

### Market Outlook

Indian markets are expected to open positive tracking firm global cues. Today, the market will watch the key results of index stocks TCS and IndusInd Bank and will be mainly driven by FII and DII activity.

### Markets Yesterday

- Domestic markets ended marginally in the red as traders awaited cues from the quarterly results season
- US markets ended on a mixed note as investors remained reluctant to make any moves amid uncertainty over the near term outlook

### Key Developments

- For Q4FY18E, we expect TCS' US\$ revenues to grow 2.4% to \$4,901.9 million led by continued materialisation of deals and partnerships along with the benefit of cross currency to the tune of 120 bps. EBIT margins may expand 50 bps QoQ to 25.7% on the back of cross currency tailwind and productivity enhancements. PAT is expected to grow 1.7% to ₹ 6,720 crore. The demand outlook for FY19E segregated across business segments, margin trajectory and traction in digital business would be of investor interest
- For Q1CY18E (follows calendar year) Mahindra CIE's (MCI) standalone business will be driven by healthy production volumes of its top three clients, which account for >50% of its revenue. Thus, its revenue, EBITDA & PAT are expected at ₹ 615 crore, ₹ 66 crore & ₹ 28 crore, respectively. At the consolidated level, we expect revenue, EBITDA of ₹ 1800 crore, ₹ 244 crore, respectively
- India's domestic air passenger growth increased 28% YoY to 1.15 crore in March 2018. This is the highest ever growth in air passenger. Indigo remains the leader with 39.5% market share

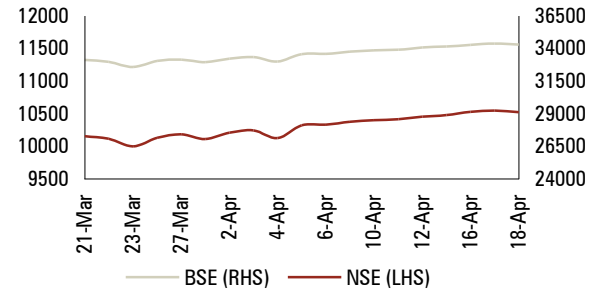
### Nifty Heat Map

ITC	275.4 2.9%	Wipro	292.7 2.8%	Zee Ent.	588.3 2.2%	Ultratech	3,992.4 1.9%	GAIL	330.7 1.5%
Hindalco	242.8 1.4%	Tata Steel	601.6 0.9%	IBULHSG FIN	1,369.6 0.9%	NTPC	178.6 0.9%	Cipla	584.6 0.8%
Vedanta Ltd	291.1 0.8%	ONGC	182.1 0.7%	Bharti Infratel	336.1 0.6%	Bharti Airtel	384.3 0.6%	Yes Bank	309.6 0.5%
Adani Ports	385.0 0.4%	HUL	1,450.5 0.3%	Infosys	1,126.0 0.1%	Power Grid	205.0 0.0%	L&T	1,360.1 0.0%
UPL	757.6 0.0%	Sun Pharma	512.0 0.0%	Bajaj Auto	2,862.1 -0.1%	Grasim	1,092.9 -0.2%	Dr Reddy	2,101.7 -0.2%
TCS	3,159.1 -0.2%	Asian Paints	1,172.3 -0.3%	Bajaj Finance	1,926.9 -0.4%	Maruti	9,121.5 -0.4%	Tata Motors	334.8 -0.5%
Eicher	30,873.9 -0.5%	ICICI Bank	290.1 -0.6%	HDFC Ltd	1,877.7 -0.6%	RIL	938.0 -0.7%	SBI	246.5 -0.7%
HDFC Bank	1,932.6 -0.8%	Hero Moto	3,737.8 -0.8%	Coal India	285.1 -0.9%	Kotak Bank	1,154.0 -0.9%	Bajaj Finserv	5,359.7 -1.2%
IndusInd Bank	1,843.6 -1.2%	BPCL	405.2 -1.3%	IOC	165.0 -1.3%	M&M	798.3 -1.4%	HCL Tech	996.9 -1.4%
TECHM	656.8 -1.7%	Lupin	790.6 -1.8%	Titan	977.1 -2.1%	Axis Bank	518.3 -2.7%	HPCL	319.6 -3.2%

### Today's Highlights

Results: TCS, Cyient, IndusInd Bank, Mahindra CIE

### Index Movement (past month)



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yr fwd)
Sensex	34,332	34,395	-0.2	4.1	0.8	20.0
Nifty	10,526	10,549	-0.2	4.1	0.0	19.2

### Institutional Activity

	CY16	CY17	YTD CY18	Yesterday	Last 5 Days
FII (₹ cr)	14,049	-40,663	-3,471	-916	-2,206
DII (₹ cr)	11,320	91,032	29,946	870	1,255

### World Indices – Monthly performance

	BSE	NSE	U.K.	France	Nikkei
	34,332	10,526	7,317	5,380	21,848
	3.5%	3.2%	2.1%	1.8%	1.7%
	Germany	Kospi	Dow Jones	Nasdaq	Shanghai
	12,591	2,486	24,748	7,295	3,114
	1.6%	-0.6%	-0.6%	-2.5%	-5.5%

### Markets Today

	Close	Previous	Change (%)	MTD(%)	YTD(%)
<b>Commodities</b>					
Gold (₹/10 gm)	31,276	31,099	0.6	2.1	6.9
Silver (₹/kg)	39,496	38,874	1.6	3.1	3.0
Crude (\$/barrel)	73.7	73.5	0.3	4.9	10.2
Copper (\$/tonne)	6980.25	6828	2.2	4.5	-3.1
<b>Currency</b>					
USD/INR	65.66	65.65	0.0	-0.7	-2.7
EUR/USD	1.24	1.24	0.0	0.4	3.0
USD/YEN	107.47	107.23	0.2	-1.1	4.9
<b>ADRs</b>					
HDFC Bank	98.3	98.8	-0.5	0.1	-2.8
Tata Motors	25.6	25.7	-0.5	0.0	-22.3
Infosys	16.9	16.8	0.6	-5.7	3.8
Dr Reddys Labs	32.5	32.5	-0.1	-0.5	-13.4

## 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	6.00%	6.00%
RBI Reverse Repo Rate	N/A	5.75%	5.75%
CPI YY	March	4.28%	4.44%
Current Account Balance	Q4	-13.5bln \$	-7.2bln \$
Exports - USD	March	29.11bln \$	25.8bln \$
FX Reserves, USD Final	w/e	422.53bln \$	421.33bln \$
GDP Quarterly yy	Q3	7.20%	6.30%
GDP Annual	12M	6.60%	8.00%
Imports - USD	March	42.8bln \$	37.8bln \$
Industrial Output yy	February	7.10%	7.50%
Manufacturing Output	February	8.70%	8.70%
Trade Deficit - RBI	Q4	-44.1bln \$	-32.8bln \$
Trade Deficit Govt - USD	March	13.69bln \$	11.98bln \$
WPI Food yy	March	-0.29%	0.90%
WPI Fuel yy	March	4.70%	3.81%
WPI Inflation yy	March	2.47%	2.48%
WPI Manufacturing Inflation yy	March	3.03%	3.04%

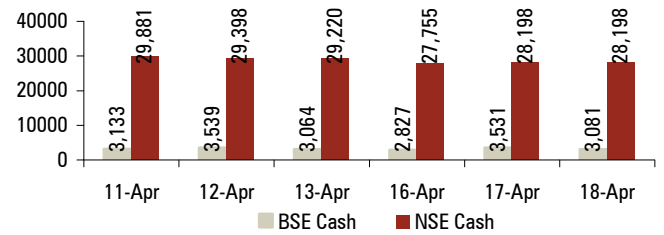
## Sectoral Index

Sector	Close	Previous	Change	% Change	Volume
Auto	25357.3	25477.43	-120.13	(0.47)	2390000
Banks	28158.37	28399.71	-241.34	(0.85)	6998000
BSE Small Cap	11792.74	11901.39	-108.65	(0.91)	66926000
Capital Goods	19157.23	19182.9	-25.67	(0.13)	3497000
Consumer Durables	22765.75	23038.18	-272.43	(1.18)	1373000
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	14195.75	14130.49	65.26	0.46	8583000
Mid Cap	10993.02	11070.76	-77.74	(0.70)	64406000
Oil & Gas	14616.69	14712.63	-95.94	(0.65)	3619000
Power	2246.17	2242.35	3.82	0.17	7050000
PSU	7935.66	7981.09	-45.43	(0.57)	20653000
Real Estate	2362.38	2350.86	11.52	0.49	5889000

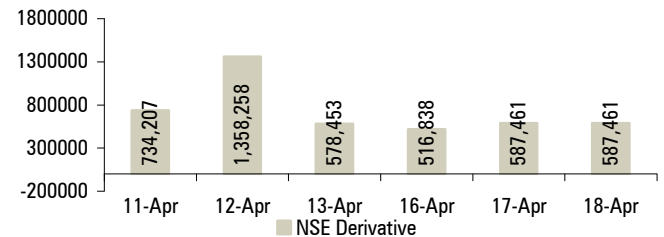
## Key News for Today

Company/ Industry	News	View	Impact
Banking sector	RBI has maintained its stance, turning down speculation, regarding easing of norms on debt resolution announced on February 12, 2018. Thus, banks have to classify accounts as default from the first day of missed payment rather than earlier tenure of 90 days. Existing schemes of restructuring have been scrapped while accounts where resolution has not been sought in a timely manner have to be referred to NCLT	RBI has maintained its strict stance on maintaining the revised norms regarding tighter NPA recognition against expectation on some dilution in the new framework. This may result in marginal pressure on banking stocks in the near term. However, in the long term, the revised framework is seen benefiting banks by strengthening of their balance sheet by the earlier stressed asset resolution	↓

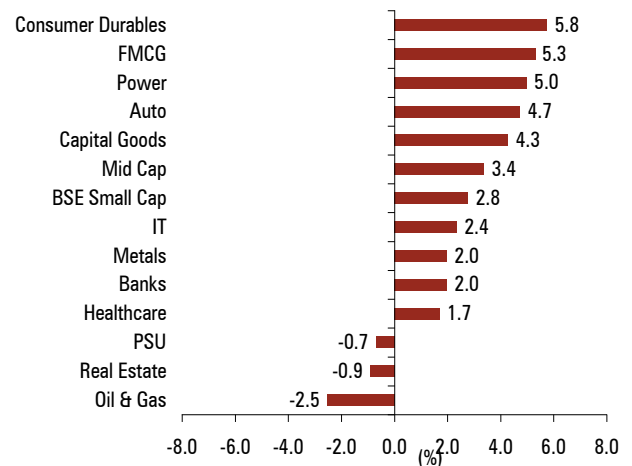
## Exchange Cash Turnover (₹ crore)



## NSE Derivative Turnover (₹ crore)



## Sectoral Performance – Monthly Returns (%)



### Key developments (Continued...)

- For IndusInd Bank, the healthy business growth is expected to continue. Credit & deposit growth of ~24% YoY are estimated at ₹ 127069 crore and ₹ 149220 crore, respectively. Loan growth would largely be led by the corporate finance segment. In consumer finance, non vehicle segment like LAP & credit cards would continue to drive strong growth. CV finance traction would be keenly monitored. With NIMs maintained at ~3.8-4%, healthy NII increase of 26.4% YoY to ₹ 1995 crore is expected. With lower exposure to NCLT based accounts, overall asset quality would remain steady. PAT of ₹ 939 crore is expected, up 25% YoY
- ACC's Q1CY18 results were below our estimates. Revenues increased 14.8% YoY to ₹ 3,557.0 crore led by 7.7% YoY increase in volumes to 7.1 MT and 6.5% YoY increase in realisation to ₹ 5,003/t. EBITDA/tonne increased 15% YoY to ₹ 597/t (vs. I-direct estimate of ₹ 631/t) led by lower fixed cost
- MindTree reported a strong set of numbers on all fronts in Q4FY18 results. US\$ revenues grew 5.6% QoQ to \$226.2 million and were above our 3.6% growth and \$222 million estimate. EBITDA margins posted a strong performance and expanded 100 bps sequentially to 16.1%, way ahead of our 15.1% estimate mainly on account of better-than-expected revenue growth. Reported PAT of ₹ 182.2 crore was above our expectation of ₹ 138.8 crore estimate on account of a better-than-expected operating performance and higher other income
- Fortis Healthcare has received a special notice and requisition from the minority shareholders for convening an extraordinary general meeting for appointment of three independent directors and removal four existing directors
- Glenmark Pharma has received USFDA approval for a generic version of Leo Pharma's dermatology ointment Protopic (Tacrolimus ointment, 0.1%). According to IQVIATM, annual sales of Protopic Ointment, 0.1% was ~US\$109.0 million
- The new alignment for the greenfield Delhi-Mumbai express highway is likely to reduce land acquisition cost by up to ₹ 20,000 crore as the highway will travel through backward and undeveloped areas
- Container Corporation of India may consider a stock split of its shares with a face value of ₹ 10, on April 30, 2018, along with results and possible dividend declaration

### Nifty Chart



### Technical Outlook

Equity benchmarks snapped their nine-day winning streak as the Nifty settled down 23 points or 0.2%, at 10526. The price action formed a bear candle at the higher band of the rising channel indicating mild profit booking after nine day gains. In line with our view, the Nifty took a breather after nine consecutive sessions of positive closing. However, it continues to form a higher high-low, maintaining a positive bias. In our view, formation of a bear candle after the strong up move should only be construed as an intermediate breather. In today's session, holding past two session's low (10495) would maintain the bias positive and keep the index up move towards its key short-term hurdle at 10630. Going forward, only a follow through close below the last two session's low (10495) would disrupt the higher high/low sequence and lead the index into a temporary consolidation phase.

### Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
S&P BSE SENSEX INDEX	Positive	34331.7	34204.0	33882.0	34526.0	34848.0
Nifty 50	Positive	10526.2	10492.0	10407.0	10576.0	10661.0
ACC LTD	Neutral	1573.5	1555.0	1515.0	1596.0	1637.0
AXIS BANK LTD	Negative	518.3	511.0	492.0	530.0	549.0
HDFC BANK LTD	Neutral	1932.6	1925.0	1901.0	1948.0	1971.0
STATE BANK IND	Negative	246.5	244.0	240.0	249.0	253.0
HOUSING DEV FIN	Positive	1877.7	1866.0	1839.0	1893.0	1920.0
MARUTI SUZUKI IN	Negative	9121.5	9069.0	8937.0	9200.0	9332.0
TATA MOTORS LTD	Neutral	334.8	332.0	326.0	339.0	345.0
MAHINDRA & MAHIN	Negative	798.3	791.0	774.0	808.0	826.0
BAJAJ AUTO LTD	Positive	2862.1	2845.0	2812.0	2878.0	2912.0
TATA CONSULTANCY	Negative	3159.1	3139.0	3091.0	3186.0	3234.0
INFOSYS LTD	Neutral	1126.0	1115.0	1094.0	1136.0	1157.0
CIPLA LTD	Positive	584.6	579.0	564.0	594.0	609.0
OIL & NATURAL GA	Positive	182.1	181.0	179.0	183.0	185.0
RELIANCE INDS	Neutral	938.0	932.0	919.0	945.0	958.0
BHARTI AIRTEL	Positive	384.3	380.0	371.0	390.0	399.0
DLF LTD	Positive	212.5	209.0	200.0	217.0	225.0

### CNX Nifty Technical Picture

	Intraday	Short Term
Nifty 50		
Trend	Up	Up
Support	10530-10495	10300
Resistance	10595-10630	10630
20 day EMA		10376
200 day EMA		10159

### Advances / Declines

	Advances	Declines	Unchanged
BSE	1101	1563	145
NSE	691	1108	100

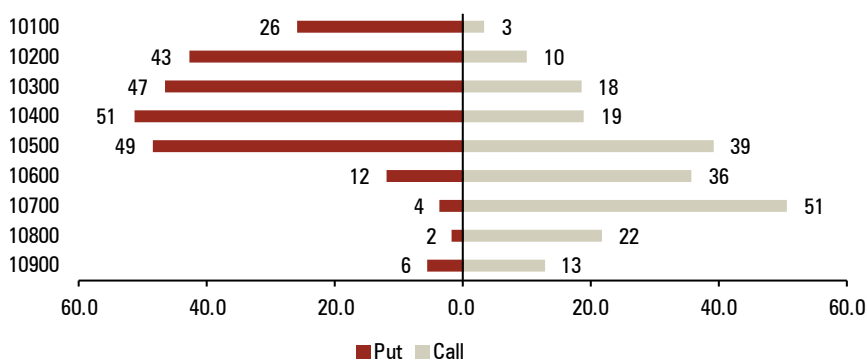
### Daily Technical Calls

1. Buy Hindustan Zinc in the range of 324.20-325.00
2. Buy Sun TV in the range of 900.00-902.00

\*All recommendations are of April Future

See Momentum Pick for more details

### Nifty Call – Put Strike (No. of shares in lakh) – April 2018



### Intraday Derivative Strategy

i) Larsen & Toubro

Buy LARTOU APR Fut at ₹ 1371.00-1372.00

CMP: 1364.5

Target 1: 1379 Target 2: 1391

Stop Loss: 1363

ii) Kotak Mahindra Bank

Sell KOTMAH APR Fut at ₹ 1150.00-1151.00

CMP: 1157

Target 1: 1143.5 Target 2: 1132.3

Stop Loss: 1158.5

See Daily Derivatives for more details

### Results/Events Calendar

02	April Monday	03	April Tuesday	04	April Wednesday	05	April Thursday	06	April Friday	07	April Saturday		
Markit US Mfg PMI Nikkei India PMI Mfg Nikkei India Services PMI Nikkei Japan PMI Mfg				Markit US Services PMI		US Initial Jobless Claims RBI Reverse Repo Rate RBI Cash Reserve Ratio RBI Repurchase Rate							
		09	April Monday	10	April Tuesday	11	April Wednesday	12	April Thursday	13	April Friday	14	April Saturday
				US Wholesale Inv MoM		China PPI YoY China CPI YoY UK Industrial Prodn YoY		VST Industries US Initial Jobless Claims India Industrial Prod YoY		Infosys		DCB Bank	
		16	April Monday	17	April Tuesday	18	April Wednesday	19	April Thursday	20	April Friday	21	April Saturday
				US Industrial Prod MoM		MindTree ACC		TCS, Cyient IndusInd Bank Mahindra CIE				HDFC Bank	
		23	April Monday	24	April Tuesday	25	April Wednesday	26	April Thursday	27	April Friday	28	April Saturday
Bharti Infratel LIC Housing Finance Kewal Kiran, Delta Corp Swaraj Engines				Persistent Systems Bharti Airtel		Wipro, Syngene Int Ultratech Cement		Axis Bank Biocon, Axis Bank, Yes Bank SBI Life		Mahindra Lifespace Shoppers Stop Maruti Suzuki		Shree Cement	
		30	April Monday	01	May Tuesday	02	May Wednesday	03	May Thursday	04	May Friday	05	May Saturday
HDFC Ltd Container Corporation Kotak Mahindra Bank				Dabur		HCL Tech HT Media, Marico Kansai Nerolac		Castrol Trent					

### Major Economic Events this Week

Date	Event	Country	Period	Actual	Expected
16-Apr	Wholesale Prices YoY	IN	Mar	2.5%	2.4%
17-Apr	GDP YoY	CH	1Q	6.8%	6.8%
17-Apr	Industrial Production YoY	CH	Mar	6.0%	6.3%
17-Apr	Industrial Production YoY	JN	Feb F	--	1.4%
17-Apr	Industrial Production MoI	US	Mar	0.7%	1.1%
18-Apr	CPI YoY	UK	Mar	2.5%	2.7%
18-Apr	CPI YoY	EU	Mar F	1.3%	1.4%

### Result Preview

Company	Revenue	Chg(%)		EBITDA	Chg(%)		PAT	Chg(%)	
	Q4FY18E	YoY	QoQ	Q4FY18E	YoY	QoQ	Q4FY18E	YoY	QoQ
TCS	31,543.6	6.4	2.1	8,611.4	5.9	3.9	6,720.0	1.7	2.9
Cyient	1,052.3	11.8	7.0	150.0	20.1	4.8	96.1	22.5	-11.7
IndusInd Bank	2,011.4	20.6	6.2	1,720.5	9.4	3.4	947.6	26.1	1.2
Mahindra CIE	1,800.2	19.0	11.2	244.2	25.5	5.4	116.4	42.1	25.0

Revenue = NII; EBITDA = PPP for Banks and NBFC

### Recent Releases

Date	Report
18 April 2018	<a href="#">Nano Nivesh – Simmonds Marshall</a>
16 April 2018	<a href="#">Result Update – Infosys</a>
16 April 2018	<a href="#">Result Update – DCB Bank</a>
16 April 2018	<a href="#">Sector Update – Defexpo India 2018</a>
12 April 2018	<a href="#">Company Update – Bajaj Electricals</a>



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