federal Reserve's decision on interest rates in its meeting scheduled today

Key Developments

- Marico reported growth of 2.2% YoY in the Q4FY17 consolidated sales to ₹ 1315.2 crore (I-direct estimate: ₹ 1407.2 crore). The India business grew 5.9% YoY led by 10% YoY volume growth. However, the international business declined 8.4% YoY mainly because of economic turmoil in the MENA region. With rising copra prices, raw material to sales witnessed a 180 bps YoY increase. The company undertook a sharp cut in advertisement expense by ~400 bps to 8.4% of net sales vs. 12.5% in the same quarter last year. Thus, the operating margin expanded ~300 bps YoY to 19.6% against our estimate of 17.0%. Hence, net profit for the quarter came in at ₹ 171.3 crore, up 25.8% YoY against our expectation of ₹ 154.6 crore
- Coal India reported provisional production and offtake numbers for April 2017. Coal production came in at 38.4 million tonne (MT,) down 4.8% YoY, while coal offtake during the month was at 45.3 MT, up 6.1% YoY
- Aurolindo Pharma has received USFDA approval for Lo Simesse (contraceptive)

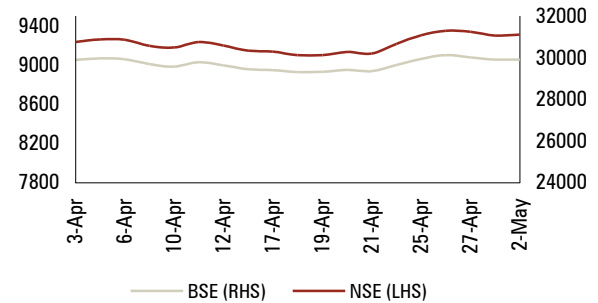
Nifty Heat Map

United Spirits	1,935.8	3.2%	ONGC	192.4	3.1%	HDFC Ltd	1,584.8	3.1%	BPCL	739.9	2.9%	Maruti	6,705.5	2.8%
Kotak Bank	917.9	1.8%	GAIL	429.5	1.3%	Bajaj Auto	2,898.0	1.2%	PNB	170.7	1.1%	Hero Moto	3,353.0	1.0%
HCL Tech	822.1	1.0%	Cairn India	285.4	0.8%	TCS	2,289.9	0.7%	Bank of Baroda	188.7	0.6%	Hindalco	200.3	0.5%
ITC	279.2	0.4%	M&M	1,341.0	0.4%	Infosys	922.6	0.4%	Tech M.	418.2	0.3%	Yes Bank	1,633.9	0.2%
Wipro	494.9	0.1%	NMDC	127.7	0.1%	Indusind Bank	1,445.8	0.1%	BHEL	175.5	-0.1%	Grasim Ind	1,153.2	-0.2%
Cipla	555.4	-0.4%	HDFC Bank	1,540.6	-0.4%	SBI	288.3	-0.5%	Dr Reddy	2,582.7	-0.6%	Vedanta Ltd	241.9	-0.7%
Tata power	83.7	-0.7%	HUL	928.1	-0.7%	Asian Paints	1,112.1	-0.7%	Coal India	274.6	-0.8%	Axis Bank	505.6	-0.8%
Tata Steel	445.1	-0.9%	Power Grid	206.0	-1.0%	Ultratech	4,206.0	-1.0%	L&T	1,732.1	-1.0%	ICICI Bank	275.6	-1.0%
IDFC	60.9	-1.3%	Sun Pharma	632.8	-1.4%	IDEA	84.7	-1.5%	NTPC	162.1	-1.5%	Tata Motors	451.3	-1.7%
Ambuja Cement	241.8	-1.7%	RIL	1,370.6	-1.8%	ACC	1,593.1	-2.1%	Bharti Airtel	347.6	-2.2%	Lupin	1,303.8	-2.6%

Today's Highlights

US FOMC rate decision, EU GDP SA YoY, Markit US services PMI
Results: Alembic Pharma, Ajanta Pharma

Index Movement (past month)



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	29,921	29,918	0.0	0.0	12.4	19.2
Nifty	9,313.8	9,304.1	0.1	0.1	13.8	18.8

Institutional Activity

	CY15	CY16	YTD CY17	Yesterday	Last 5 Days
FII (₹ cr)	15,901	14,049	24,826	-612	-2,258
DII (₹ cr)	66,249	11,320	11,811	541	4,469

World Indices – Monthly performance

France	Nasdaq	Kospi	Nikkei	Germany
5,304	6,095	2,220	19,446	12,508
3.5%	3.1%	2.8%	2.4%	1.6%
NSE	Dow Jones	BSE	U.K.	Shanghai
9,314	20,950	29,921	7,250	3,145
1.5%	1.2%	1.0%	-1.0%	-2.4%

Markets Today

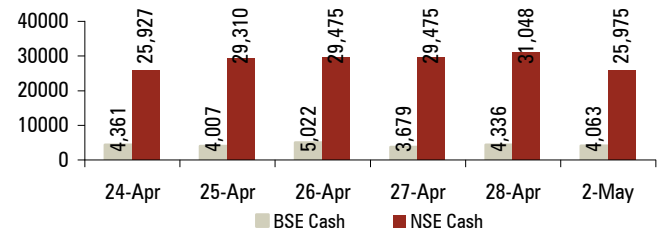
	Close	Previous	Change (%)	MTD(%)	YTD(%)
Commodities					
Gold (₹/10 gm)	28,634	28,887	-0.9	-0.9	2.9
Silver (₹/kg)	39,143	40,042	-2.2	-2.2	-0.8
Crude (\$/barrel)	51.0	50.5	1.1	-1.4	-10.2
Copper (\$/tonne)	5770.5	5710.5	1.1	1.1	4.5
Currency					
USD/INR	64.21	64.25	-0.1	0.1	5.8
EUR/USD	1.09	1.09	0.0	0.3	4.0
USD/YEN	112.05	111.99	0.1	-0.5	4.4
ADRs					
HDFC Bank	81.4	80.3	1.4	0.8	32.3
Tata Motors	34.8	35.2	-1.0	-1.4	2.3
Infosys	14.5	14.5	-0.1	-0.1	-2.0
Dr Reddys Labs	40.9	40.5	0.8	-0.8	-10.5

Key Data Points

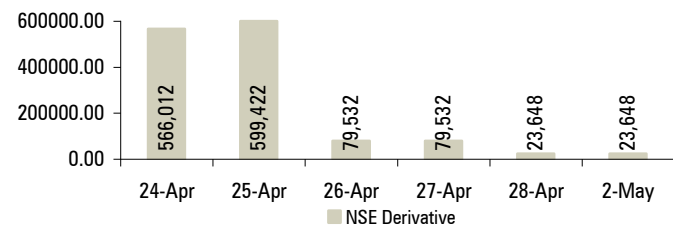
KEY ECONOMIC INDICATORS

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	4.00%	4.00%
RBI Repo Rate	N/A	6.25%	6.50%
RBI Reverse Repo Rate	N/A	6.00%	5.75%
CPI YY	March	3.81%	3.65%
Current Account Balance	Q3	-7.9bln \$	-3.4bln \$
Exports - USD	February	22.12bln \$	22.12bln \$
FX Reserves, USD Final	w/e	365.75bln \$	363.82bln \$
GDP Quarterly yy	Q3	7.00%	7.30%
GDP Annual	12M	7.60%	7.30%
Imports - USD	March	39.67bln \$	33.39bln \$
Industrial Output yy	February	-1.20%	2.70%
Manufacturing Output	February	-2.00%	2.30%
Trade Deficit - RBI	Q3	-33.3bln \$	-25.6bln \$
Trade Deficit Govt - USD	March	10.44bln \$	8.9bln \$
WPI Food yy	March	3.12%	2.69%
WPI Fuel yy	March	18.16%	21.02%
WPI Inflation yy	March	5.70%	6.55%
WPI Manufacturing Inflation yy	March	2.99%	3.66%

Exchange Cash Turnover (₹ crore)



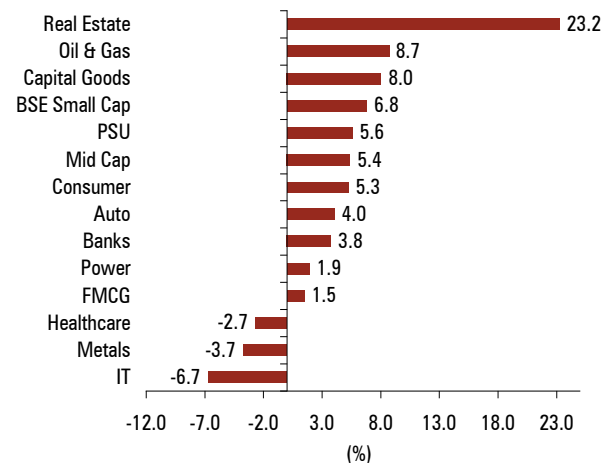
NSE Derivative Turnover (₹ crore)



Sectoral Index

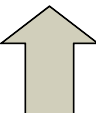
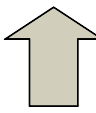

Sector	Close	Previous	Change	% Change	Volume
Auto	22903.84	22782.4	121.44	0.53	2163000
Banks	25341.38	25325.27	16.11	0.06	13058000
BSE Small Cap	11792.74	11901.39	-108.65	(0.91)	66926000
Capital Goods	17766.3	17865.77	-99.47	(0.56)	8750000
Consumer Durables	15661.94	15474.66	187.28	1.21	249000
FMCG	8304.6	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	11238.86	11303.38	-64.52	(0.57)	7461000
Mid Cap	10993.02	11070.76	-77.74	(0.70)	64406000
Oil & Gas	14606.16	14455.03	151.13	1.05	2908000
Power	2318.06	2329.75	-11.69	(0.50)	12632000
PSU	9077.55	9019.84	57.71	0.64	26603000
Real Estate	1962.13	1923.92	38.21	1.99	11191000

Sectoral Performance – Monthly Returns (%)



Key News for Today

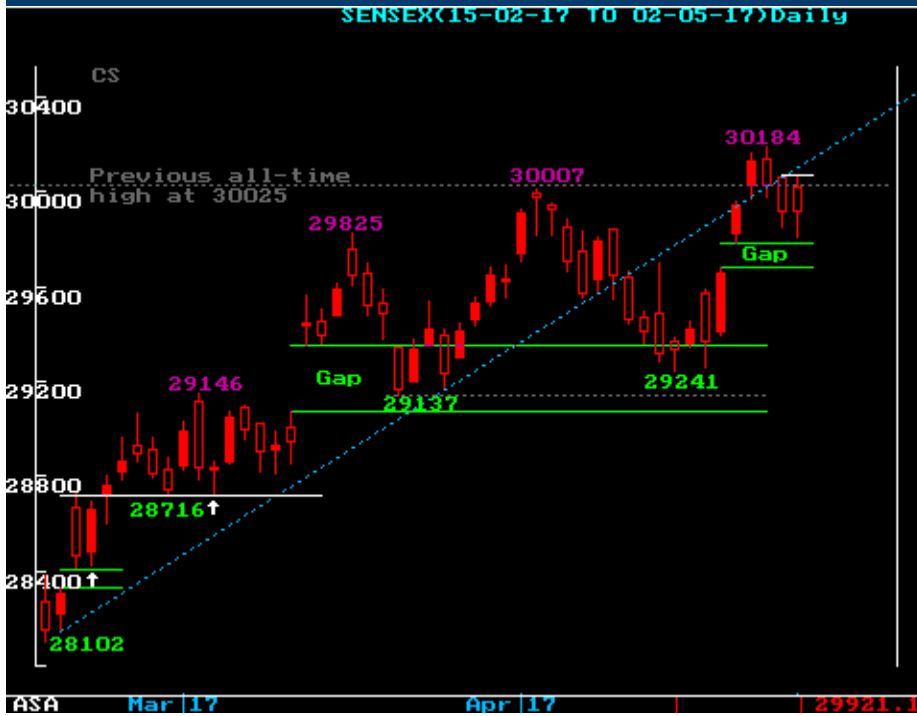
Company/ Industry	News	View	Impact
Road sector	The government is looking to award 55,000 km of highways over the next two years to augment the road infrastructure of the country	If the ministry is able to achieve these targets, it should yield better awarding opportunities for road construction players, going forward. Key beneficiaries: PNC Infratech, Simplex Infra, Sadbhav Engineering, Ashoka Buildcon	↑
Ashok Leyland	For April 2017, Ashok Leyland's (ALL) overall volumes declined 30% YoY to 7,083 units. Its M&HCV volumes declined 43% YoY to 4525 units while LCV volumes grew 11% YoY to 2,558 units	We believe ALL's M&HCV volumes reported de-growth because of subdued demand environment post April 2017 (as fleet operators had pre-buying ahead of implementation of emission norms in March 2017)	↓

Infosys	Infosys is planning to hire 10,000 Americans over the next two years and establish four new technology and innovation hubs across the US focusing on cutting edge technology areas. The first hub is expected to come up in Indiana in August 2017	The management said that through these new hires and centres, it would focus on enhancing its play in new technology areas like artificial intelligence (AI), machine learning, user experience, cloud and big data. We believe it will enable Infosys to mitigate the impact of stricter visa norms in the US	
United Breweries	According to media sources, Heineken is expected to capture majority ownership in United Breweries by buying the pledged shares of the company from lenders	The Indian promoter, in addition to its group companies, holds total ~30% in the entity, of which 46% is pledged i.e. 14% stake. Heineken currently holds 43% stake. The additional purchase of these shares would lead Heineken to shore up its stake to 57%	
Cement sector	The Allahabad High Court has approved Uttar Pradesh's new mining policy, which provides for granting non-renewable leases for a period of only five years through e-tenders. The court has vacated a stay on mining of various minerals including sand	The mining ban had impacted construction activities in the region. Hence, with the lifting of ban there will be a pick-up in construction activity positively impacting cement companies in the north	

Key developments (Continued...)

- Reliance Defence has received approval from the CDR Empowered Group to exit the corporate debt-restructuring scheme. As part of the refinancing scheme approved by lenders, the door-to-door tenure of RDEL's term loans was extended to 18 years. RDEL's existing debt of about ₹ 650 crore will also be converted into equity shares at a price of ₹ 59.35 per equity share
- As per media sources, Sudan has denied ONGC Videsh Ltd's license extension for operating Block 2B. OVL, which had 25% stake in the block did not agree to Sudan's demand for higher taxes and royalties
- As per media sources, India plans to reduce the imports of Iranian crude oil by a quarter on the back of the issue related to the development rights of Farzad B gas field
- Tata Steel UK has completed the sale of its speciality steels business to Liberty House Group for a total consideration of £100 million. The company had earlier entered into a sale agreement in February 2017. The sale covers several South Yorkshire based assets including electric arc steelsworks and bar mill at Rotherham, the steel purifying facility in Stocksbridge and a mill in Brinsworth as well as service centres in Bolton and Wednesbury, UK and China
- Crisil has upgraded the long-term credit rating assigned to Vedanta's debt instruments and preference share issue to Crisil AA with a stable outlook from Crisil AA-/Positive earlier. The short-term credit rating of Crisil A1+ was reaffirmed. The rating upgrade reflects better-than-expected operational performance and Crisil's expectation of a meaningful deleveraging of balance sheet with access to Cairn India's cash
- Wipro has unveiled a new logo, replacing the multi-coloured sunflower to assert its position as a trusted digital transformation partner

Sensex Chart



Technical Outlook

We said, "After six days, lower high-low turned the bias negative ... watch if it holds the next gap-up ..." Initially positive, the index reacted 265 points exactly from Friday's high. However, recovering a bit from Tuesday's gap-up area, it finally settled flat, thanks to gains in HDFC, Maruti and ONGC. Realty gained but pharma lost. The A/D ratio settled flat.

The action formed the third Bear candle. Lower Shadow suggested some effort to hold last Tuesday's gap-up. Holding the gap-up and restricting the pause to just two or three days could help open up positive options, which, however, would get confirmed only on strength/close above the two-day high, as marked in white. Else, expect the subdued mode to continue testing the gap-up.

Pivot Points

Index/Stocks	Close	S1	S2	R1	R2	Trend
SENSEX	29921.18	29860.05	29793.80	29992.65	30058.90	Neutral
NIFTY	9313.80	9292.30	9271.60	9333.60	9354.25	Neutral
ACC	1593.05	1567.05	1559.15	1594.55	1608.30	-ve
AXIS BANK	505.55	500.40	497.70	506.15	509.05	-ve
HDFC BANK	1540.60	1530.35	1522.45	1540.60	1545.75	-ve
SBI	288.30	286.10	283.90	288.80	290.15	-ve
HDFC	1584.75	1578.10	1565.15	1604.05	1613.05	+ve
MARUTI SUZUKI	6705.50	6695.00	6667.00	6751.00	6828.25	+ve
TATA MOTORS	451.25	447.45	445.15	451.80	453.95	-ve
M & M	1340.95	1333.85	1327.25	1347.10	1353.70	Neutral
BAJAJ AUTO	2898.00	2897.60	2886.00	2920.80	2935.15	+ve
TCS	2289.90	2290.25	2284.75	2301.25	2311.65	+ve
INFOSYS	922.60	922.00	919.15	927.65	930.60	+ve
CIPLA	555.35	553.10	551.35	555.70	557.00	-ve
ONGC	192.40	191.85	190.30	195.00	197.25	+ve
RELIANCE	1370.55	1357.25	1349.90	1375.10	1384.00	-ve
BHARTI AIRTEL	347.60	344.20	342.35	348.85	351.15	-ve
DLF	189.35	189.25	187.75	192.20	193.60	+ve

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range bound	Up
Trend Reversal		9020
Support	9320-9290	9020
Resistance	9375-9410	9500
20 Days EMA		9202
200 days EMA		8619

Advances / Declines

	Advances	Declines	Unchanged
BSE	1350	1520	180
NSE	763	925	90

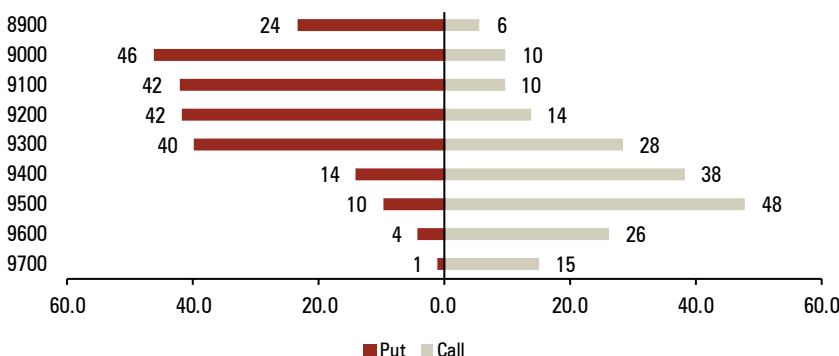
Daily Technical Calls

1. Buy Titan in the range of 487.00-489.00
2. Buy Arvind in the range of 411.00-412.00

*All recommendations are of May Future

See Momentum Pick for more details

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



Intraday Derivative Strategy

Buy CANBAN MAY Fut at 356.80-357.00
 View: Bullish Strategy: Buy Future
 CMP: 359
 Target 1: 358.4 Target 2: 361.6
 Stop Loss: 355.2

Sell ACC MAY Fut at 1590.00-1592.00
 View: Bearish Strategy: Sell Future
 CMP: 1597
 Target 1: 1582 Target 2: 1562
 Stop Loss: 1602

See Daily Derivatives for more details

Results/Events Calendar

17	April Monday	18	April Tuesday	19	April Wednesday	20	April Thursday	21	April Friday	22	April Saturday
China GDP YoY India Wholesale Prices YoY China Industrial Prodn YoY		Tata Consultancy Services VST Industries US Industrial Prod MoM IMD Monsoon 2017 Forecast		IndusInd Bank, Yes Bank TV18 Broadcast EU CPI YoY		Mindtree Ltd Cyient Ltd, Hindustan Zinc US Initial Jobless Claims Japan Trade Balance		HDFC Bank, ACC Ltd Nikkei Japan PMI Mfg Markit US Mfg PMI Markit Eurozone Mfg PMI			
24	April Monday	25	April Tuesday	26	April Wednesday	27	April Thursday	28	April Friday	29	April Saturday
Ultratech Cement Rallis India Reliance Industries Ltd.		Persistent Systems Swaraj Engines Wipro, Kewal Kiran Indian Bank, LIC Housing		KPIT Technologies KSB Pumps Sterlite Technologies Axis Bank		Mahindra CIE, Reliance Cap EPC Industrie, Syngene Maruti Suzuki Biocon, Kotak Bank BOJ Policy Balance Rate		Ambuja Cements Federal Bank Supreme Industries Kesoram Industries US GDP Annualised QoQ			
01	May Monday	02	May Tuesday	03	May Wednesday	04	May Thursday	05	May Friday	06	May Saturday
Dabur Orient Cement Nikkei Japan Mfg PMI Markit US Mfg PMI		Kansai Nerolac, Marico Inox Leisure Japan Monetary Base YoY Nikkei India Mfg PMI Markit Eurozone Mfg PMI		Alembic Pharma Ajanta Pharma US FOMC Rate Decision EU GDP SA YoY Markit US Services PMI		HDFC Ltd, Greaves Cotton Exide Industries, Oberoi Realty Tata Communications Nikkei India PMI Services Nikkei India PMI Composite		BlueDart, Apcotex Industries NIIT Technologies Firstsource Solutions Shoppers Stop Apollo Tyre, GE Shipping		Gati	
08	May Monday	09	May Tuesday	10	May Wednesday	11	May Thursday	12	May Friday	13	May Saturday
Bharti Infratel		Godrej Consumer Products Bharti Airtel Petronet LNG		Zee Entertainment Hero Motocorp		Asian Paints HCL Tech		Nestle India, Dr. Lal Dish TV, Titan D Link, Orient Hotels Dr Reddy's		JK Cement	
15	May Monday	16	May Tuesday	17	May Wednesday	18	May Thursday	19	May Friday	20	May Saturday
Colgate, Vedanta Bata India		Shree Cement, TCI		Bajaj Finance, Bajaj Finserve JSW Steel, Taj GVK		Bajaj Auto		HT Media			

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
30-Apr	Manufacturing PMI	CH	Apr	51.20	51.70
1-May	Markit US Manufacturing P	US	Apr F	52.80	52.80
1-May	Nikkei Japan PMI Mfg	JN	Apr F	52.70	--
2-May	Nikkei India PMI Mfg	IN	Apr	52.50	--
2-May	Markit Eurozone Manufact	EU	Apr F	56.70	56.80
2-May	Markit UK PMI Manufacturi	UK	Apr	54.00	54.20
2-May	Monetary Base YoY	JN	Apr	19.80%	--

Date	Event	Country	Period	Expected	Previous
3-May	GDP SA YoY	EU	1Q A	1.70%	1.70%
3-May	Markit US Services PMI	US	Apr F	--	52.50
3-May	FOMC Rate Decision (Uppe	US	3-May	1.00%	1.00%
3-May	FOMC Rate Decision (Lowe	US	3-May	0.75%	0.75%
4-May	Nikkei India PMI Services	IN	Apr	--	51.50
4-May	Nikkei India PMI Composite	IN	Apr	--	52.30
5-May	Unemployment Rate	US	Apr	4.60%	4.50%

Result Preview

Company	Revenue			EBITDA			PAT		
	Q4FY17E	YoY	QoQ	Q4FY17E	YoY	QoQ	Q4FY17E	YoY	QoQ
Ajanta Pharma	436.1	2.4	-18.2	143.9	2.4	-19.1	103.8	-3.5	-27.2
Alembic Pharma	782.6	24.9	0.7	150.5	5.0	3.5	105.8	16.0	22.2

Revenue = Nil; EBITDA = PPP for Banks and NBFC;

Recent Releases

Date	Report
2 May 2017	Result Update- Biocon
2 May 2017	Result Update- Dabur
2 May 2017	Result Update- Ambuja Cement
2 May 2017	Result Update- Supreme Industries
2 May 2017	Company Update- Jammu & Kashmir Bank



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

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