



Market Outlook

Indian markets are expected to open flattish on the back of a tad weaker than anticipated domestic macroeconomic data announcement on Friday. Going ahead, focus would be on Q4 earnings, global newsflows and monsoon expectations.

Markets Yesterday

- Domestic markets ended modestly higher as market participants awaited the earnings of TCS and Infosys
- US markets ended on a positive note backed by upbeat earnings numbers for the first quarter by index majors

Key Developments

- TCS reported mixed bag numbers with revenues above our expectations and margins below estimates. Constant currency (CC) revenues grew 2.4% QoQ above our estimate of 1.8% QoQ. EBIT margins declined 50 bps QoQ to 25.1% (vs. our 25.4% estimate). The margin decline was mainly on account of an increase of 4.9% QoQ in SG&A cost. PAT of ₹ 8,126 crore was above our ₹ 7,632 crore estimate led by higher other income
- Infosys reported a mixed bag Q4FY19 with revenue above our expectations and miss on margins. Constant currency (CC) revenues grew 2.4% QoQ (vs. our estimate of 1.7% QoQ). Reported EBIT margins declined 110 bps sequentially to 21.4%. We believe this was mainly due to reinvestment in employee reskilling and employee rebadging. Reported PAT increased 13.0% QoQ to ₹ 4,078 crore. For FY20E, Infosys has guided revenue growth of 7.5-9.5% (in CC terms) and operating margin of 21-23%

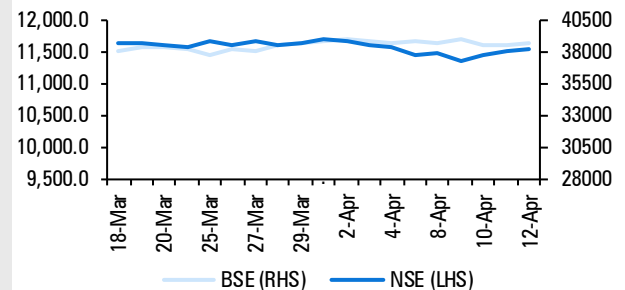
Nifty Heat Map

GAIL	357 4.1%	ITC	306 3.2%	Lupin	833 2.9%	Maruti	7,343 2.2%	Cipla	555 1.8%
Zee Ent.	418 1.8%	Eicher	21,361 1.7%	Adani Ports	386 1.6%	Axis Bank	764 1.6%	Vedanta Ltd	184 1.5%
Hero Moto	2,640 1.5%	ICICI Bank	395 1.2%	Asian Paints	1,439 1.1%	M&M	678 0.8%	Wipro	283 0.7%
Infosys	748 0.7%	HUL	1,722 0.7%	Ultratech	4,167 0.6%	TECHM	785 0.6%	Power Grid	197 0.6%
Grasim	853 0.6%	Bajaj Auto	3,008 0.5%	Bharti Infratel	315 0.4%	UPL	926 0.4%	HDFC Bank	2,265 0.3%
SBI	315 0.1%	HDFC Ltd	2,025 0.1%	Kotak Bank	1,343 0.0%	NTPC	136 0.0%	Coal India	241 -0.1%
Sun Pharma	465 -0.1%	HPCL	260 -0.1%	BPCL	361 -0.2%	Dr Reddy	2,807 -0.2%	Indusind Bank	1,737 -0.2%
TCS	2,015 -0.2%	RIL	1,343 -0.3%	Tata Steel	534 -0.4%	Yes Bank	268 -0.4%	HCL Tech	1,083 -0.5%
Bajaj Finserv	7,519 -0.6%	ONGC	158 -0.6%	Titan	1,097 -0.7%	Hindalco	210 -0.7%	Tata Motors	216 -1.0%
L&T	1,361 -1.2%	Bharti Airtel	342 -1.3%	Bajaj Finance	3,009 -1.3%	IOC	155 -1.6%	IBULHSG FIN	830 -1.9%

Today's Highlights

India WPI, India trade balance

Index Movement (past month)



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	38,767	38,607	0.4	0.2	7.5	20.1
Nifty	11,643	11,597	0.4	0.2	7.2	19.4

Institutional Activity

	CY17	CY18	YTD CY19	Yesterday	Last 5 Days
FII (₹ cr)	-40,663	-68,503	50,287	897	4,345
DII (₹ cr)	91,032	107,388	-13,904	-16	-884

World Indices – Monthly performance

Nasdaq	France	Shanghai	Germany	U.K.
7,984	5,503	3,245	12,000	7,437
5.2%	4.4%	4.2%	4.1%	4.0%
Nikkei	Kospi	Dow Jones	BSE	NSE
20,773	2,248	26,412	38,767	11,643
3.7%	3.5%	3.4%	3.3%	3.0%

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

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

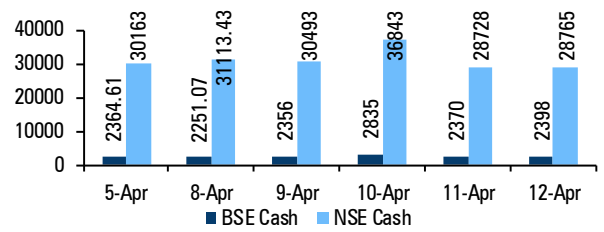
Markets Today

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	31,673	31,770	-0.3	0.2	0.3
Silver (₹/kg)	37,235	37,274	-0.1	-0.1	-2.7
Crude (\$/barrel)	71.5	71.6	-0.1	4.5	32.8
Copper (\$/tonne)	6464	5939.5	8.8	-0.4	8.6
Currency					
USD/INR	69.18	68.93	0.4	0.0	0.9
EUR/USD	1.13	1.13	0.1	0.8	-1.4
USD/YEN	112.00	112.02	0.0	-1.0	-2.1
ADRs					
HDFC Bank	113.4	112.9	0.5	-2.1	9.5
ICICI Bank	11.3	11.2	0.5	-1.8	9.3
Tata Motors	15.9	15.6	2.2	26.9	30.9
Infosys	10.6	11.0	-3.8	-3.5	11.4
Dr Reddys Labs	40.9	40.2	1.6	0.9	8.4
Wipro	4.3	4.3	0.5	8.8	12.5

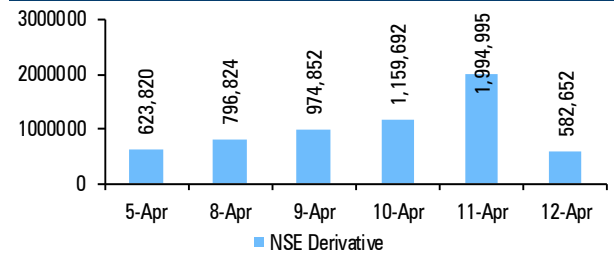
Key Data Points

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	4.00%	4.00%
RBI Repo Rate	N/A	6.00%	6.25%
RBI Reverse Repo Rate	N/A	5.75%	6.00%
CPI YY	February	2.86%	2.57%
Current Account Balance	Q4	-16.9bn \$	-19.1bn \$
Exports - USD	February	26.67bn \$	26.36bn \$
FX Reserves, USD Final	w/e	413.78bn \$	411.91bn \$
GDP Quarterly yy	Q3	6.60%	7.10%
GDP Annual	12M	7.00%	7.00%
Imports - USD	February	36.26bn \$	41.09bn \$
Industrial Output yy	January	1.70%	2.40%
Manufacturing Output	January	1.30%	2.70%
Trade Deficit - RBI	Q4	-49.5bn \$	-50bn \$
Trade Deficit Govt - USD	February	9.6bn \$	14.73bn \$
WPI Food yy	February	4.28%	2.34%
WPI Fuel yy	February	2.23%	1.85%
WPI Inflation yy	February	2.93%	2.76%
WPI Manufacturing Inflation yy	February	2.25%	2.61%

Exchange Cash Turnover (₹ crore)



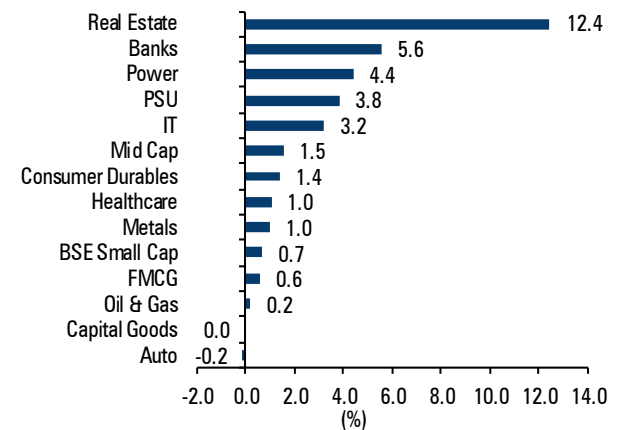
NSE Derivative Turnover (₹ crore)



Corporate Action Tracker (Updated Weekly)

Security name	Purpose	Ex Date	Record Date	Status	Price
GM Breweries	Dividend	6-May-19		Upcoming	3.00
Bharti Airtel	Rights			Ongoing	
Persistent	Buyback			Ongoing	750.00
Cyient	Buyback			Ongoing	700.00
Tech Mahindra	Buyback			Ongoing	950.00
Infosys	Buyback			Ongoing	800.00
Vodafone Idea	Rights			Upcoming	

Sectoral Performance – Monthly Returns (%)



Key News for Today

Company/ Industry	News	View	Impact
APL Apollo	APL Apollo Tubes has announced that it has entered into an agreement with Shankara Building Products to acquire its 200,000 MTPA tube manufacturing unit based in Southern India for ₹ 70 crore. The company proposes to fund this acquisition through internal accruals	This acquisition would aid APL Apollo to consolidate its position in the South Indian market. APL expects to ramp up volumes at a healthy pace in the acquired unit, which is currently operating at ~40% utilisation. The target is to improve the utilisation level of the acquired unit to 80-85%. Furthermore, Shankara has agreed to purchase 2.5 lakh tonne pipe from the company in FY20, which will assist volumes, as well as entered into an arrangement to buy exclusively from APL Apollo, going forward. APL Apollo plans to achieve the payback in a period of three years	↕

Shankara Building Products	Taurus Value Steel & Pipes Pvt Ltd, a wholly-owned subsidiary of Shankara Building Products, is undertaking partial sale of its processing capacities. As per this, Shankara will selling 2,00,000 MTPA tube manufacturing unit based in south India for ₹ 70 crore	In FY18, Taurus clocked revenues & PAT worth ₹ 773.7 crore & ₹ 17.9 crore, respectively. Selling off the tube manufacturing unit will help Shankara improve its balance sheet position
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Key developments (Continued...)

- Dr Reddy's Labs has entered into a definitive agreement to acquire a portfolio of 42 approved, non-marketed ANDAs (including 30 injectables) in the US. The value of total addressable market for these products in the US is ~US\$645 million
- Vodafone Idea has informed the stock exchanges that the promoter and promoter group will participate for an amount up to ₹ 20,000 crore in the rights issue, instead of the previously announced amount of up to ₹ 18,250 crore
- The Supreme Court has ordered status quo on distribution of funds among operational and financial creditors post the lenders decided against higher payout to Standard Chartered Plc. Indicating a delay in resolution, the apex court has asked NCLAT to expedite the hearing
- As per media reports, the government is considering a proposal to allow gas-based power plants to sell electricity in the spot market through power exchanges under a subsidy scheme. The scheme is aimed at providing relief to gas based power plants in distress due to lack of gas supply
- NIIT Technology's open offer by Baring Private Equity to start from May 31, 2019 will end on June 14, 2019
- Persistent Systems President-sales, technology services unit Sudhir Kulkarni, has resigned from the company to pursue other interests. Mr Sudhir's last date with the company will be April 19, 2019
- The government is considering a proposal to allow gas-based power plants to sell electricity in the spot market under a subsidy scheme. The proposed e-RLNG (re-gasified liquefied natural gas) scheme is being drafted by Power and Oil Ministries as per the recommendations of a high-level empowered committee headed by cabinet secretary PK Sinha

Nifty Weekly Chart



Technical Outlook

Equity benchmarks ended Friday's session on a buoyant note as the Nifty gained 47 points or 0.4% to settle at 11643.

In the coming session, we expect the Nifty to trade with a positive bias amid sustenance above last Friday's low (11578). Therefore, a throwback towards 11600-11580 should be used as buying opportunity for target of 11650.

Going ahead, we expect extension of ongoing consolidation as we have observed similar range bound activity during April-May 2014 ahead of the General Election. However, we believe anxiety ahead of General Election has always offered a good buying opportunity for investors. Thus, we believe current healthy consolidation would help the index to form a higher base near 11500, paving the way for next leg of up move. The stock specific action will remain in focus in the upcoming truncated week amid Q4FY19 result season coinciding with general election 2019.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
SENSEX	Positive	38767.1	38609	38450	38873	38978
Nifty 50	Positive	11643.5	11597	11548	11675	11706
ACC Ltd	Positive	1656.4	1644	1632	1677	1698
Axis Bank Ltd	Positive	764.4	755	746	770	776
HDFC	Negative	2025.0	2012	1999	2034	2043
SBI	Positive	315.3	312	309	317	319
HDFC Bank Ltd	Positive	2265.3	2254	2243	2274	2283
Maruti Suzuki Ltd	Positive	7342.9	7217	7091	7413	7483
Tata Motors	Neutral	216.0	215	213	219	221
M&M Ltd	Negative	678.2	671	663	682	687
Bajaj Auto Ltd	Positive	3008.2	2980	2952	3031	3054
TCS	Negative	2014.5	2001	1988	2033	2052
Infosys	Neutral	747.8	742	736	753	758
Cipla	Positive	554.9	547	541	559	563
ONGC	Positive	157.6	156	156	159	160
Reliance Industries	Positive	1343.1	1335	1326	1355	1366
Bharti Airtel	Neutral	342.0	338	333	349	355
DLF	Positive	181.9	178	175	185	187

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Up	Up
Support	11600-11570	11500
Resistance	11660-11690	11800
20 day EMA		11506
200 day EMA		10936

Advances/Declines

	Advances	Declines	Unchanged
BSE	1374	1173	156
NSE	979	804	125

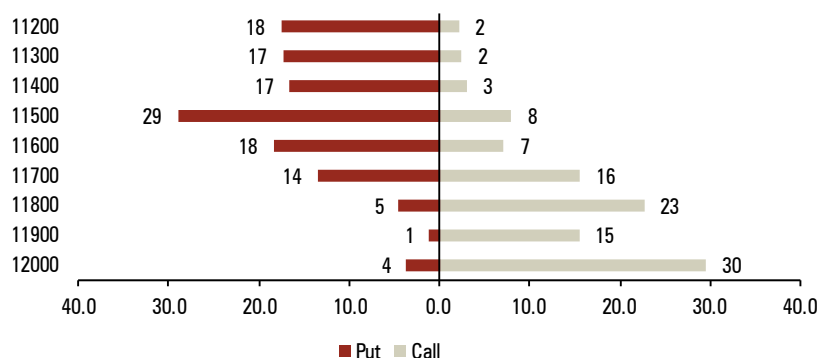
Daily Technical Calls

- Daily Technical Calls**
- Buy Apollo Hospital in the range of 1271.00-1275.00
 - Buy Bata India in the range of 1412.00-1416.00

*All recommendations are of April Future

See Momentum Pick for more details

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



Intraday Derivative Strategy

i) TVS Motor LTD
 Buy TVSMOT APR Fut at ₹ 504.0-505.0
 CMP: 502.7
 Target 1: 510.5 Target 2: 519.5
 Stop Loss: 498.5

ii) Colgate
 Sell COLPAL APR Fut at ₹ 1206.0-1208.0
 CMP: 1224.4
 Target 1: 1198.4 Target 2: 1185.6
 Stop Loss: 1215.6

See Derivatives view for more details

Results/Events Calendar

01	April Monday	02	April Tuesday	03	April Wednesday	04	April Thursday	05	April Friday
Nikkei Japan PMI Mfg Caixin China PMI Mfg Markit US Mfg PMI Markit EU Mfg PMI EU Unemployment Rate		Japan Monetary Base YoY Nikkei India PMI Mfg EU PPI YoY		Nikkei Japan PMI Services Caixin China PMI Services Markit US Services PMI		GM Breweries RBI Repo Rate RBI Reverse Repo Rate RBI Cash Reserve Ratio Nikkei India PMI Services		Japan Household Spending US Unemployment Rate EU Retail Sales YoY	
08	April Monday	09	April Tuesday	10	April Wednesday	11	April Thursday	12	April Friday
Japan BoP Curr Acc Bal				Japan PPI YoY US CPI YoY UK Industrial Prod YoY		China CPI YoY China PPI YoY US Initial Jobless Claims		Infosys, TCS China Trade Balance India CPI YoY India Industrial Prod YoY	
15	April Monday	16	April Tuesday	17	April Wednesday	18	April Thursday	19	April Friday
India WPI YoY India Trade Balance UK Jobless Claims Change		Wipro US Industrial Prod MoM US Capacity Utilisation EU Construction Output YoY		Japan Trade Balance Japan Industrial Prod YoY China GDP YoY EU CPI YoY UK CPI YoY		DCB Reliance Industries US Initial Jobless Claims Markit US PMI Mfg		HDFC Bank (April 20) Japan Natl CPI YoY	
22	April Monday	23	April Tuesday	24	April Wednesday	25	April Thursday	26	April Friday
Mahindra Lifespace Chicago Fed Nat Activity Index		Tata Global Beverages Sterlite Tech Nikkei Japan PMI Mfg Markit EU Mfg PMI EU Govt Debt/GDP Ratio		M&M Fin., Bharti Infratel Tata Elxsi Ultratech, Syngene Japan PPI Services YoY Japan All Ind Activity Index		Axis Bank, SBI Life Cyient, Apcotex, Biocon BOJ Policy Balance Rate US Initial Jobless Claims		Hero Moto, Yes Bank Japan Jobless Rate Tokyo CPI YoY Japan Industrial Prod YoY US GDP Annualized QoQ	
29	April Monday	30	April Tuesday	01	May Wednesday	02	May Thursday	03	May Friday
US Personal Income EU Economic Confidence		Exide, Kotak TVS Motors China Manufacturing PMI US Employment Cost Index EU GDP SA YoY		Nikkei Japan PMI Mfg Markit US Mfg PMI		Dabur Caixin China PMI Mfg Nikkei India PMI Mfg US Initial Jobless Claims BoE Bank Rate		Federal Bank (May 4) US Wholesale Inv MoM US Unemployment Rate Markit US Composite PMI EU PPI YoY	

Major Economic Events this Week

Date	Event	Country	Period	Expected	Previous
15-Apr	WPI YoY	IN	Mar	3.23%	2.93%
15-Apr	Trade Balance	IN	Mar	-\$9.600B	-\$9.595B
16-Apr	Industrial Prod MoM	US	Mar	0.2%	0.1%
16-Apr	Capacity Utilisation	US	Mar	79.2%	78.2%
16-Apr	Construction Output YoY	EC	Feb	--	-0.7%
17-Apr	Trade Balance	JN	Mar	¥367.7B	¥339.0B
17-Apr	Industrial Prod YoY	JN	Feb F	--	1.4%
17-Apr	GDP YoY	CH	1Q	6.3%	6.6%
17-Apr	Industrial Prod YoY	CH	Mar	6.0%	--
17-Apr	CPI YoY	EC	Mar F	1.4%	1.4%
17-Apr	CPI YoY	UK	Mar	2.0%	1.9%
17-Apr	Trade Balance	US	Feb	-\$53.5B	-\$51.1B
18-Apr	Initial Jobless Claims	US	11-Apr	206,000	196,000
18-Apr	US PMI Mfg	US	Apr P	52.7	52.4
19-Apr	National CPI YoY	JN	Mar	0.5%	0.2%

Result Preview

Company	Client Name	Type	No. of shares	Price (₹)
BSE*				
Jamshri	Sundae Capital Advisors Pvt Ltd	Sell	600	2036.3
Octaware	S K Growth Fund Pvt	Buy	28,800	100.1
NSE*				
Mazda Limited	Mazda Limited	Buy	35,000	435.1

Recent Releases

Date	Report
April 12, 2019	Sector Update – Multiplex
April 12, 2019	Sector Update – Health Check
April 10, 2019	Company Update – Tata Steel
April 10, 2019	Company Update – Zee Entertainment
April 4, 2019	Sector Update – Tiles



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