

Morning Notes

Indices	12-Dec	11-Dec	% Chg.
S&P BSE SENSEX	35,779	35,150	1.79%
Nifty 50	10,738	10,549	1.79%
NIFTY Midcap 100	17,420	16,972	2.64%
NIFTY Smallcap 100	6,214	6,033	3.00%

BSE Sectoral Indices			
Nifty Realty	233	224	4.36%
Nifty Auto	9,166	8,847	3.61%
Nifty Metal	3,133	3,055	2.54%
Nifty Infrastructure	3,051	2,976	2.52%
Nifty MNC	13,736	13,439	2.21%
Nifty PSU Bank	2,941	2,881	2.08%
Nifty Bank	26,644	26,163	1.84%
Nifty Financial Services	11,280	11,082	1.79%
Nifty FMCG	30,085	29,563	1.77%
Nifty Energy	13,913	13,710	1.48%
Nifty Media	2,531	2,497	1.36%
Nifty IT	14,739	14,580	1.09%
Nifty Pharma	8,802	8,747	0.63%

Major Indices	12-Dec	11-Dec	% Chg.
United States	24,527	24,370	0.64%
S&P 500	2,651	2,637	0.54%
London	6,880	6,807	1.08%
Frankfurt	10,929	10,781	1.38%

Major Asian Indices	12-Dec	11-Dec	% Chg.
Hong Kong	26,187	25,772	1.61%
Nikkei 225	21,603	21,148	2.15%
Korea	2,083	2,053	1.44%
Shanghai	2,602	2,594	0.31%
Taiwan	9,816	9,707	1.13%

FII's & DII's in equity					Rs Crs
12-Dec	Buy	Sell	Net	Total %	
FII / FPI Investments	4,177	5,476	-1,299	28%	
DII's Investments	4,215	3,094	1,121	21%	
* Total % - contribution to the total turnover					

FII's in Derivatives (F&O)					Rs Crs
12-Dec	Index Fut	Index Opt	Stock Fut	Stock Opt	
Net	-489	1,301	-5	191	
OI	26,441	61,983	85,515	7,793	
Chg.OI	2.3%	1.6%	2.5%	4.7%	
FIIs' contribution to the total F&O turnover					27%

Curr. Derivatives (NSE)	12-Dec	11-Dec	Chg.	% Chg.
USDINR 27-DEC-2018	72.11	72.03	0.07	0.10%
EURINR 27-DEC-2018	81.86	82.15	-0.30	-0.36%
JPYINR 27-DEC-2018	63.69	63.81	-0.12	-0.18%
GBPINR 27-DEC-2018	90.46	90.95	-0.49	-0.54%

Commodities (MCX)	12-Dec	11-Dec	Chg.	% Chg.
Aluminium(31DEC2018)	138.4	140.0	-1.60	-1.1%
Copper (28FEB2019)	442.9	446.2	-3.35	-0.8%
Crude (18DEC2018)	3,749	3,754	-5.00	-0.1%
Gold (05FEB2019)	31,732	31,935	-203.00	-0.6%
Silver (05MAR2019)	38,561	38,331	230.00	0.6%

ADR (\$)	12-Dec	11-Dec	Chg.	% Chg.
Tata Motors (TTM)	11.51	10.80	0.71	6.57%
ICICI Bank (IBN)	9.65	9.28	0.37	3.99%
HDFC Bank (HDB)	98.67	95.56	3.11	3.25%
Wipro (WIT)	5.11	5.05	0.06	1.19%
Infosys (INFY)	9.66	9.69	-0.03	-0.31%
Dr. Reddy's Lab (RDY)	35.91	37.20	-1.29	-3.47%

Domestic Market View

Markets likely to open in green on positive macro data

Indian markets ended higher on Wednesday, with gains of around two percent, led by across-the-board buying and supportive global cues. Besides, investors reacted positively to the results of assembly elections and the appointment of a new governor for the Reserve Bank of India. Today, the markets are likely to make optimistic start on positive macro-economic data amid supportive global cues. The Central Statistics Office (CSO) in its latest data showed that India's industrial output grew at an 11-month high of 8.1% in October mainly on the back of mining, power and manufacturing sectors coupled with higher offtake of capital as well as consumer durable goods. Industrial production measured in terms of Index of Industrial Production (IIP) grew 1.8% in October 2017. The previous high IIP growth rate was recorded in November last year at 8.5%. Also, India's retail inflation eased to 2.33% in November as compared to 4.88% in November last year and was 3.31% in October.

Traders will be getting some encouragement with S&P Global's statement that India's rapid economic growth will be enough to offset worries about the independence of its central bank and keep its credit rating in the coveted investment grade bracket. Traders may take note of report that the government hiked Minimum Support Prices (MSPs) of 22 mandated agricultural crops and Fair & Remunerative Price (FRP) for Sugarcane on the basis of recommendations of Commission for Agricultural Costs & Prices (CACP). Meanwhile, exporters body Federation of Indian Export Organisations (FIEO) urged new Reserve Bank of India (RBI) Governor Shaktikanta Das to ensure smooth flow of credit to the sector as decline in the funds will hit outbound shipments.

There will be some buzz in banking sector stocks with rating agency Icra's report that the government is likely to keep its bank recapitalisation target unchanged at Rs 65,000 crore for the current financial year as lenders under RBI's prompt corrective action (PCA) framework will not maintain capital conservation buffers

Domestic Market Overview

NSE NIFTY



BSE SENSEX



Markets end jubilant session at intraday highs

Key Indian equity benchmarks geared up on Wednesday to end the trading session with plenty of gains i.e. 1.79%, ahead of macro-economic data of industrial production and consumer price inflation to be released after the market hours. The start of day was cheerful, aided by reports that the Reserve Bank will infuse Rs 10,000 crore into the market through open market operations (OMOs) on December 13. Adding some enthusiasm on the street, Industry body CII said that the appointment of former bureaucrat Shaktikanta Das as the new Reserve Bank of India (RBI) Governor comes as a huge sentiment booster to the industry and expressed confidence that he will take urgent steps to address the liquidity squeeze in economy. Das was appointed as the new governor of the RBI, a day after his predecessor Urjit Patel's resignation. Domestic sentiments also got boost, with another report stating that markets regulator SEBI will discuss a slew of measures at its board meeting on December 12 for expanding its offer for sale framework to more companies, relax its norms for clubbing of investment limits by established foreign investors and tighten insider trading rules.

In the second half of the session, the markets gained traction to reach their intraday high points, tracking really in global markets. The markets participants remained encouraged, as Asian Development Bank (ADB) retained Indian growth forecast at 7.3 percent for the current fiscal and 7.6 percent for the next financial year 2019-20, amid rebounding exports and higher industrial & agricultural output. Separately, CII said that the government should consider permitting 100% foreign direct investment. Further, the street were seen taking note of Fitch Ratings' statement that the resignation of Urjit Patel as Reserve Bank Governor highlights the risks to RBI's policy priorities and increased government influence on the central bank could undermine the efforts to address bad loan problems. The markets overlooked report that the government has detected GST evasion worth Rs 12,000 crore in 8 months till November. Investors even paid no heed towards Reserve Bank's data report showing that India Inc's overseas investment fell 35 percent over the year to \$1.05 billion in November.

Construction sector stocks ended in green, despite CARE Ratings' report stating that the pace of the construction sector is set to face a decline in FY20 on funding shortage for new projects, while healthcare stocks gained, buoyed by Prime Minister Narendra Modi's statement that India is set to increase its public health spending to 2.5 percent of its gross domestic product (GDP) by 2025. Further, coal Industries stocks were in limelight, as Coal Ministry stated that the government's effort to increase domestic coal production and power demand falling with the onset of the winters will check coal imports.

Top Gainers CNX Nifty	Company	LTP	Chg	% Chg
	BHARTIARTL	311	21	7.2
	IBULHSGFIN	741	48	6.9
	HEROMOTOCO	3248	209	6.9
	ADANIPTS	375	19	5.4
	UPL	786	38	5.0

Top Losers CNX Nifty	Company	LTP	Chg	% Chg
	DRREDDY	2597	-119	-4.4
	INFRATEL	251	-2	-0.8
	HINDPETRO	219	-1	-0.6
	TITAN	930	-4	-0.4
	ASIANPAINT	1330	6	0.5

Top Gainers BSE 100	Company	LTP	Chg	% Chg
	HEROMOTOCO	3265	230	7.6
	IBULHSGFIN	734	39	5.6
	M&MFIN	438	23	5.6
	UPL	790	41	5.4
	YESBANK	187	9	5.3

Top Losers BSE 100	Company	LTP	Chg	% Chg
	DRREDDY	2582	-127	-4.7
	PFC	85	-3	-3.0
	LUPIN	822	-14	-1.6
	CONCOR	652	-10	-1.5
	GLENMARK	659	-6	-0.9

Top Gainers BSE Midcap	Company	LTP	Chg	% Chg
	ABFRL	200	17	9.0
	BANKINDIA	86	6	7.5
	PNBHousing	960	61	6.8
	3MINDIA	22418	1414	6.7
	LTI	1620	96	6.3

Top Losers BSE Midcap	Company	LTP	Chg	% Chg
	ALKEM	1896	-31	-1.6
	CONCOR	652	-10	-1.5
	MFSL	430	-5	-1.2
	GODREJIND	546	-7	-1.2
	KANSAINER	458	-6	-1.2

Top Gainers BSE Smallcap	Company	LTP	Chg	% Chg
	INDORAMA	21	3	19.9
	APTECH	192	31	19.5
	IBVENTURES	396	57	16.8
	ALANKIT	22	3	16.5
	TATASTLSL	38	5	16.4

Top Losers BSE Smallcap	Company	LTP	Chg	% Chg
	ROLTA	10	-0.5	-5.0
	AIFL	20	-1	-4.9
	GPTINFRA	55	-2	-4.2
	ARSHIYA	33	-1	-4.0
	SHIVACEM	16	-1	-4.0

NIKKEI 225 INDEX



FTSE 100 INDEX



NASDAQ NMS COMPOSITE INDEX



Global Market Overview

Asian markets end in green on Wednesday

Asian markets ended in green on Wednesday after various reports pointed to an easing in tensions between the US and China. Reports emerged in the US overnight that China was moving to cut import tariffs on cars made in the US from 40 percent to 15 percent -- that reports boosted auto stocks stateside and in Asia. Reports that Huawei's chief financial officer Meng Wanzhou was granted bail by Canada also added to the positive sentiment. Chinese shares ended slightly higher on easing trade tensions with the US and hopes of a domestic stimulus package, amid subdued market activity for the second day as investors remained cautious ahead of the year-end.

US markets end higher on trade optimism

The US markets ended higher on Wednesday as traders keep up hope that the US and China will make progress on resolving their trade dispute. The strength on markets came in after President Donald Trump expressed optimism about striking a trade deal with Chinese President Xi Jinping. Trump noted that trade talks between US and Chinese officials were underway by telephone and suggested more meetings are likely. Moreover, he said 'If it is necessary, I will have another meeting with President Xi, who I like a lot and get along with very well'. Further, Trump said he could potentially intervene in the arrest of Huawei Technologies Company's chief financial officer Meng Wanzhou, offsetting concerns her detention could hurt trade negotiations. Meng was arrested in Canada, where she faces possible extradition, at the behest of the US over allegations she had lied to banks about Huawei's connections with another firm that did business with Iran.

On the economic front, with a sharp pullback in gasoline prices offsetting increases in other prices, the Labor Department released a report showing consumer prices came in flat in the month of November. The report said the Labor Department's consumer price index was unchanged in November after rising by 0.3 percent in October. The unchanged reading matched street estimates. The report said energy prices tumbled by 2.2 percent in November after jumping by 2.4 percent in October, as gasoline prices plunged by 4.2 percent after surging up by 3.0 percent in the previous month. The Labor Department said the steep drop by the gasoline index was offset by increases in an array of indexes, including shelter and used cars and trucks.

Dow Jones Industrial Average surged 157.03 points or 0.64 percent to 24527.27, S&P 500 gained 14.29 points or 0.54 percent to 2651.07 and Nasdaq was up by 66.48 points or 0.95 percent to 7098.31.

Index Futures

(OI in '000)Shares)	Future 12-Dec	Chg (%)	Spot 12-Dec	Spot 11-Dec	Chg (%)	Prem / Disc	Total Open Interest	
							12-Dec	Chg (%)
NIFTY	10,783.7	1.91	10,738	10,549	1.79	46.0	22,694	2.37
NIFTYIT	14,799.0	1.10	14,739	14,580	1.09	60.5	18	-4.46
BANKNIFTY	26,758.3	1.60	26,644	26,163	1.84	114.5	1,648	10.60

Increasing OI, Increasing Delivery Qty & Increasing Price in Stock Futures (Open Interest in '000 Shares)

Symbol	Total OI		Del Qty Cash Market			Prev	Increase	Spot	Fut	Spot	Fut	Prem /
	12-Dec	% Chg.	12-Dec	11-Dec	% Del.	% Del.	Del Qty	(₹)	(₹)	Chg (%)	Chg (%)	Disc
TVSMOTOR	7,452	40.0%	36,44,427	71,567	38%	12%	35,72,860	571	573	3.6%	3.5%	2.9
CHOLAFIN	831	17.3%	2,76,612	2,29,370	55%	50%	47,242	1,240	1,246	4.5%	4.2%	6.1
IGL	6,474	15.8%	9,45,577	7,08,367	54%	49%	2,37,210	251	252	0.6%	0.8%	1.4
ORIENTBANK	12,281	11.9%	8,00,749	3,66,290	9%	5%	4,34,459	89	89	6.2%	6.3%	0.3
BERGEPAINT	2,114	11.0%	3,45,686	1,66,026	38%	31%	1,79,660	319	319	2.0%	2.1%	0.3
IBULHSGFIN	21,418	10.7%	28,28,814	24,22,241	27%	26%	4,06,573	734	737	5.8%	5.8%	3.0
HEROMOTOCO	1,348	8.4%	10,39,545	2,22,189	42%	47%	8,17,356	3259	3273	6.9%	7.4%	14.3
CANBK	11,824	8.0%	7,76,342	3,11,787	10%	4%	4,64,555	258	259	3.7%	4.1%	1.3
COLPAL	1,417	6.8%	3,58,374	1,84,507	42%	19%	1,73,867	1273	1269	2.7%	2.3%	-3.8

Increasing OI, Increasing Delivery Qty & Decreasing Price, (Open Interest in '000 Shares)

Symbol	Total OI		Del Qty Cash Market			Prev	Increase in	Spot	Fut	Spot	Fut	Prem /
	12-Dec	% Chg.	12-Dec	11-Dec	% Del.	% Del.	Del Qty	(₹)	(₹)	Chg (%)	Chg (%)	Disc
GODREJIND	1,854	17.5%	5,91,185	87,102	49%	24%	5,04,083	545	549	-1.5%	-0.9%	3.3
INFRATEL	8,991	4.7%	15,23,497	3,22,274	62%	34%	12,01,223	251	252	-0.5%	-0.6%	1.4
CONCOR	3,124	4.3%	3,59,281	1,51,844	48%	39%	2,07,437	652	656	-1.1%	-1.1%	3.5
RECLTD	49,884	2.5%	79,87,196	58,24,558	51%	40%	21,62,638	102	102	-0.5%	-0.6%	0.5
JUBLFOOD	2,193	1.9%	5,81,121	1,56,362	25%	7%	4,24,759	1233	1240	-2.5%	-1.6%	6.8
TATAPOWER	45,144	1.6%	16,90,475	10,87,622	35%	25%	6,02,853	79	80	-0.1%	0.3%	0.5
INDIGO	2,732	1.3%	2,38,739	2,17,202	29%	23%	21,537	1024	1027	-0.2%	-0.2%	3.0

Corporate News

- **SORIL Infra Resources** has initiated the process to foray into financial services business with primary focus on providing financial services in rural India. For this, the company has started the necessary process of acquiring an existing NBFC, as wholly owned subsidiary of the company, to undertake lending business in the rural markets.
- **Strides Pharma Science's** step-down wholly owned subsidiary, Strides Pharma Global Pte., Singapore, has received approval for Lidocaine Ointment USP 5% from the United States Food & Drug Administration (USFDA). Lidocaine Ointment is a generic version of Xylocaine Ointment of AstraZeneca Pharmaceuticals LP.
- **Jubilant FoodWorks** has been allotted 51,00,000 ordinary equity shares at a par value of BDT 10 (Bangladesh Taka Ten) each, in Jubilant Golden Harvest a joint venture (JV) Company on December 11, 2018. Subsequent to the allotment, the company has become 51% shareholder in the JV company.
- **Tata Consultancy Services (TCS)** has been positioned as a leader in the Gartner Magic Quadrant for Application Testing Services WW, for the fifth consecutive year.
- **Ambuja Cements'** Board has approved an additional annual clinker capacity of 1.4 million tonnes (taking the total clinker capacity to 3.1 million tonnes), additional cement grinding capacity of 1.8 million tonnes and Captive Power Plan & Waste Heat Recovery System at Marwar Mundwa at an additional estimated cost of Rs 960 crore taking the total investment to Rs 2,350 crore. The projects are proposed to be funded through internal accruals. With this expansion company's total cement capacity will increase to 31.5 million tonnes and this project will allow the company to strengthen its market presence.
- **Emkay Global Financial Services'** wholly owned subsidiary Emkay Insurance Brokers (EIBL) has finalized an arrangement with Ideal Insurance Brokers (Ideal) for transfer of entire insurance broking business of EIBL including non-compete fee to Ideal, for a consideration of Rs 1.71 crore.
- **Shriram Transport Finance** has raised funds aggregating to Rs 660 crore on private placement basis through allotment of 6600 Rated, Unsecured, Subordinated, Taxable Non-Convertible debentures (NCD) of face value of Rs 10 lakh each.
- **Agio Paper & Industries** has received approval for fund raising by way of issue of 10% Non-cumulative Redeemable Preference Shares upto a value of Rs 5 crore on Private Placement basis. The Board of directors of the company at its meeting held on December 12, 2018 has approved for the same.
- **White Organic Agro** has received first direct export order of 600 MT of long grain creme sella rice to Rebat Al Houda Trading Est, Dammam, Kingdom of Saudi Arabia. The total revenue expected from the current rice contract would be approx Rs 2.5 crore per cycle. The initial scalability of business of rice in the international market is approx Rs 50 crore. In addition to the current business activities of the company, the revenue expected from the Organic Rice business would be approx Rs 50 crore annually.
- **IL&FS Transportation Networks** has received Provisional Completion Certificate for the development of six laning of Ranchi Ring Road Section - VII in the State of Jharkhand implemented by Jharkhand Infrastructure Implementation Company, a wholly owned subsidiary of the Company under the Jharkhand Accelerated Road Development Programme of the Government of Jharkhand. The length of the road is 23.575 km and was completed within the construction period of 2.5 years.
- **Ramco Systems** has secured yet another deal from a leading adversary air (ADAIR) services provider to the US Defense Forces, to manage its fleet of fighter aircraft used for highly complex training fleet and Defense contract requirements.
- **Bilcare** is going to examine various options of augmenting resources to enable the company to improve its capital structure and strengthen its operations. The meeting of the Board of Directors of the company is scheduled to be held on December 14, 2018, to consider the same.
- **State Bank of India (SBI)** has received approval to raise long term fund in single/multiple tranches up to \$1.25 billion through a public offer and/or private placement of senior unsecured notes in US Dollar or any other convertible currency during January to March 2019. The Executive Committee of the Central Board at its meeting held on December 12, 2018 has approved the same.
- **Amrutanjan Health Care** has received award for Brand Excellence in Health Care Sector in the Tamilnadu Best Brand Leadership Awards, 2018.
- **MGN Agro Properties (MGN)** has acquired 10,500 (0.01%) Equity shares of Welspun Enterprises from the open market, on December 11, 2018.

- **Tata Consultancy Services (TCS)** has been awarded the Gold rating in the EcoVadis 2018 CSR Assessment. The company's initiatives in Corporate Social Responsibility (CSR) received the Gold rating for the fifth consecutive year.
- **Vivimed Labs' 50:50 Joint Venture (JV)** strides vivimed Pte, Singapore has received approval for Albendazole Tablets USP 200mg from the United States Food & Drug Administration (USFDA). This is the second generic approval by USFDA for Albendazole Tablets.
- **Mahindra & Mahindra Financial Services (Mahindra Finance)** has raised funds aggregating to Rs 1056 crore. Of total, the company has approved the allotment of 5,000 Secured Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs 10,00,000 each, at a premium, aggregating to Rs 500 crore and 5,560 Secured Redeemable NCDs of the face value of Rs 10,00,000 each at par, aggregating to Rs 556 crore. The said NCDs shall be listed on the Wholesale Debt Market Segment of the BSE.
- **ACC** has received an approval from board for setting up a Greenfield Integrated Cement Plant at Ametha, District Katni, Madhya Pradesh (Clinker capacity of 3 MTPA and Cement capacity of 1 MTPA) along with expansion of the existing grinding unit in Tikaria, Uttar Pradesh (Cement capacity of 1.6 MTPA) and a third grinding unit also in Uttar Pradesh (cement capacity 2.2 MTPA). The company's board has also approved the setting up of 1.1 MTPA Cement Grinding Facility at the existing location at Sindri, Jharkhand.
- **NBCC (India)** has received a Letter of Award (LoA) of work from Ministry of Skill Development and Entrepreneurship, Government of India for construction of office building i.e. Kaushal Bhawan at New Delhi. The estimated cost of project is approximately Rs 172 crore.
- **Shalby** has signed a Memorandum of Understanding (MoU) with International SOS for providing Medical Assistance to Foreign Travelers to India for availing inpatient, outpatient treatment and health check services while on travel to India for business or tourist visa.
- **Kilburn Chemicals** has not restarted the production operations, after the scheduled annual Boiler maintenance period, due to severe cash flow issues.
- **PNC Infratech's** wholly owned subsidiary-- PNC Challakere (Karnataka) Highways has achieved financial closure by submitting duly executed financing documents to NHAI for the Hybrid Annuity Model (HAM) Project.
- **State Bank of India (SBI)** is running pilot projects to disburse agricultural loans digitally and expects to roll out the services very soon. The bank has tied-up with some players for settlement of payments.
- **Reliance Industries** has raised funds by allotting various series of debentures on private placement basis. The company has allotted 25,000 Partly-paid Unsecured Redeemable Non-Convertible Debentures (NCDs) of face value of Rs 10 lakh each aggregating to Rs 2,500 crore (PPD Series IA Debentures) and 30,000 Unsecured Redeemable NCDs of face value of Rs 10 lakh each aggregating to Rs 3,000 crore (PPD Series IB Debentures).
- **Unichem Laboratories** has received Tentative Approval for its Abbreviated New Drug Application (ANDA), Tadalafil Tablets, 2.5 mg, 5 mg 10 mg and 20 mg from the United States Food and Drug Administration (USFDA) for a generic version of ELI LILLY's Cialis, 2.5 mg, 5 mg, 10 mg and 20 mg..
- **JSW Steel** has reported Crude Steel production at 13.90 lakh tonnes (LT) for November 2018, registering a growth of 2% over corresponding month of previous year.
- **Reliance Industries' (RIL)** telecom arm -- Reliance Jio Infocomm (Jio) has received approval for scheme of arrangement for transfer of its fibre undertaking, on a going concern basis, to a separate company. The company has also received approval for scheme of arrangement for transfer of its tower undertaking, on a going concern basis, to a separate company. The Board of Directors of the Company at its meeting held on December 11, 2018 has approved the same.
- **Ashok Leyland** has signed a Memorandum of Understanding (MoU) with ELBIT Systems. As part of this agreement, the company will provide High Mobility vehicles (HMV) for mounting ELBIT Systems' artillery guns and systems.
- **Kaveri Seed Company** is planning to merger of Kaveri Microteck with Kexveg India both the companies are 100% wholly owned subsidiary companies and un-listed non material subsidiaries of the company. The Board of Directors of the Company at its meeting to be held on December 20, 2018 to consider the same.
- **Zydus Wellness (ZWL)** has received approval from the Competition Commission of India (CCI) for the company's acquisition of Heinz India jointly with Cadila Healthcare. The definitive agreement in relation to this acquisition was signed on October 24, 2018.

Economy

➤ **ADB retains India's growth forecast at 7.3% for FY19**

Amid rebounding exports and higher industrial & agricultural output, Asian Development Bank (ADB) has retained Indian growth forecast at 7.3 percent for the current fiscal and 7.6 percent for the next financial year 2019-20.

However, ADB listed some of the downside risks to these projections such as tightness in credit flow due to stress in the non-banking financing sector, limited fiscal space for public capital expenditure and escalating trade tensions. But, it hopes that some of the risks to the economy could be offset by the recent decline in crude oil prices and competitive exports due to rupee depreciation since the beginning of this calendar.

Asian Development Bank further blamed factors like weak food prices, dampening rural consumption, higher oil prices and rising raw material costs for the slowdown in Q2 and noted that the fall in growth was a bit steeper than anticipated. Meanwhile, India saw a moderation in GDP growth to 7.1 per cent during July-September quarter from 8.2 per cent in April-June.

➤ **New RBI Governor will take urgent steps to address liquidity squeeze in economy: CII**

Industry body the Confederation of Indian Industry (CII) has said that the appointment of former bureaucrat Shaktikanta Das as the new governor of the Reserve bank of India (RBI) comes as a bid sentiment booster to the industry. It also expressed confidence that Das will take urgent steps to address the liquidity squeeze in economy.

It also said the announcement enables a smooth transition process and ensures that stability will be maintained. It also said that the government, in selecting an experienced economic expert, has avoided disruption and imparted huge confidence to investors and industry.

CII further said that the industry was confident that the liquidity squeeze in the banking and non-banking financial sector, which is spilling over to the various segments of industry would be taken up with all urgency by Das and there would be seamless flow of credit to industry and trade, especially to the Micro- Small and Medium Enterprises (MSMEs).

➤ **India to add 10,000 Mw of renewable energy generation capacity in FY20: ICRA**

The rating agency ICRA in its latest report has said that India will add 10,000 Megawatt (Mw) of renewable energy (RE) generation capacity in the next fiscal ending March 2020, with the share of RE in the overall generation mix growing across India. It indicated that the share of

renewables in the overall generation mix has increased to 7.8 percent in FY18 from 5.6 percent in FY15, largely due to the large-sized capacity addition in the wind and solar power segments during this period, driven by policy support from central and state governments as well as the significantly improved tariff competitiveness of wind and solar power vis-a-vis conventional power sources. Besides, it has maintained a year-end stable outlook for the sector.

According to the report, the project awards by the central nodal agencies and state distribution utilities in 2017 and 2018 (year-to-date) provide a reasonably healthy visibility for RE capacity addition in FY19 and FY20 with expected addition of about 9,000 MW in FY2019 and about 10,000 MW in FY2020. It also said that this is expected to increase the share of RE in the all India generation to 10 percent by FY20 and further to 13 percent by FY22 based on capacity addition forecasts. However, it said that RE sector especially wind and solar segments remain exposed to near-term challenges arising due to cost impact of safeguard duty and rising interest rate, coupled with transmission network availability.

ICRA further said that the average bid tariffs discovered in the auctions for wind and solar power projects in 2018 has so far remained at Rs 2.6-2.7 per unit, increasing slightly from the low of Rs 2.4 per unit. It noted that this uptrend in bid tariffs was partly driven by factors such as cost headwinds arising from rising interest rates, increase in capital costs due to imposition of taxes and duties, a weak rupee against dollar for imported equipment, and rising equipment costs.

➤ **RBI remains net seller of dollar in October 2018**

The Reserve Bank of India (RBI) in its latest data has showed that it continued to remain a net seller of the US dollar in October 2018, as it sold \$7.204 billion of the greenback in the spot market. RBI maintains that its intervention in the foreign exchange market is to curb volatility in the rupee and not to target a level of the domestic currency.

In the reporting month, the central bank purchased \$945 million, while sold \$8.149 billion in the spot market. In September 2018, the RBI sold \$31 million of the US currency in the spot market on a net basis, after it bought \$1.012 billion, while selling \$1.043 billion. Though, in October 2017, the bank was net buyer of US currency, after it had bought \$1.910 billion, while sold \$1.058 billion in the spot market.

Besides, the RBI data showed, in the forward dollar market, the outstanding net forward sales at the end of October 2018 was \$2.888 billion, compared with \$1.358 billion in September. In the last financial year (FY18), the bank had net purchased \$33.689 billion of US dollars from the spot

market. It had bought \$52.068 billion, while sold \$18.379 billion. In the financial FY17, the RBI had bought \$12.351 billion of the US dollar on a net basis.

➤ **Govt need to consider permitting 100% FDI in multi-brand retail trade: CII**

In order to promote growth in multi-brand retail trade, industry body the Confederation of Indian Industry (CII) in its latest report has stated that the government should consider permitting 100% foreign direct investment (FDI) in multi-brand retail trade and further improve ease of doing business for the sector. With an aim to overcome the barriers and enable a smooth growth and harmonious coexistence of traditional and modern retail, the industry body said the government needs to adopt a single cohesive national retail policy, which adequately addresses all the concern areas.

The report further said the government should encourage modernisation of traditional retail by subsidising these retailers to adopt technology. It added that improved access to capital will help retail business especially the traditional retailers. It said that with a simplified, cohesive policy and a focused effort on modernising traditional retail sector, government can create multiple wins such as higher growth of the sector, larger traditional retail stores under regulatory compliance, and improved back-end efficiency with a lower overall cost to serve. So far, only one foreign player, Tesco, had received approval for opening stores under the multi-brand retail policy.

This recommendation is a part of CII's national retail policy, which was jointly prepared by the industry chamber and AT Kearney. The policy has suggested several steps, including strengthening labour laws by regularising policies around part-time labour to ensure greater participation of women in the workforce; and review of food safety policies to update archaic laws governing stocking limits, weights and measures, labeling, and taxes on expired food items. It also asked for decreasing real estate constraints for retail expansion by creating dedicated retail special economic zones as well as simplify regulations and real estate approvals for kiranas to expand their stores.

CNX Nifty Intraday chart



Technical View

Index closed a day at 10738 with strong gain of 188 points on Wednesday session and formed a big bullish candle on daily chart. Index has shifted its support to 10700-10650 zone, holding these levels we may head towards previous immediate high of 10925 and immediate resistance for a day is seen near 10830-10900 zone overall its buy on dip markets. Nifty bank has support near 25550-25400 and resistance is coming near 26780-26950 zone.

Source: LKP Research, BSE & Ace Equity

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