



Market Outlook

Indian markets are expected to open in red following mixed global cues. Progress of monsoon, movement of crude oil prices along with institutional flows to dictate the trend

Markets Yesterday

- Domestic markets ended in red, snapping three day winning streak
- US markets ended modestly lower on weak global cues

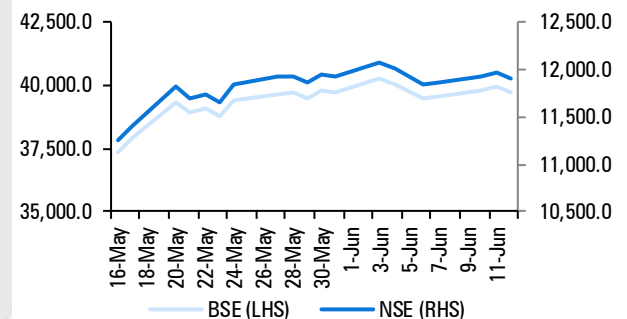
Key Developments

- CPI inflation rose to 3.05% in May 2019, a seven month high compared with 2.99% in April 2019. Higher vegetable and food prices led to the fourth consecutive monthly increase in retail inflation. Vegetable inflation at 5.5 % was at 11-month high and pulses witnessed inflation after a gap of 29 months. Core inflation however came lower at 4.37%. Overall inflation trajectory remain well within the RBI target range and does not seem to be a worry point as of now.
- IIP growth came in at 6-month high of 3.4% in April 2019 (0.4% in March 2019, 4.5% in April 2018). The biggest contributor to growth was manufacturing. Out of 3.4% growth in Apr, manufacturing contributed 220bps followed by mining (70bps) and electricity (50bps).
- Wipro has entered into a partnership with Moogsoft, a pioneer and leading provider of artificial intelligence for IT operations. Wipro will leverage Moogsoft's industry-leading platform to deliver next-generation artificial intelligence for IT operations (AIOps) solutions for its customers

Today's Highlights

US initial jobless claims, EC industrial production SA YoY

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	39,757	39,950	-0.5	0.1	10.2	20.5
Nifty	11,906	11,966	-0.5	-0.1	9.6	19.7

Institutional Activity

	CY17	CY18	YTD CY19	Yesterday	Last 5 Days
FII (₹ cr)	-40,663	-68,503	57,676	-1,050	-2,666
DII (₹ cr)	91,032	107,388	-10,000	271	-180

World Indices – Monthly performance

	BSE	NSE	U.K.	France	Germany
	39,757	11,906	7,368	5,375	12,116
	6.1%	5.6%	2.3%	0.9%	0.5%
	Dow Jones	Kospi	Nikkei	Shanghai	Nasdaq
	26,005	2,084	21,129	2,895	7,793
	0.4%	0.0%	-0.3%	-1.0%	-1.6%

For a quick update on market news and actionables please listen to our Morning Podcast:

<https://www.icicidirect.com/mailimages/MorningPodcast.html>

Nifty Heat Map

Tata Steel	506 2.7%	GAIL	310 1.3%	ONGC	171 0.9%	Vedanta Ltd	170 0.4%	HUL	1,847 0.4%
Sun Pharma	391 0.4%	TCS	2,261 0.4%	Cipla	562 0.3%	Titan	1,289 0.3%	RIL	1,332 0.2%
Wipro	298 0.1%	ITC	280 0.0%	IOC	163 0.0%	HCL Tech	1,108 0.0%	Asian Paints	1,425 0.0%
Eicher	20,106 -0.1%	Infosys	754 -0.1%	Hindalco	199 -0.2%	Axis Bank	814 -0.2%	Grasim	888 -0.2%
Lupin	726 -0.3%	Adani Ports	425 -0.3%	Ultratech	4,569 -0.3%	HDFC Ltd	2,182 -0.4%	Dr Reddy	2,590 -0.6%
NTPC	134 -0.7%	Bajaj Finserv	8,226 -0.7%	Coal India	257 -0.7%	M&M	632 -0.7%	ICICI Bank	418 -0.8%
HDFC Bank	2,427 -0.9%	SBI	344 -0.9%	Bharti Airtel	360 -0.9%	Zee Ent.	343 -1.0%	L&T	1,509 -1.0%
Tata Motors	169 -1.0%	Power Grid	191 -1.3%	Bajaj Finance	3,506 -1.3%	Indusind Bank	1,570 -1.3%	UPL	1,021 -1.3%
Bajaj Auto	2,945 -1.4%	BPCL	381 -1.6%	Kotak Bank	1,484 -1.6%	Hero Moto	2,728 -1.7%	Maruti	6,852 -1.8%
TECHM	748 -1.9%	HPCL	302 -2.1%	Yes Bank	135 -3.4%	Bharti Infratel	273 -3.5%	IBULHSG FIN	621 -7.9%

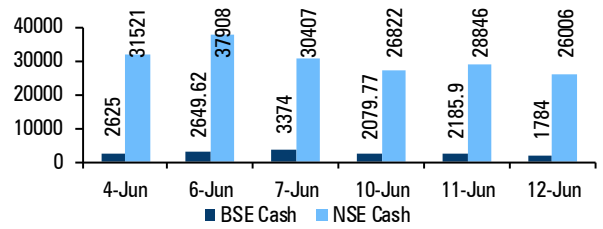
Markets Today

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	32,590	32,331	0.8	1.7	3.2
Silver (₹/kg)	36,629	36,414	0.6	0.7	-4.3
Crude (\$/barrel)	60.0	60.0	0.0	-7.0	11.5
Copper (\$/tonne)	5823	5939.5	-2.0	0.3	-2.1
Currency					
USD/INR	69.35	69.45	-0.1	0.5	0.6
EUR/USD	1.13	1.13	0.1	1.1	-1.5
USD/YEN	108.21	108.50	-0.3	0.1	1.4
ADRs					
HDFC Bank	128.3	130.2	-1.4	4.8	25.6
ICICI Bank	11.9	12.0	-1.0	0.3	17.0
Tata Motors	12.1	12.4	-2.4	-1.3	1.4
Infosys	10.8	10.8	-0.4	3.5	14.5
Dr Reddys Labs	37.6	37.9	-0.8	-0.4	0.6
Wipro	4.5	4.5	0.2	2.3	17.5

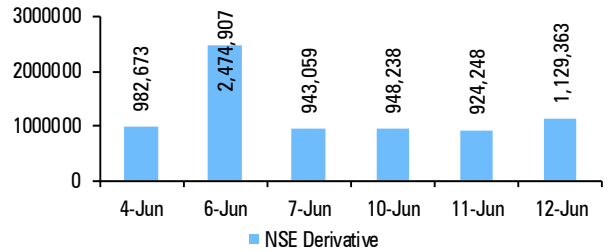
Key Data Points

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	4.00%	4.00%
RBI Repo Rate	N/A	5.75%	6.00%
RBI Reverse Repo Rate	N/A	5.50%	5.75%
CPI YY	May	3.05%	2.92%
Current Account Balance	Q4	-16.9bln \$	-19.1bln \$
Exports - USD	April	26.07bln \$	32.55bln \$
FX Reserves, USD Final	w/e	418bln \$	420.06bln \$
GDP Quarterly yy	Q4	5.80%	6.60%
GDP Annual	12M	6.80%	7.00%
Imports - USD	April	41.4bln \$	43.44bln \$
Industrial Output yy	April	3.40%	-0.10%
Manufacturing Output	April	2.80%	-0.40%
Trade Deficit - RBI	Q4	-49.5bln \$	-50bln \$
Trade Deficit Govt - USD	April	15.33bln \$	10.89bln \$
WPI Food yy	April	7.37%	5.68%
WPI Fuel yy	April	3.84%	5.41%
WPI Inflation yy	April	3.07%	3.18%
WPI Manufacturing Inflation yy	April	1.72%	2.16%

Exchange Cash Turnover (₹ crore)



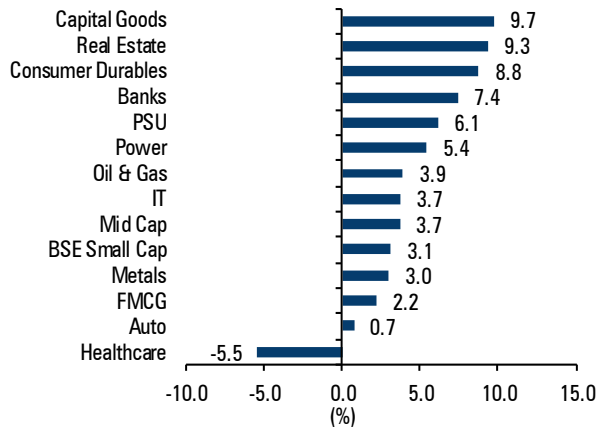
NSE Derivative Turnover (₹ crore)



Corporate Action Tracker (Updated Weekly)



Security name	Action	Ex Date	Record Date	Status	Price
Essel Propack	Dividend	11-Jun-19	12-Jun-19		1.25
Indian Hotels	Dividend	12-Jun-19			0.50
Asian Paints	Dividend	13-Jun-19			7.65
Infosys	Dividend	13-Jun-19			10.50
Kansai Nerolac	Dividend	13-Jun-19			2.60
Torrent Pharma	Dividend	13-Jun-19	14-Jun-19		4.00
Persistent	Buyback			Ongoing	750.00
Infosys	Buyback			Ongoing	800.00
Ace	Buyback			Ongoing	125.00

Sectoral Performance – Monthly Returns (%)



Key News for Today

Road sector	As per media reports, the government is set to announce ₹ 70,000 crore road building projects over the next five years, to boost rural economy. This would involve constructing over 125,000 kms of roads and would form part of the third phase of Pradhan Mantri Gram Sadak Yojana	With new opportunities coming up from PMGSY scheme, it gives visibility of project awarding for the next five years and would open a huge set of opportunities for companies in our universe like NBCC, NCC and PNC Infratech.	
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Zensar	The key highlights of Zensar analyst meet were that it's organic growth has improved to 12% in FY19 vs. 2% in FY18. The company's Total contract value wins is higher at USD750 million vs. USD 600 million. The deal funnel is healthy at in FY18. The deal pipeline is healthy at USD 1 billion and 60% pipeline is large deal. This is giving high visibility in revenues. From margin perspective improvement can happen by reduction in sub-contracting expenses, divestment of non-core business and higher offshoring	Given the healthy pipeline we believe the company will be able to register healthy revenue growth this coupled with margin expansion will be key trigger for re-rating of the stock.	
Simplex Infrastructure	ICRA has revised Simplex Infrastructure's outlook to negative from stable	Simplex Infrastructure has a stretched working capital cycle and debt levels remain high. Gross debt on its books was at ₹ 3,651 crore as of Q4FY19	

Key developments (Continued...)

- Kotak Mahindra Bank revises interest rate on saving account with balance upto ₹ 1 lakh from 4.5% earlier to 4%. Interest rate on saving account with balance above ₹ 1 lakh upto ₹ 1 crore remains unchanged at 6%, while balance above ₹ 1 crore will continue to fetch 5.5%
- ITC has announced inauguration of its super premium luxury hotel - ITC Royal Bengal in Kolkata.
- Infosys has been selected by Finnish postal service, Posti as a strategic partner for the digital transformation of its business and IT services. Through this engagement, Infosys will drive the modernisation of Posti's IT applications and infrastructure, helping it move to a flexible IT service model
- As per media sources, TCS to implement RBI's information and management system for Rs 310 cr.
- Media report says that Zee5 , digital arm of Zee entertainment inks strategic partnership with telecom operators Robil and Airtel in Bangladesh. As a part of partnership, Robi and Airtel subscribers in Bangladesh will have an access to over 1 lakh hours of content on Zee 5 across 17 languages.
- Varun Beverages is considering issue of bonus shares in its board meeting to be held on 17th June, 2019.

Nifty Daily Chart



NIFTY Index (NSE Nifty 50 Index) Opening Bell NIFTY Daily 12DEC2018-12JUN2019
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Technical Outlook

Equity benchmarks snapped three sessions winning spree as Nifty dropped 59 points or 0.5% to end the session at 11906.

In the coming session, we expect continuance of range bound activity amid stock specific action. Meanwhile, intraday dip in Nifty futures in the range of 11865-11885 should be capitalized as buying opportunity for target of 11930.

On expected lines, index has been consolidating in the broader range of (12000-11600), aiding index to form a higher base. Going ahead, we believe a decisive move above the psychological mark of 12000 would lead to acceleration of upward momentum towards 12200 in coming weeks as it is 138.2% external retracement of last major corrective phase (11856-11108), at 12142, else continuance of healthy consolidation (12000-11600). Meanwhile we do not foresee the index breaching exit poll session's low (11600) therefore a temporary breather from hereon should be used as incremental buying opportunity.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	39756.8	39592	39428	39950	40146
Nifty 50	Positive	11906.2	11862	11816	11958	12008
ACC Ltd	Positive	1579.1	1571	1562	1592	1603
Axis Bank Ltd	Positive	813.6	810	806	817	820
HDFC	Positive	2182.0	2166	2151	2192	2203
SBI	Positive	344.0	341	339	346	349
HDFC Bank Ltd	Positive	2427.1	2418	2408	2442	2458
Maruti Suzuki Ltd	Positive	6852.0	6796	6739	6939	7025
Tata Motors	Positive	169.1	168	166	172	174
M&M Ltd	Positive	632.2	629	625	639	643
Bajaj Auto Ltd	Positive	2944.5	2919	2892	2985	3024
TCS	Positive	2260.9	2231	2201	2279	2297
Infosys	Positive	753.8	747	740	759	764
Cipla	Positive	561.6	557	551	568	573
ONGC	Positive	170.9	167	164	172	174
Reliance Industries	Positive	1332.2	1326	1319	1339	1345
Bharti Airtel	Positive	359.9	358	355	363	365
DLF	Positive	184.6	181	179	188	193

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range bound	Up
Support	11866-11820	11600
Resistance	11930-11962	12000
20 day EMA		11819
200 day EMA		11181

Advances/Declines

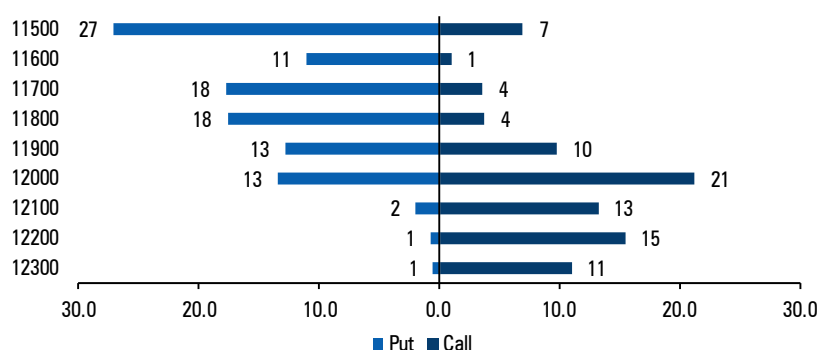
	Advances	Declines	Unchanged
BSE	998	1522	159
NSE	693	1122	98

Daily Technical Calls

- Daily Technical Calls**
- Buy Tata Steel in the range of 506.50-507.50
 - Sell Shriram Transport Finance in the range of 1064.00-1068.00
- All recommendations of June Future

See Momentum Pick for more details

Nifty Call – Put Strike (Number of shares in lakh) – June 2019



Intraday Derivative Strategy

- i) United Spirits**
Buy UNISPI JUNE Fut at ₹ 579.50-580.50
CMP: 579
Target 1: 585 Target 2: 592.5
Stop Loss: 575
- ii) Mahindra & Mahindra**
Sell MAHMAH Fut at ₹ 632.00-632.50
CMP: 636
Target 1: 626.3 Target 2: 617.3
Stop Loss: 638.3

See Derivatives view for more details

Results/Events Calendar

27	May Monday	28	May Tuesday	29	May Wednesday	30	May Thursday	31	May Friday
Colgate, Century Ply, AIA Motherson Sumi, Zee Entertainment, Elgi GAIL, Kanpur Plastipick Pokarna, Music Broadcast		Info Edge, IRB Sun Pharma, Teamlease Japan PPI Services YoY EU Consumer Confidence		United Spirits, Cadila, PGCIL BEL, NBCC, Ratnamani IPCA, Glenmark, NRB Grindwel, Simplex TTK, Maharashtra Seamless		EIH Limited, Coal India Dredging Cop, Sonata, Apollo Sadbhav, Greenply, ENIL Cox & Kings, NCL, ONGC US Wholesale Inv MoM		NCL Industries Japan Industrial Prod. YoY India GDP YoY India GVA YoY India Fiscal Deficit	
03	June Monday	04	June Tuesday	05	June Wednesday	06	June Thursday	07	June Friday
China Caixin PMI Mfg Nikkei Japan PMI Mfg Nikkei India PMI Mfg Market US Mfg PMI Market EU Mfg PMI		Japan Monetary Base YoY EU Unemployment rate EU CPI Core YoY		China Caixin PMI Services Japan Nikkei PMI services Nikkei India PMI Services Markit EU Services PMI EU PPI YoY		RBI Repo Rate RBI Reverse Repo Rate RBI Cash Reverse Ratio US Initial Jobless Claims US Trade Balance		China Foreign Reserves US Unemployment rate US Wholesale Inv MoM	
10	June Monday	11	June Tuesday	12	June Wednesday	13	June Thursday	14	June Friday
Japan BoP Curr Acc Bal Japan GDP SA QoQ UK Industrial Prod YoY UK Trade Balance		UK Jobless Claims Change		China CPI YoY India Trade Balance India CPI YoY India Industrial Prod YoY US CPI YoY		US Initial Jobless Claims EC Industrial Prod SA YoY		China Industrial Production Y Japan Industrial Prod YoY US Industrial Prod MoM	
17	June Monday	18	June Tuesday	19	June Wednesday	20	June Thursday	21	June Friday
EU Labour Cost YoY		US Housing Starts EU Trade Balance SA EC CPI Core YoY EU CPI YoY		Japan Trade Balance ECB Current Account SA UK CPI YoY EU Construction Output YoY		Japan All Ind Activity Index BOJ Policy Balance Rate US Current Account Balance US Initial Jobless Claims Bank of England Bank Rate		Japan Natl CPI YoY Nikkei Japan PMI Mfg Markit US Mfg PMI Markit US Services PMI EU Consumer Confidence	
24	June Monday	25	June Tuesday	26	June Wednesday	27	June Thursday	28	June Friday
Chicago Fed Natl Act Index		Japan PPI Services YoY		US Wholesale Inv MoM		China Industrial Profits YoY US GDP Annualized QoQ US Initial Jobless Claims EU Economic Confidence EU Consumer Confidence		Tokyo CPI YoY Japan Ind Prod YoY China BoP Current Acc Bal India Fiscal Deficit UK GDP YoY	

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
10-Jun	BoP Curr. Account Bal.	JN	Apr P	¥1707.4B	¥1514.5B
10-Jun	GDP SA QoQ	JN	1Q F	0.6%	0.6%
10-Jun	Industrial Prod YoY	UK	Apr	-1.0%	0.9%
10-Jun	Trade Balance	UK	Apr	-£ 2740m	-£ 4700m
11-Jun	Jobless Claims Change	UK	May	23.2k	--
12-Jun	CPI YoY	CH	May	2.7%	2.7%
12-Jun	PPI YoY	JN	May	0.7%	0.7%
12-Jun	CPI YoY	IN	May	3.05%	3.05%
12-Jun	Industrial Prod. YoY	IN	Apr	3.4%	0.6%
12-Jun	CPI YoY	US	May	1.8%	1.9%

Date	Event	Country	Period	Expected	Previous
13-Jun	Initial Jobless Claims	US	8-Jun	--	215,000
13-Jun	Industrial Prod SA YoY	EC	Apr	-0.3%	-0.3%
14-Jun	Industrial Prod MoM	US	May	0.2%	-0.5%
14-Jun	Industrial Prod YoY	CH	May	5.4%	5.4%
14-Jun	Industrial Prod YoY	JN	Apr F	--	-1.1%

Bulk Deals

Company	Client Name	Type	No. of shares	Price (₹)
BSE*				
Hgs	Fidelity Funds Asian Smaller Comp Pool	Buy	129,583	635.0
Hndfds	Westbridge Aif I	Buy	409,979	425.0
NSE*				
Kpit Technologies Limited	Vanguard Funds Public Limited Company	Sell	2,444,004	98.0
Neogen Chemicals Limit	Solidarity Advisors	Buy	126,297	329.6

Recent Releases

Date	Report
June 12, 2019	Company Update – Reliance Capital
June 12, 2019	Management Meet Update – Fine Organics Industries
June 11, 2019	Management Meet Update – KNR Constructions
June 10, 2019	Company Update – J&K Bank
June 6, 2019	Result Update – Timken India



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