

Market Outlook

We expect Indian markets to open on a flattish note on the back of mixed global cues. Going ahead, the markets are expected to track global newsflows along with institutional flows traction.

Markets Yesterday

- Domestic markets ended negative with the rupee weakening and trade balance data coming in weak
- US markets ended in the positive territory with the US and China agreeing to have a new round of trade talks later this month

Key Developments

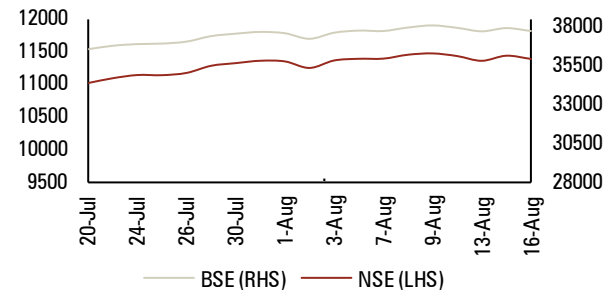
- The government has asked RBI to consider diluting existing prompt corrective action (PCA) norms for lifting regulatory sanctions on PSBs. According to the current guidelines, NPA level of 6% and above, negative return in two consecutive years and capital adequacy (CaR) below regulatory norms of 5.5% can prompt the RBI to put a bank under PCA. The government has asked the RBI to consider the level of provision coverage (PCR), at ~63.8% for PSBs, profitability in a single year for lifting PCA. Also, it has requested to lower CET 1 requirement from current 5.5% of risk weighted asset (RWA) to 4.5%, as stipulated by Basel committee on banking supervision. If accepted by the regulator, this will enable PSBs to pedal on credit growth and release capital to support such growth
- Minutes of RBI's August monetary policy committee meeting revealed that members saw several upside risks to inflation. Key among these is the announcement of MSP hike for Kharif crops and elevated crude oil prices. Along with upside risks, higher household inflation expectation was also highlighted as a reason for the rate hike decision

Nifty Heat Map

GAIL	393.8 3.7%	Dr Reddy	2,353.5 3.3%	Sun Pharma	619.7 3.0%	Lupin	849.8 1.6%	Infosys	1,429.6 1.5%
Bharti Airtel	372.0 1.4%	Grasim	999.5 1.3%	NTPC	158.6 1.1%	Tata Motors	251.3 1.0%	Bajaj Finance	2,856.6 0.9%
Axis Bank	623.5 0.9%	Cipla	648.4 0.9%	Bajaj Auto	2,667.5 0.8%	Maruti	9,200.6 0.7%	ICICI Bank	334.3 0.6%
Hero Moto	3,282.7 0.5%	BPCL	378.3 0.4%	TCS	2,008.5 0.2%	M&M	951.3 0.1%	Bajaj Finserv	7,077.3 0.1%
Coal India	282.7 0.0%	Asian Paints	1,394.8 0.0%	Power Grid	187.7 -0.1%	UPL	609.7 -0.1%	ITC	307.5 -0.1%
HCL Tech	997.3 -0.2%	HUL	1,737.4 -0.4%	TECHM	668.7 -0.6%	HDFC Bank	2,075.7 -0.6%	Eicher	28,803.9 -0.7%
Titan	919.5 -0.7%	Indusind Bank	1,984.2 -0.7%	SBI	292.7 -0.7%	Adani Ports	370.3 -0.8%	RIL	1,200.8 -0.8%
Yes Bank	378.5 -1.1%	ONGC	164.5 -1.1%	Bharti Infratel	280.7 -1.1%	IOC	158.5 -1.4%	HPCL	266.2 -1.4%
L&T	1,231.7 -1.7%	Wipro	279.5 -2.0%	Tata Steel	567.6 -2.0%	Ultratech	4,213.5 -2.0%	IBULHSG FIN	1,260.0 -2.4%
Hindalco	216.1 -2.4%	HDFC Ltd	1,891.2 -2.6%	Zee Ent.	500.5 -2.6%	Vedanta Ltd	208.8 -2.9%	Kotak Bank	1,245.4 -3.7%

Today's Highlights

EU CPI core YoY, China FDI YoY

Index Movement (past month)


	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	37,664	37,852	-0.5	0.2	10.6	21.9
Nifty	11,385	11,435	-0.4	0.3	8.1	21.3

Institutional Activity

	CY16	CY17	YTD CY18	Yesterday	Last 5 Days
FII (₹ cr)	14,049	-40,663	-36,060	-825	-2,316
DII (₹ cr)	11,320	91,032	67,058	134	1,114

World Indices – Monthly performance

NSE	BSE	Nikkei	Dow Jones	Nasdaq
11,385	37,664	22,510	25,559	7,807
4.1%	3.7%	0.8%	0.6%	0.0%
U.K.	France	Germany	Kospi	Shanghai
7,556	5,349	12,237	2,249	2,710
-0.6%	-1.1%	-2.6%	-2.7%	-3.9%

Markets Today

	Close	Previous	Change (%)	MTD(%)	YTD(%)
Commodities					
Gold (₹/10 gm)	29,361	29,541	-0.6	-1.0	0.4
Silver (₹/kg)	36,660	37,493	-2.2	-3.0	-4.4
Crude (\$/barrel)	71.3	71.4	-0.1	-3.9	6.7
Copper (\$/tonne)	5901	5759	2.5	-6.0	-18.1
Currency					
USD/INR	70.16	69.89	0.4	-2.3	-9.0
EUR/USD	1.14	1.14	0.1	-2.6	-5.2
USD/YEN	110.88	110.90	0.0	0.9	1.6
ADRs					
HDFC Bank	99.5	99.2	0.4	-4.1	-2.5
Tata Motors	17.8	17.2	3.3	-5.6	-48.0
Infosys	21.0	20.9	0.6	3.4	28.7
Dr Reddys Labs	33.3	32.2	3.4	3.1	-14.3

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	6.50%	6.25%
RBI Reverse Repo Rate	N/A	6.25%	6.00%
CPI YY	July	4.17%	5.00%
Current Account Balance	Q1	-13bln \$	-13.5bln \$
Exports - USD	July	25.77bln \$	27.7bln \$
FX Reserves, USD Final	w/e	402.7bln \$	410.07bln \$
GDP Quarterly yy	Q4	7.70%	6.30%
GDP Annual	12M	6.60%	7.10%
Imports - USD	July	43.79bln \$	44.3bln \$
Industrial Output yy	June	7.00%	3.20%
Manufacturing Output	June	6.90%	2.80%
Trade Deficit - RBI	Q1	-41.6bln \$	-44.1bln \$
Trade Deficit Govt - USD	March	13.69bln \$	11.98bln \$
WPI Food yy	July	-2.16%	1.80%
WPI Fuel yy	July	18.10%	16.18%
WPI Inflation yy	July	5.09%	5.77%
WPI Manufacturing Inflation yy	July	4.26%	4.17%

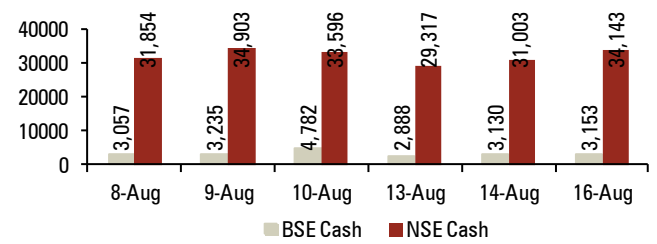
Sectoral Index

Sector	Close	Previous	Change	% Change	Volume
Auto	24271.87	24200.06	71.81	0.30	2437000
Banks	31467.51	31670.73	-203.22	(0.64)	7979000
BSE Small Cap	11792.74	11901.39	-108.65	(0.91)	66926000
Capital Goods	17750.07	17937.67	-187.6	(1.05)	5086000
Consumer Durables	21854.12	22065.84	-211.72	(0.96)	1691000
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	12662.97	12945.8	-282.83	(2.18)	6138000
Mid Cap	10993.02	11070.76	-77.74	(0.70)	64406000
Oil & Gas	14788.35	14859.8	-71.45	(0.48)	3705000
Power	1963.64	1966.01	-2.37	(0.12)	9964000
PSU	7631.42	7653.98	-22.56	(0.29)	20571000
Real Estate	2117.84	2128.03	-10.19	(0.48)	10030000

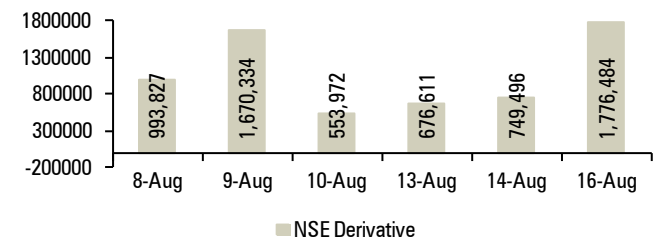
Key News for Today

Company/ Industry	News	View	Impact
Dedicated freight corridor, Concor	As per media sources, DFCCIL, an arm of Indian Railways, plans to set up a freight corridor between Kharagpur in West Bengal to Vijayawada in Andhra Pradesh. The distance is roughly 1114 km in length and estimated to cost ₹ 56000 (funded via equity from Government of India and loans)	The proposal will be put forth the Finance Ministry for its inclusion in Budget 2019-20. The project would roughly increase the existing 1200 MMT capacity by 200 MMT and mainly carry minerals from West Bengal to industries in the south	↑

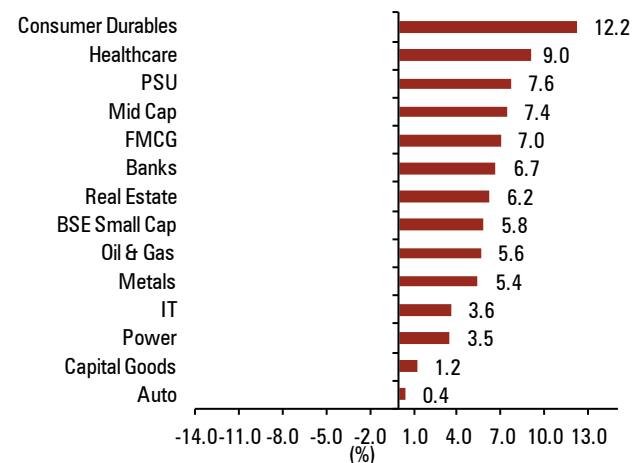
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)



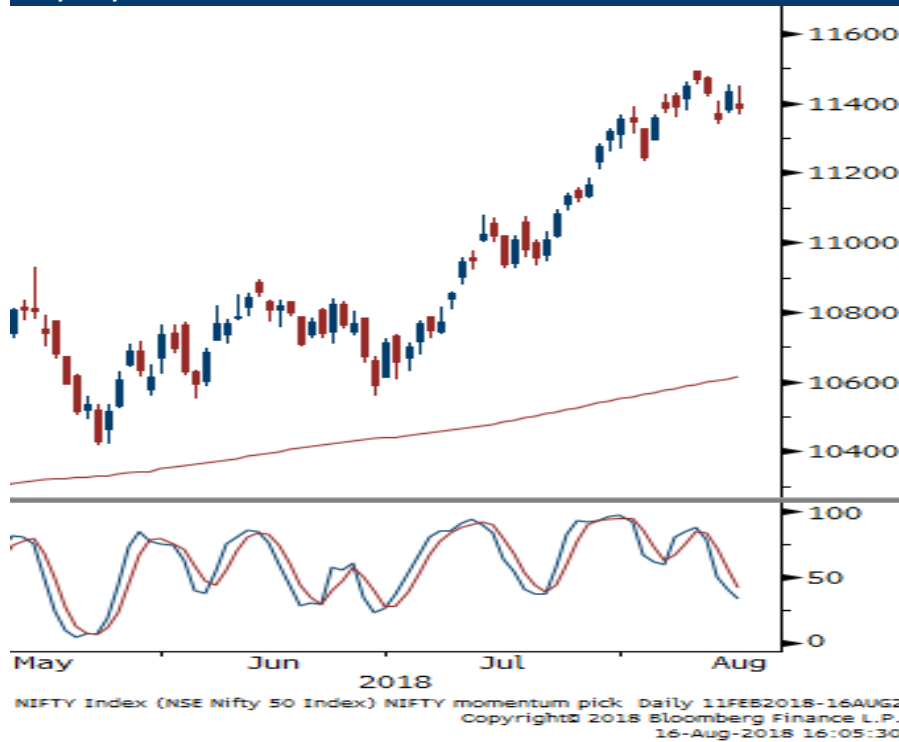
Sectoral Performance – Monthly Returns (%)



Key developments (Continued...)

- As per media sources, ONGC is in talks with GSPC to buy a stake in their five blocks. The blocks under consideration include four in Gujarat's Cambay basin and one from the Mumbai basin
- Kerala's Finance Minister has announced a hike in excise duty on liquor to raise additional funds for relief and rehabilitation of the affected
- Drug price regulator National Pharmaceutical Pricing Authority (NPPA) has fixed/ revised the ceiling price for 92 drug formulations, including those used for treatment of cancer, hepatitis C, migraine and diabetes among others
- As per media reports, the government has asked state run power plants holding large fuel stock to increase generation to allow others to run at a lower capacity allow others to run at a lower capacity and build inventories before the festive season. At present, 117 power plants with supply agreements with Coal India have a cumulative stock of 15.2 million tonnes (10 days stock). However, 14 of them do not have enough coal to run the plant for one day
- NBCC has bagged an order from SAIL worth ₹ 250 crore for the construction of Ispat Post Graduate Medical Institute & super speciality hospital at Rourkela steel plant, Odisha. The proposed hospital will have 156 beds while the medical institute will be spread across 3 lakh sq mt
- Persistent System has partnered with Three Phase Electric to develop internet of things (IOT) solution
- TCS has signed a new agreement for digital transformation with Scotland based improvement services
- Gati has clarified that Allcargo Logistics' buyout plan has not been finalised. The management is still evaluating opportunities

Nifty Daily Chart



Technical Outlook

Equity benchmarks saw a throwback after last session's up move fuelled by weak global cues. The Nifty ended the session at 11385, down 51 points or 0.45%. Price action formed a high wave candle, indicating a rise in volatility amid range bound activity. Despite a host of weak global cues, depreciating rupee, it managed to end above previous session's low (11371), showing resilience as buying demand emerged near lower band of upward sloping channel (around 11370). We believe it is undergoing a secondary phase of consolidation post almost 940 points up move. This would make markets healthy by forming higher base. In the coming session, we expect the Nifty to hold the key value area of 11340-11370, which should be used as an incremental buying opportunity or else continuance of lacklustre movement. Going ahead, a decisive move above last two session's identical high (11452) would lead to an acceleration of upward momentum, paving the way to head towards our earmarked target of 11600 in coming weeks.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
S&P BSE SENSEX INDEX	Negative	37663.6	37568.0	37310.0	37826.0	38084.0
Nifty 50	Negative	11385.1	11350.0	11267.0	11434.0	11517.0
ACC LTD	Neutral	1559.1	1540.0	1508.0	1572.0	1603.0
AXIS BANK LTD	Positive	623.5	611.0	587.0	635.0	659.0
HDFC BANK LTD	Negative	2075.7	2065.0	2045.0	2086.0	2106.0
STATE BANK IND	Negative	292.7	290.0	281.0	298.0	306.0
HOUSING DEV FIN	Negative	1891.2	1874.0	1826.0	1921.0	1969.0
MARUTI SUZUKI IN	Positive	9200.6	9112.0	8961.0	9263.0	9414.0
TATA MOTORS LTD	Neutral	251.3	247.0	240.0	255.0	262.0
MAHINDRA & MAHIN	Neutral	951.3	943.0	922.0	964.0	985.0
BAJAJ AUTO LTD	Neutral	2667.5	2640.0	2592.0	2688.0	2736.0
TATA CONSULTANCY	Neutral	2008.5	1996.0	1971.0	2021.0	2046.0
INFOSYS LTD	Positive	1429.6	1415.0	1391.0	1439.0	1462.0
CIPLA LTD	Positive	648.4	636.0	610.0	662.0	688.0
OIL & NATURAL GA	Negative	164.5	163.0	161.0	166.0	169.0
RELIANCE INDS	Neutral	1200.8	1192.0	1172.0	1213.0	1233.0
BHARTI AIRTEL	Positive	372.0	366.0	357.0	375.0	384.0
DLF LTD	Positive	206.7	201.0	191.0	211.0	222.0

CNX Nifty Technical Picture

Nifty 50	Intraday	Short Term
Trend	Range bound	Up
Support	11365-11340	11200
Resistance	11430-11460	11600
20 day EMA		11283.24193
200 day EMA		10588.18212

Advances/Declines

	Advances	Declines	Unchanged
BSE	1170	1556	135
NSE	703	1098	85

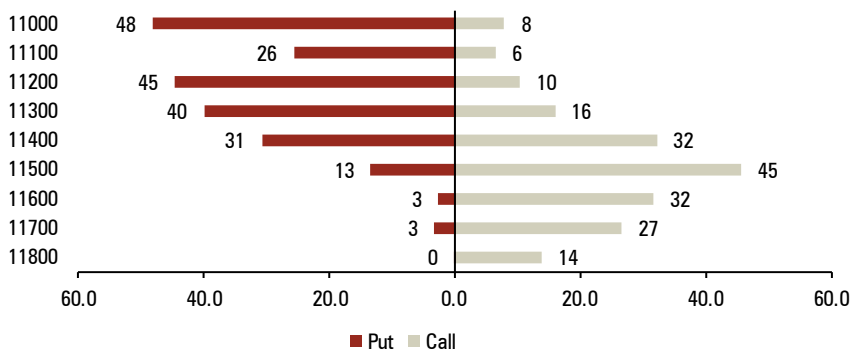
Daily Technical Calls

- Buy Godrej Consumer in the range of 1330.00-1336.00
- Sell Adani Ports in the range of 373.00-374.00

*All recommendations are of August Future

See Momentum Pick for more details

Nifty Call - Put Strike (Number of shares in lakh) - August 2018



Intraday Derivative Strategy

i) Berger Paints

Buy BERPAI AUG Fut at ₹ 329.60-330.00

CMP: 329.6

Target 1: 332.4 Target 2: 336.5

Stop Loss: 327

ii) Hindustan Petroleum

Sell HINPET AUG Fut at ₹ 264.00-264.40

CMP: 267

Target 1: 260.4 Target 2: 254.7

Stop Loss: 268

See Derivatives view for more details

Results/Events Calendar

30	July Monday	31	July Tuesday	01	August Wednesday	02	August Thursday	03	August Friday	04	August Saturday
Shree Cement, GSPL Tech Mahindra, Idea HDFC Ltd, Swaraj Engines Mahindra Lifespace Axis Bank, Oberoi Realty		Dabur, Castrol, Tata Motors EIH Limited, V-guard EPC Ind, Vedanta, Blue Dart Jagran Prakashan, Power Grid Supreme Ind, Astral Poly Technik		TCI Express, Apollo Tyre HEG, Navneet, Pidilite ABFRL, Exide Nikkei India PMI Mfg Nikkei Japan PMI Mfg		Marico, Ramco Cements TCI, JK Lakshmi Cement Majesco, Pfizer, ONGC Time Technoplast Japan Monetary Base		Nestle India, Taj GVK EIH Associated, Titan ENIL, Mangalam Cement KEC International US Unemployment Rate		Divi's Lab Action Const. Equipment	
06	August Monday	07	August Tuesday	08	August Wednesday	09	August Thursday	10	August Friday	11	August Saturday
Firstsource Solutions Adani Ports Graphite India		Motherson, Birla Corp, Sobha Somany, Butterfly Gandhimati GSK, Shree Pushkar, eClerx Kalpataru Power, PNC Infratech Wonderla, Hawkins, Gulf Oil		Cipla, Ratnamani Metals Trent, Greenply, BPCL Lupin, City Union Bank Thermax, Natco, HPCL China Trade Balance		TV Today, Tata Comm, NRB AIA, Page Ind, Investment Prec Liberty Shoes, Bharat Forge Varun Bev, Eicher, Guj Pipavav IPCA, Aurobindo, Bajaj Electric		Apollo Hosp, GAIL, SBI, Sun TV NCC, Prabhat Dairy, Hester Hindalco, GE Shipping, Glenma UB, Indian Hotels, Voltas. IGL Titagarh, Wimplast, Bosch, Tir		Amara Raja VST Tillers & Tractors NBCC, Balkrishna Industries India Cements IOC, Coal India	
13	August Monday	14	August Tuesday	15	August Wednesday	16	August Thursday	17	August Friday	18	August Saturday
Indoco, Pitti, Emmbi, CARE Gandhi Special, Shaily Engg Cadila, Tata Steel, Kanpur Plastics Greaves, Ashoka Build, Sonata Maha Seamless, Gati, Himadri		Sun Pharma Cox and Kings Prima Plastics, Simplex Infra Bodal, Premco Simmonds Marshall		UK CPI YoY		US Initial Jobless Claims Japan Trade Balance EU Trade Balance		EU CPI Core YoY China FDI YoY			
20	August Monday	21	August Tuesday	22	August Wednesday	23	August Thursday	24	August Friday	25	August Saturday
EU Construction Output YoY		Japan 20Y Bond Average Yield		Japan All Ind Activity Index		US Initial Jobless Claims Markit US Mfg PMI Nikkei Japan PMI Mfg Markit EU Services PMI EU Consumer Confidence		Baker Huges US Rig Count			
27	August Monday	28	August Tuesday	29	August Wednesday	30	August Thursday	31	August Friday	01	September Saturday
China Industrial Profits YoY		US Wholesale Inv MoM EU M3 Money Supply YoY		US GDP Annualized QoQ Japan Consumer Confidence		US Initial Jobless Claims EU Consumer Confidence		EU Unemployment Rate EU CPI Core YoY Japan Jobless Rate Japan Industrial Prod YoY China Mfg PMI			

Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
13-Aug	India CPI YoY	IN	Jul	4.2%	4.5%
14-Aug	China Retail Sales YoY	CH	Jul	8.8%	9.1%
14-Aug	India Wholesale Prices YoY	IN	Jul	5.09%	5.22%
14-Aug	China Ind Prod YoY	CH	Jul	6.0%	6.3%
14-Aug	Japan Ind Prod YoY	JN	Jun F	-1.8%	--
15-Aug	UK CPI YoY	UK	Jul	2.5%	2.5%
15-Aug	US Ind Prod MoM	US	Jul	0.1%	0.3%
16-Aug	Japan Trade Balance	JN	Jul	-¥231.2B	-¥41.2B
16-Aug	US Initial Jobless Claims	US	Aug	212,000	215,000
17-Aug	EU CPI YoY	EC	Jul F	--	2.1%

Bulk Deals

Company	Client Name	Type	No. of shares	Price (₹)
BSE*				
Nikhil Adhesives Limited	Brightlight Agency Private Limited	Sell	30,000	134.6

NSE*				
Rolta India Ltd.	Ambe Securities Private Limited	Sell	1,500,000	35.5

Recent Releases

Date	Report
16 August 2018	Result Update –Cox & Kings
16 August 2018	Result Update –Dredging Corporation
16 August 2018	Result Update –Sadbhav Engineering
16 August 2018	Result Update –Timken India
16 August 2018	Result Update –Sun Pharma



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