

12 May 2016

Indices	Current Value	% 1 D	% YTD
Sensex	25597	(0.68)	(1.99)
Nifty	7849	(0.49)	(1.23)
BSE – Mid Cap	11143	0.17	0.00
BSE – Sml Cap	11038	(0.03)	(6.74)
SGX Nifty Fut	7865	(0.10)	(1.02)

Sectors –Performance (BSE)

Bankex	19100	(0.05)	(1.18)
Capital Goods	13582	(0.08)	(3.87)
Metal	7606	(0.23)	2.82
Realty	1352	(0.88)	0.55
Power	1838	(0.75)	(6.10)
IT	11163	(0.72)	0.91

Index	FY16E	FY17E	FY18E
SensexEPS	1371	1617	1947
P/E	18.67	15.83	13.15
NiftyEPS	406	489	589
P/E	19.33	16.05	13.33

FII Trading activities in Cash

	Date	Net	MTD	CYTD
FII	11/05	(362)	(255)	12155
DII	11/05	730	(2328)	7174

Figs. in Rs Cr., Source: Bloomberg.

Global Indices	Current Value	% 1 D	% YTD
Dow Jones	17711	(1.21)	1.64
Dow Futures	17668	0.05	2.29
Nasdaq	4761	(1.02)	(4.93)
DAX	9975	(0.70)	(7.15)
Nikkei 225	16486	(0.56)	(13.39)
FTSE 100	6162	0.09	(1.28)
Hang Seng	19926	(0.64)	(9.07)
Shanghai A Sha	2808	(1.04)	(20.67)
Bovespa	52764	(0.58)	21.72
Strait Times	2732	(0.02)	(5.22)

Source: Bloomberg; As on 8.30 am IST

Forex Rate			
INR/USD	66.57	0.03	(0.62)
INR/EUR	75.88	(0.06)	(4.96)
INR/GBP	96.08	0.19	1.99
INR/YEN (100)	61.35	(0.08)	(10.42)

Rajya Sabha passes Bankruptcy Bill

Asian markets were trading lower tracking weak cues from Wall Street overnight and investors turn their focus on quarterly earnings reports. Indian indices are expected to open lower and focus will be on quarterly earning & domestic data.

The U.S. markets ended lower led by consumer discretionary stocks and on disappointing earnings from companies like Disney & Macy's. The Dow Jones lost 217 points, or 1.21%, to close 17,771 while the NASDAQ lost 49 points, or 1.02 %, to close at 4,761.

Nikkei is trading lower by 0.50% while Hang Seng is trading lower by 0.56%. Sgx Nifty is trading lower by 0.15%.

What to watch

- Rajya Sabha passes Bankruptcy Bill
- India April CPI to be released at 5.30 pm (est 5.05% , previous 4.83%)
- Govt to release March Industrial output
- **Results Today:** Arvind, Bank of Maharashtra, Dr. Reddy's Laboratories, Firstsource Solutions, Merck, Glenmark Pharmaceuticals, Magma Fincorp, Manappuram Finance, Mangalore Refinery, Nestle India, Polaris Consulting & Services, SREI Infra, Take Solutions, Trident, Vijaya, Zydus Wellness

Corporate

- **Cairn India:** Cairn Energy plc of UK has offered to pay 15 % of the Rs 10,247 cr principal amount in return for government lifting freeze on the 9.8 % shares it holds in its former subsidiary, Cairn India.
- **Wipro** has announced a strategic partnership with software vendor Etiya to enable communication service providers deliver digital services.
- **Jubilant Life Sciences'** wholly-owned subsidiary and Australia-based Cyclopharm have mutually called off their previously announced term sheet for exclusive commercial rights of Technegas in the US market.
- **Sanofi India** has recalled several batches of its painkiller Combiflam after the drug was found sub-standard by Indian regulator.
- **Tyche Industries** has been given approval from US FDA for api manufacturing facility in kakinada, AP.

Insight from trading volumes

Scrip	% Chg in Qty Traded (OverAvg 30 days)	Qty Traded (‘000s)	Delivery %	CMP*
GPPL	967	2368	94	22
DCMSHRIRAM	838	1839	25	178
INDIANB	681	1125	15	90
MRPL	607	3790	42	71
WEST COST PAPER	545	1895	40	93
PRISM CEMENT	444	1859	64	90
ZEE ENTERTAINMENT LTD	298	11158	33	448

Insight from delivery

Scrip	Delivery %	Total Volume (‘000s)	30 days avg Delivery %	CMP*
Kajaria Ceramic	36	99	42	1070
Brigade Enterpr	67	12	47	152
Jindal Photo	95	70	50	179
BF Investment	33	20	47	117
Kansai Nerolac	48	141	52	297
Omax Autos	72	10	57	63
Tree House Edu.	72	128	60	72

*CMP-Closing Market Price

Company	Target Price	CMP	Target Price/ CMP (%)
Ahluwalia Contracts	293	275	7%
Arvind	344	295	17%
Ashok Leyland	117	104	13%
Aurobindo Pharma	940	817	15%
Balkrishna Industries	730	661	10%
Biocon	680	627	9%
BPCL	1110	920	21%
Camlin Fine	128	100	28%
CARE	1373	997	38%
Coal India	410	284	44%
Divi's Lab	1240	1065	16%
eClerx Services	1411	1316	7%
Firstsource Sol	50	42	19%
Gabriel India	112	90	25%
Godrej Inds	441	347	27%
GSPL	175	142	24%
Gulf Oil Lubricants	640	543	18%
HCL Tech	934	709	32%
HDFC	1430	1204	19%
HDFC Bank	1400	1138	23%
HPCL	1100	835	32%
India Cement	111	89	24%

Company	Target Price	CMP	Target Price/ CMP (%)
Indian Hume Pipe	373	352	6%
Indraprastha Gas	630	567	11%
Indusind Bank	1150	1053	9%
Infosys Tech	1500	1201	25%
IPCA Labs	680	469	45%
J Kumar Infra	375	250	50%
L & T	1528	1324	15%
Mah & Mah	1542	1346	15%
Mahindra Holidays	520	397	31%
Maruti Suzuki	4735	3890	22%
Mayur Uniquoters	520	401	30%
Panasonic Energy	435	331	31%
PTC India Fin	49	40	23%
Reliance Inds	1375	975	41%
Repcos Home Fin	695	634	10%
Salzer Electronics	283	216	31%
Solar Inds	3792	3339	14%
Strides Arcolab	1450	1149	26%
Suprajit Engg	174	150	16%
Technocraft Inds	250	223	12%
Wonderla Holidays	409	379	8%

Note : Selection criteria based on Potential upside ranging from 5 to 50%. Source: Axis Direct.

Daily call

Index	CMP	% up/dn	S2	S1	P	R1	R2
Nifty	7,848.85	0.49%	7730	7790	7840	7900	7955
Sensex	25597.02	0.68%	25235	25415	25590	25770	25945

Daily chart



Comments: Daily view

Nifty opened with a downward gap and traded with extreme volatility on either side to end on a negative note. Nifty closed at 7849 with a loss of 39 points.

On the daily chart the index has formed a Bullish candle carrying shadows on both side indicating extreme volatility. Since past 8-9 trading sessions Nifty is consolidating within 7900-7680 levels representing short term sideways trend. The chart pattern suggests that if Nifty crosses and sustains above 7880 level it would witness buying which would lead the index towards 7900-7950 levels. From current levels an immediate intraday support is around 7800 level and any violation of this support zone will cause some profit booking which lead index towards 7700-7750 levels. Nifty is trading above 20, 50 and 100 day SMA's which are important short term moving averages, indicating positive bias in the short to medium term. Nifty continues to remain in an uptrend in the short to medium term, so buying on dips continues to be our preferred strategy.

The daily strength indicator RSI and momentum oscillator Stochastic have both turned positive and are above their respective reference lines indicating positive bias.

The trend deciding level for the day is 7840. If NIFTY trades above this level then we may witness a further rally up to 7900-7955-8015 levels. However, if NIFTY trades below 7840 levels then we may see some profit booking initiating in the market, which may correct up to 7790-7730-7675 levels.

Stocks to focus for intraday Long		DishTv, Voltas, Sun Tv, Star, Engineers Ind., Asianpaint, Maruti , Dabur
Stocks to focus for intraday Short		PFC, PNB

Daily call

Index	CMP	% up/dn	S2	S1	P	R1	R2
USD/INR (Future)	66.81	-0.13%	66.59	66.70	66.88	66.99	66.17

USDINR (May Future) Daily chart



Comments:

USDINR (May. Future) CMP: **66.81**

In previous trading session USDINR opened on a strong note however profit booking from opening tick erased all the earlier gains which led USDINR to close in negative territory. On the daily chart USDINR has formed a sizable bearish candle indicating negative bias. Since past 5- 6 weeks USDINR is consolidating within 67.20 to 66.50 levels representing short term sideways trend. At current levels USDINR is sustaining above its 20 day SMA (66.68) which remains a crucial support level to watch in short term.

For the day if USDINR trade and sustains below 66.75 levels then it may witness further weakness towards 66.60-66.50 levels. On the upside an immediate intraday resistance zone is around 66.85-66.90 levels.

The daily strength indicator RSI has turned flat indicating absence of strength whereas the momentum indicator Stochastic has turned bearish from overbought zone indicating further downward momentum.

Daily Support/ Resistance of Nifty Companies



Company	Pivot Point	R1	R2	S1	S2	RSI-9D
ACC	1460	1479	1491	1448	1429	67
AMBUJACEM	220	223	225	218	215	49
ADANI PORTS	193	196	199	190	186	24
ASIANPAINT	905	922	936	891	873	65
AUROPHARMA	813	826	834	805	792	69
AXISBANK	493	505	512	486	474	76
BHARTIARTL	364	372	385	351	344	49
BHEL	126	128	129	125	123	53
INFRATEL	372	375	379	368	364	46
BAJAJ-AUTO	2523	2549	2581	2491	2464	58
BANKBARODA	156	159	161	154	151	58
BOSCHLTD	19807	20339	20631	19515	18983	59
BPCL	919	929	938	910	899	36
CIPLA	536	540	544	532	527	56
COALINDIA	282	287	289	279	274	48
DRREDDY	2879	2903	2938	2845	2821	32
EICHERMOT	20015	20122	20267	19870	19764	50
GAIL	387	390	394	384	380	67
GRASIM	4251	4313	4362	4202	4140	79
HCLTECH	711	715	721	705	700	16
HDFC	1209	1217	1230	1196	1187	71
HDFCBANK	1138	1146	1153	1131	1123	65
HEROMOTOCO	2954	2988	3014	2928	2894	58
HINDALCO	91	93	95	89	87	44
HINDUNILVR	860	869	876	854	844	48
ICICIBANK	223	227	231	220	215	43
IDEA	113	116	120	108	105	36
INDUSINDBK	1050	1064	1074	1040	1026	74
INFY	1203	1214	1225	1191	1181	50
ITC	319	321	324	315	313	44
KOTAKBANK	728	741	751	718	705	70
LUPIN	1599	1606	1619	1586	1578	53
LT	1319	1343	1358	1304	1280	74
M&M	1337	1362	1376	1323	1298	62
MARUTI	3859	3929	3967	3821	3751	65
NTPC	142	144	146	139	137	59
ONGC	205	207	209	203	201	36
POWERGRID	141	143	144	140	138	43
RELIANCE	975	981	986	970	965	33
SBIN	186	188	190	183	181	45
SUNPHARMA	798	804	812	790	784	37
TATASTEEL	327	335	340	322	314	43
TCS	2511	2533	2547	2497	2476	59
TECHM	476	481	488	469	464	49
TATAPOWER	71	72	73	70	70	54
TATAMOTORS	383	389	398	373	367	38
TATAMTRDVR	276	280	286	270	265	34
ULTRACEMCO	3180	3243	3287	3136	3072	53
WIPRO	537	540	543	534	530	38
YESBANK	949	970	983	935	915	73
ZEEL	440	460	473	427	407	75

Source: Axis Direct.

Indices	Mcap (\$bn)	Index Value	PER (x)		PBR (x)		ROE (%)		Div Yield (%)	
			CY16	CY17	CY16	CY17	CY16	CY17	CY16	CY17
Developed										
US (Dow Jones)	23177	17711	17	15	3.0	2.9	19	20	2.7	2.8
US (S&P 500)	-	2064	18	15	2.6	2.5	15	16	2.2	2.4
UK (FTSE 100)	3257	6162	16	14	1.7	1.7	7	12	4.3	4.5
Germany (DAX)	1799	9975	13	11	1.5	1.4	11	12	3.3	3.6
France (CAC)	1901	4317	14	13	1.3	1.3	8	10	3.9	4.0
Japan (Nikkei 225)	4873	16500	16	14	1.4	1.3	9	9	2.0	2.2
BRIC										
Brazil (Bovespa)	603	52764	14	11	1.3	1.2	8	12	3.3	4.1
Russia (Micex)	471	1909	7	6	0.7	0.6	6	11	4.5	4.9
India (Sensex)	1454	25597	16	13	2.4	2.2	14	16	1.8	2.0
China (HSCEI)	5652	8438	7	6	0.8	0.7	13	11	4.2	4.6
Asia										
Hong Kong (H S I)	3721	19954	11	10	1.0	0.9	12	10	4.0	4.2
Korea (KOSPI)	1225	1979	11	10	1.0	0.9	9	9	1.8	1.9
Singapore (Strait)	465	2733	12	12	1.0	1.0	9	9	4.2	4.3
Taiwan (TWSE)	845	8128	13	12	1.4	1.4	14	12	4.3	4.5

Source: Axis Capital, Bloomberg

Note: *Sensex cos.

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