

Opening Bell

Market Outlook

Indian markets are expected to open higher today taking cues from global markets. ECB and FII flows, which were marginally positive in the last two days, will be keenly watched by the markets.

Markets Yesterday

- Domestic markets ended in the negative territory as key policy rates were kept unchanged by the RBI against expectations of at least a 25 bps rate cut
- US markets ended in the green ahead of the European Central Bank's (ECB) monetary policy scheduled today

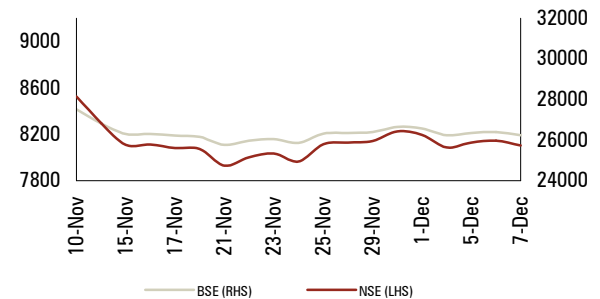
Key Developments

- The RBI kept key policy interest rates unchanged, considering financial volatility related to interest rate hike in the US and the domestic demonetisation move. The policy repo rate was retained at 6.25% whereas reverse repo and marginal standing facility were at 5.75% and 6.75%, respectively. The central bank has cut its GVA growth forecast for FY17 by 50 bps to 7.1%. RBI also retained its CPI projection at 5% with risks tilted to the upside
- As a breather for banks, the RBI has withdrawn its recently imposed incremental cash reserve ratio (CRR) effective from December 10, 2016. With the issue of ₹ 6 lakh crore under MSS, banks will now not be compensated for the higher CRR
- JSW Steel reported crude steel production of 12.27 lakh tonnes for November 2016 (down 8% MoM but up 45% YoY). Production of rolled products (flat) was at 8.87 lakh tonnes for November 2016 (down 7% MoM but up 71% YoY). Production of rolled products (long) was at 2.21 lakh tonnes for November 2016 (down 21% MoM, 2% YoY)

Today's Highlights

ECB main refinancing rate, Japan GDP SA QoQ, China trade balance
Result: SAIL

Index Movement (past month)



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	26,237	26,393	-0.6	-1.6	0.5	18.1
Nifty	8,102.1	8,143.2	-0.5	-1.5	2.0	18.5

Institutional Activity

	CY14	CY15	YTD CY16	Yesterday	Last 5 Days
FII (₹ cr)	99,525	17,221	13,085	194	-556
DII (₹ cr)	-30,570	66,249	26,527	-56	-238

World Indices – Monthly performance

	Nikkei	Dow Jones	France	Germany	Nasdaq
	18,643	19,550	4,695	10,987	5,394
	7.7%	7.6%	5.2%	5.1%	4.4%
	Shanghai	U.K.	Kospi	BSE	NSE
	3,221	6,902	2,012	26,237	8,102
	2.8%	1.4%	-0.3%	-4.5%	-4.6%

Nifty Heat Map

BPCL	632.2 3.1%	HDFC Ltd	1,265.0 1.7%	IDEA	75.5 1.4%	Vedanta Ltd	231.5 1.0%	Hero Moto	3,228.2 1.0%
Tata Motors	445.4 1.0%	Cairn India	252.8 0.7%	United Spirits	1,933.8 0.7%	HCL Tech	785.4 0.6%	M&M	1,182.0 0.6%
Grasim Ind	876.5 0.3%	Kotak Bank	734.4 0.0%	NTPC	163.2 0.0%	Infosys	966.4 0.0%	ACC	1,350.0 0.0%
NMDC	123.6 -0.1%	Coal India	305.3 -0.1%	Hindalco	175.1 -0.2%	Asian Paints	932.2 -0.2%	Bharti Airtel	328.2 -0.2%
Power Grid	182.5 -0.2%	HUL	833.7 -0.3%	Maruti	5,116.7 -0.4%	Dr Reddy	3,183.8 -0.4%	BHEL	127.6 -0.4%
Yes Bank	1,188.3 -0.4%	ONGC	297.1 -0.6%	RIL	999.2 -0.6%	Indusind Bank	1,076.2 -0.6%	L&T	1,353.8 -0.6%
Ambuja Cement	209.3 -0.6%	Cipla	570.9 -0.7%	ICICI Bank	258.7 -0.9%	IDFC	55.7 -0.9%	GAIL	427.6 -0.9%
Ultratech	3,568.1 -0.9%	Wipro	453.4 -1.0%	HDFC Bank	1,181.6 -1.1%	Tata power	74.3 -1.2%	Bajaj Auto	2,699.1 -1.3%
TCS	2,154.6 -1.3%	ITC	227.2 -1.3%	SBI	255.6 -1.4%	Lupin	1,504.8 -1.5%	Tata Steel	411.9 -1.6%
Axis Bank	447.1 -1.9%	PNB	131.4 -2.0%	Tech M.	455.6 -2.1%	Bank of Baroda	157.5 -3.0%	Sun Pharma	664.0 -6.0%

Markets Today

	Close	Previous	Change (%)	MTD(%)	YTD(%)
Commodities					
Gold (₹/10 gm)	28,233	28,249	-0.1	-2.1	13.0
Silver (₹/kg)	40,398	40,603	-0.5	-0.7	22.5
Crude (\$/barrel)	53.0	53.0	0.0	5.1	42.2
Copper (\$/tonne)	NA	NA	NA	-0.6	22.8
Currency					
USD/INR	67.64	67.90	-0.4	1.1	-2.2
EUR/USD	1.08	1.08	0.1	1.7	-0.9
USD/YEN	113.58	113.77	-0.2	0.8	5.8
ADRs					
HDFC Bank	64.9	65.0	-0.2	-6.1	5.5
ICICI Bank	7.7	7.9	-1.4	NA	NA
Tata Motors	33.3	32.4	2.8	-14.3	10.0
Infosys	14.8	14.5	2.2	-3.8	-13.6
Dr Reddys Labs	46.3	46.6	-0.6	1.2	0.7

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	6.25%	6.50%
RBI Reverse Repo Rate	N/A	5.75%	6.00%
CPI YY	October	4.20%	4.31%
Current Account Balance	Q2	-0.3bn \$	-0.3bn \$
Exports - USD	October	23.51bn \$	22.88bn \$
FX Reserves, USD Final	w/e	365.75bn \$	363.82bn \$
GDP Quarterly yy	Q2	7.30%	7.10%
GDP Annual	12M	7.60%	7.30%
Imports - USD	October	33.67bn \$	31.22bn \$
Industrial Output yy	September	0.70%	-0.70%
Manufacturing Output	September	0.90%	-0.30%
Trade Deficit - RBI	Q2	-23.8bn \$	-24.8bn \$
Trade Deficit Govt - USD	October	10.16bn \$	8.34bn \$
WPI Food yy	October	4.34%	5.75%
WPI Fuel yy	October	6.18%	5.58%
WPI Inflation yy	October	3.39%	3.57%
WPI Manufacturing Inflation yy	October	2.67%	2.48%

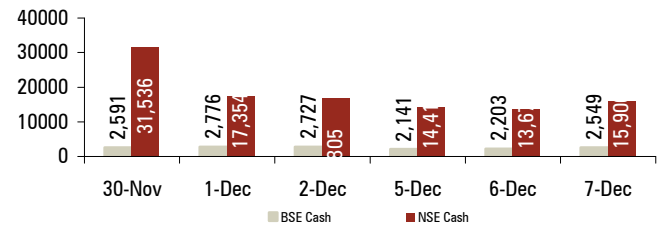
Sectoral Index

Sector	Close	Previous	Change	% Change	Volume
Auto	19946.31	20022.28	-75.97	(0.38)	1582000
Banks	20849.49	21074.67	-225.18	(1.07)	18025000
BSE Small Cap	11792.74	11901.39	-108.65	(0.91)	66926000
Capital Goods	13780.28	13857.55	-77.27	(0.56)	4627000
Consumer Durables	11013.62	11007.21	6.41	0.06	172000
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	10613.06	10535.02	78.04	0.74	6913000
Mid Cap	10993.02	11070.76	-77.74	(0.70)	64406000
Oil & Gas	11950.5	11843.41	107.09	0.90	1864000
Power	2005.74	1994.41	11.33	0.57	12742000
PSU	7822.29	7777.24	45.05	0.58	13652000
Real Estate	1279.44	1257.73	21.71	1.73	5527000

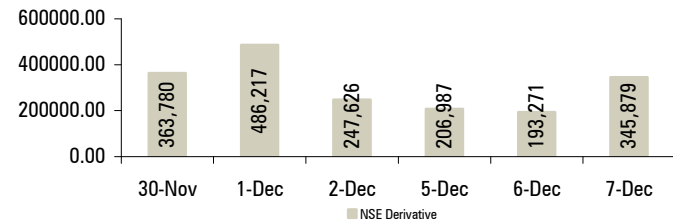
Key News for Today

Company/ Industry	News	View	Impact
Sun Pharma	Sun Pharma's Halol's plant has received a few observations from USFDA post the re-inspection completed on December 1, 2016. The company is currently in the process of responding to the letter to the USFDA within the stipulated timeline of 15 days	Note that the Halol Plant has been under the warning letter since December 2015. Recurring observations are likely to delay a resolution of the warning letter of this plant	↓
Divi's Lab	Divi's Lab's Unit-II at Visakhapatnam has received Form 483 with five observations after USFDA inspected this plant between November 29, 2016 and December 6, 2016. The company will respond to the USFDA within the time permitted	This is one of the company's key facilities. As per the management, the observations are routine and would not impact the company's operational performance. We are still awaiting detail of these observations. However, we expect the stock price to remain under pressure on account of these observations	↓

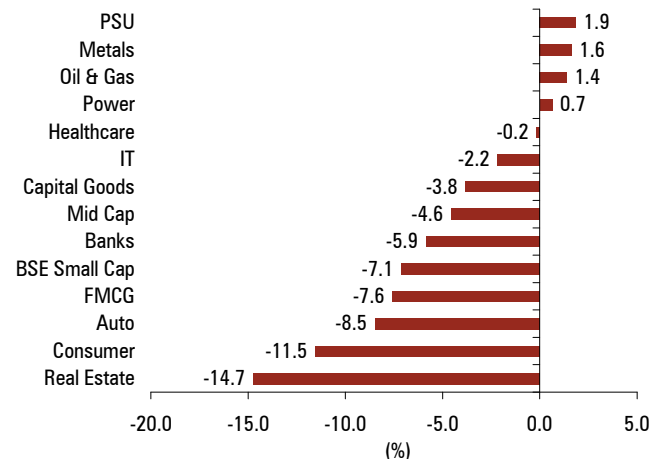
Exchange Cash Turnover (₹ crore)

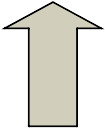
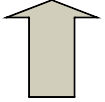
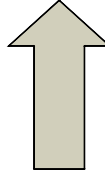
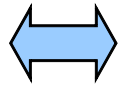
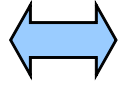


NSE Derivative Turnover (₹ crore)



Sectoral Performance – Monthly Returns (%)



Defence sector	The Indian Army, which currently operates two regiments of the indigenously-developed truck-mounted Pinaka multi-barrel rocket launcher (MBRL) systems, is planning to induct another eight by 2022 and is looking at increasing the number to 22 within a decade to add firepower to its artillery	The Pinaka system has been designed and developed by two private entities - L&T (defence & aerospace) & Tata Power (strategic electronic division). The Defence Acquisition Council has cleared procurement of eight Pinaka regiments (~₹ 14633 crore) of which two regiments worth ~₹ 3000 crore have also approved by the Cabinet Committee on Security. Thus, both entities are likely to be beneficiaries of this move	
Ashoka Buildcon	The company has received letters of intent for projects from North and South Bihar Power Distribution Co worth ~₹ 949.9 crore	This order win would further boost the company's order book to ~₹ 6470.3 crore, providing strong revenue visibility, going ahead	
Tata Steel	Tata Steel UK has reached an agreement with trade unions to progress towards closure of its defined benefit pension scheme to future accrual. Next week, the company will start consultation with its employees on a proposal to close the British Steel Pension Scheme to future accrual. Employees would be offered a competitive defined contribution scheme. Tata Steel UK will continue the existing blast furnace configuration in Port Talbot until 2021, wherein the company has offered an employment pact until 2021, which supports employees through future changes by investing in their skills to support further plant upgrades, automation and other digital initiatives	The company and trade unions have also agreed on the principle subject to the structural de-risking and de-linking of the British Steel Pension Scheme fund from the business, which augurs well for the company. While we await further financial details with respect to the plan and the outcome of consultation, prima facie the deal is likely to be sentimentally positive for the company	
NBCC	The total business worth ~₹ 24694 crore secured in November, 2016 includes re-developmental work of three government colonies viz. Sarojini Nagar, Netaji Nagar and Nauroji Nagar worth ~₹ 24682 crore based on MOU signed with Ministry of Urban Development (MOUD)	The order has been included in its earlier orderbook, which is at ~₹ 72000 crore. This was just a formal announcement	
Consumer durable	Due to a rise in copper prices, wire and cable manufacturers have increased product prices by 10%	Wire and cable manufacturers have decided to pass on the rise in copper prices (main raw material) to end users by taking a prices hike of 10% in the last month. The hike in product prices would help the company maintain gross margins	

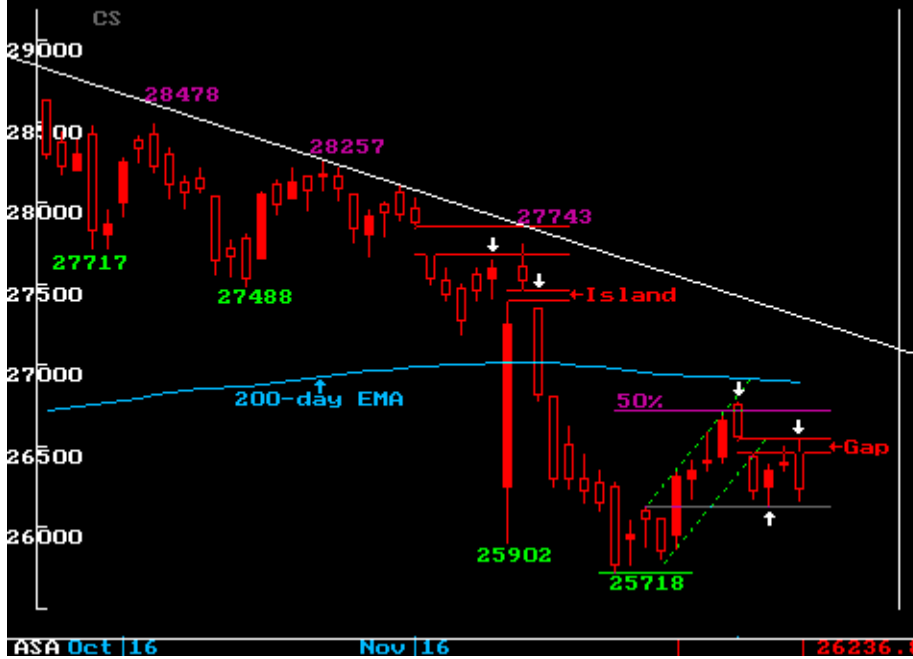
Key developments (Continued...)

- Cipla has received USFDA approval for the generic version of Bristol Myers Squibb's Hepatitis B virus infection tablet Baraclude (Entecavir) in the US
- According to media sources, Jet Airways to raise US\$300 million for international expansion

- We expect SAIL to register sales volume of 3.5 million tonne (MT) for Q2FY17E compared to 2.7 MT for Q2FY16 and 2.8 MT for Q1FY17. Subsequently the topline is expected to come in at ₹ 11080.9 crore, up ~20% both YoY and QoQ. However, after witnessing a turnaround at the EBITDA level in Q1FY17, we expect muted sales realisation to impact the performance of SAIL in Q2FY17. With realisations down ~₹ 1200 sequentially during the quarter, the company is expected to post a loss at the EBITDA level wherein the EBITDA/tonne is expected come in at negative ~₹ 300/tonne (positive EBITDA/tonne of ₹ 835/tonne in Q1FY17)
- CERC has passed the compensatory tariff for Tata Powers UMPP for under-recovery of coal price due to a change in law. However, CERC completed the exercise of quantification of Force Majeure relief to Tata Power. Still, the order will only be effective after it is approved by the Supreme Court, where the issue is currently under litigation. The relief will be the difference between actual procurement price and benchmark Indonesian index price (whichever is lower) and contracted coal price as per coal sale agreements adjusted for mining profits
- EClx Services' step-down subsidiary Agilyst Inc US, would be merged with EClx LLC US, its wholly-owned subsidiary for administrative convenience and to maintain lean organisational structure
- As per media sources, the Union Cabinet has approved a set of reforms including simplified labour laws and technology upgradation for the textile sector. The interventions are expected to boost employment, lead to increase in exports and enhance benefits to the workers in textile and apparel sector

Sensex Chart

SENSEX(26-09-16 TO 07-12-16)Daily



ASA Oct |16 Nov |16 26236.8

Pivot Points

Index/Stocks	Close	S1	S2	R1	R2	Trend
SENSEX	26236.87	26087.50	26049.20	26275.50	26369.55	-ve
NIFTY	8102.05	8056.20	8043.75	8112.70	8140.95	-ve
ACC	1350.00	1348.05	1344.65	1354.75	1358.10	Neutral
AXIS BANK	447.10	439.60	437.40	447.90	452.05	-ve
HDFC BANK	1181.60	1163.75	1160.60	1183.20	1192.95	-ve
SBI	255.60	250.60	249.65	256.15	258.90	-ve
HDFC	1264.95	1264.85	1255.50	1283.60	1295.30	+ve
MARUTI SUZUKI	5116.65	5031.20	4995.50	5118.55	5162.25	-ve
TATA MOTORS	445.35	445.00	442.50	449.95	451.90	+ve
M & M	1182.00	1182.30	1175.85	1195.25	1200.35	+ve
BAJAJ AUTO	2699.05	2676.60	2669.15	2703.90	2717.55	-ve
TCS	2154.55	2138.65	2130.15	2158.05	2167.75	-ve
INFOSYS	966.40	960.05	955.60	966.45	969.65	-ve
CIPLA	570.85	567.65	565.25	571.75	573.80	-ve
ONGC	297.10	295.40	294.30	297.50	298.55	-ve
RELIANCE	999.15	994.45	991.30	1000.10	1002.90	-ve
BHARTI AIRTEL	328.15	323.85	322.05	328.75	331.25	-ve
DLF	111.95	109.35	108.50	112.70	114.35	-ve

Technical Outlook

We said, "Negative if it weakens/closes below bottom of the candle ... " Up 148 points before the RBI announcement, the index reversed 376 points after 2:30 pm and settled 156 points or 0.5% lower. Disappointment on rate-cut affected the pharma, realty, bank indices, which lost 1-2% each. The A/D ratio also turned negative to end at 1:2.

The action formed a sizable Bear candle with higher high but lower low. It confirmed technical resistance at Friday's gap-down area. The candle's low was close to Monday's support & "overlap" level we had marked in Grey. Follow-up weakness below the candle is required to threaten the overlap level. Hence, holding the candle's low can be positive.

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Range bound
Trend Reversal		0
Support	8145-8110	8000
Resistance	8215-8250	8300
20 Days EMA		8188
200 days EMA		8288

Advances / Declines

	Advances	Declines	Unchanged
BSE	1085	1523	181
NSE	564	1038	77

Daily Technical Calls

1. Buy Bharat Forge in the range of 917.00-919.00
2. Sell Jet Airways in the range of 372.00-373.00

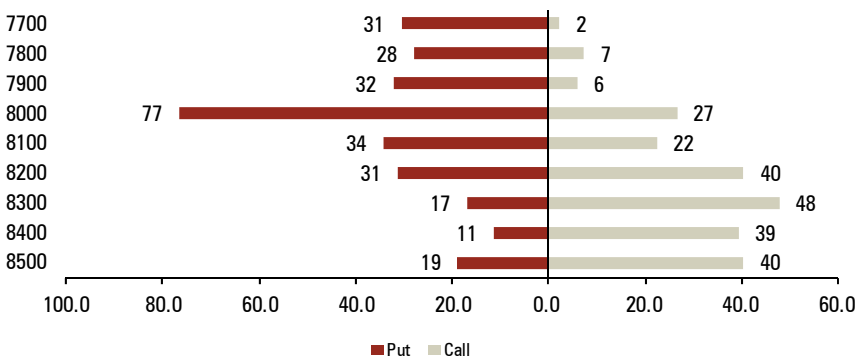
*All recommendations are of December Future

See Momentum Pick for more details

Intraday Derivative Strategy

Buy BHAAIR DEC Fut at 331.00-331.50
View: Bullish Strategy: Buy Future
CMP: 328
Target 1: 333.9 Target 2: 339.3
Stop Loss: 328.6
0
Sell HINUNI DEC Fut at 832.00-834.00
View: Bearish Strategy: Sell Future
CMP: 838
Target 1: 827.3 Target 2: 814
Stop Loss: 840.7
See Daily Derivatives for more details

Nifty Call – Put Strike (No. of shares in lakh) – December 2016



Results/Events Calendar

21	November Monday	22	November Tuesday	23	November Wednesday	24	November Thursday	25	November Friday	26	November Saturday
Sobha Limited Japan Trade Balance		L&T IRB Infrastructures Ltd		Solar Industries Markit Eurozone Mfg PMI Markit US Mfg PMI		Nikkei Japan PMI Mfg		Bata UK GDP YoY			
28	November Monday	29	November Tuesday	30	November Wednesday	01	December Thursday	02	December Friday	03	December Saturday
Timken India Cox & Kings Oil India Mahanagar Gas Sadbhav Engg		US GDP Annualized QoQ		US GDP Annualized QoQ		US GDP Annualized QoQ		US GDP Annualized QoQ		US GDP Annualized QoQ	
05	December Monday	06	December Tuesday	07	December Wednesday	08	December Thursday	09	December Friday	10	December Saturday
Markit US Services PMI Nikkei Japan PMI Services Caixin China PMI Services		US Trade Balance Eurozone GDP SA YoY		RBI Repurchase Rate RBI Reverse Repo Rate RBI Cash Reserve Ratio PNC Infratech GMR Infra		SAIL Japan GDP SA QoQ China Trade Balance ECB Main Refinancing Rate		NMDC India Exports YoY China PPI YoY China CPI YoY US Wholesale Inv MoM			
12	December Monday	13	December Tuesday	14	December Wednesday	15	December Thursday	16	December Friday	17	December Saturday
Maharashtra Seamless India Industrial Prod YoY India CPI YoY		Coal India China Industrial Prod YoY UK CPI YoY		Jagran Prakashan US Industrial Prod MoM India Wholesale Prices YoY Japan Industrial Prod YoY		US CPI YoY US FOMC Rate Decision Markit Eurozone Mfg PMI US FOMC Rate Decision Markit US Mfg PMI		EU CPI YoY			
19	December Monday	20	December Tuesday	21	December Wednesday	22	December Thursday	23	December Friday	24	December Saturday
Japan Trade Balance Markit US Services PMI		BOJ Policy Rate		US Existing Home Sales MoM		US GDP Annualized QoQ		UK GDP YoY UK GDP QoQ			

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
5-Dec	Nikkei Japan PMI Services	JN	Nov	51.80	--
5-Dec	Caixin China PMI Services	CH	Nov	52.90	--
5-Dec	Markit Eurozone Services PI	EU	Nov F	53.80	54.10
5-Dec	Markit/CIPS UK Services PI	UK	Nov	55.20	54.00
5-Dec	Markit US Services PMI	US	Nov F	54.60	54.90
6-Dec	GDP SA YoY	EU	3Q F	1.7%	1.6%
7-Dec	RBI Repurchase Rate	IN	Oct	6.3%	6.0%
7-Dec	RBI Reverse Repo Rate	IN	Oct	5.8%	5.5%
8-Dec	GDP Annualized SA QoQ	JN	3Q F	1.3%	2.3%

Date	Event	Country	Period	Expected	Previous
8-Dec	ECB Main Refinancing Rate	EU	8-Dec	0.0%	0.0%
8-Dec	ECB Deposit Facility Rate	EU	8-Dec	-0.4%	-0.4%
9-Dec	CPI YoY	CH	Nov	2.2%	2.1%

Results Preview

Company	Revenue			EBITDA			PAT		
	Q2FY17E	YoY	QoQ	Q2FY17E	YoY	QoQ	Q2FY17E	YoY	QoQ
SAIL	11,080.9	19.7	19.9	-105.0	NA	PL	-776.1	NA	NA

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

Recent Releases

Date	Report
07 December 2016	Result Update- Ashoka Buildcon
07 December 2016	Management Meet Update- Ashapura Intimates Fashion
07 December 2016	Result Update- Simplex Infrastructure
05 December 2016	Result Update- Dredging Corporation of India
05 December 2016	Company Update- Take Solutions

Research Product Basket

Research Product	Perspective	Frequency	Time frame	Avg. Returns objective	Location on ICICIdirect.com
Pre-market view & Recommendation					
Opening Bell	Daily comprehensive snapshot containing information & in-depth analysis of Indian & US markets, major headlines, technical view, derivatives statistics, economic indicators, commodities, market indicators, domestic & global events.	Pre-market open – Daily	1 Day	-	Market Page, Trading Page- Scroller & iCLICK-2-GAIN
Daily Calls	Features four stocks & Nifty view with a trading outlook for the day based on short-term technical trends considering key technical indicators & statistical information.	Pre-market open – Daily	1 Day	2-3 %	Research page-We Recommend, Trading Page
Daily Derivative	Trading strategy for a day in the futures & options segment based on news events, market trends, technical & other factors governing movements in stocks.	Pre-market open – Daily	1 Day	2-3 %	Research page-We Recommend, Trading Page
Intraday Recommendation					
BTST Calls	Based on short-term technical trends and stock specific news/news expectations.	Daily	1 – 2 Days	1 - 2%	Trading Page - iCLICK-2-GAIN
Margin Calls	Based on short-term technical trends and stock specific news/news expectations.	Daily	1 Days	1 - 2%	Trading Page - iCLICK-2-GAIN
Derivative Calls	Based on short-term technical trends and stock specific news/news expectations.	Daily	1 – 2 Days	1 - 2%	Trading Page - iCLICK-2-GAIN
Derivative Strategies	Provides simplified derivative strategies such as spreads and covered calls				iClick-2-Gain
Weekly & Monthly recommendations					
Weekly Calls	Technical trends for a week considering key technical indicators & statistical information	Weekly	1-7 days	5%	Research page-We Recommend, Trading Page, iCLICK-2-GAIN & iClick-2-Invest
Weekly Technicals	Features stocks with a trading outlook for a week based on short-term technical trends considering key technical indicators & statistical information.	Weekly	1-7 days	4 – 5%	Research page-We Recommend, Trading Page
Weekly Derivatives	Trading opportunities in futures & options segment based on data analysis, overall market trend, volatility & open interest positions of securities.	Weekly	1-7 days	4 – 5%	Research page-We Recommend, Trading Page
Market Trends	Nifty outlook for the month based on F&O data, FI activity, Heavyweights OI analysis along with statistical inputs.	Monthly	30 days	-	Trading Page
Global Derivatives	Derivatives outlook on global equity indices, currencies and commodities. Also, elaborating the likely impact on the Indian bourses.	Monthly	30 days	-	Trading Page
Monthly Technical's	Trading outlook for a month based on medium-term technical trends considering key technical indicators & statistical information.	Monthly	30 days	10%	Research page-We Recommend, Trading Page, iClick-2-Invest
Medium & Long term recommendations					
Tecno Funda Pick/Technical Deliver Call	On basis of Technical and Fundamental whenever opportunity occurs we give these calls	Not regularly recommended	3 months	20%	Trading Page, iCLICK-2-GAIN & iClick-2-Invest
Positional Derivatives	Identifying Out-performers/Under-performers vis a vis index along with positional recommendation on Stocks/Nifty.	Fortnightly			Trading Page, iCLICK-2-GAIN
Stocks on the move	Covers stocks, which are likely to show significant upward movement in the next 15 days due to change in trader sentiment.	Monthly	3 months	15 – 20%	Research page-We Recommend, Trading Page, Scroller, iCLICK-2-GAIN
Detailed Company Report	Fundamental report understanding the business model and future prospects of the company & valuations.	When published	> 1 year	> 20% & above	Research page-We Recommend, Trading Page, iCLICK-2-GAIN & iClick-2-Invest
Equity Model Portfolio	A portfolio based on your risk appetite: large cap, midcap and diversified				Research page-We Recommend, iClick-2-Gain
High Dividend Yield Stocks	Features high dividend yielding stocks for assured returns on investment	Quarterly			Research page-We Recommend, iClick-2-Gain



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