

HSL PCG “THE DAILY”

September 27, 2018

DOMESTIC INDICES

	Close	Points	% Change
SENSEX	36542	-110	-0.30
NIFTY	11054	-14	-0.12
MIDCAP	15341	65	0.42
SMALL CAP	15240	19	0.12

SECTORAL INDICES

	Close	Points	% Change
METAL	14061	239	1.73
REALTY	1841	31	1.69
CG	17935	219	1.23
OIL & GAS	14929	92	0.62
Healthcare	15494	62	0.40
Finance	5584	13	0.23
CD	19856	28	0.14
BANKEX	28423	10	0.04
POWER	1987	0	-0.01
AUTO	22403	-224	-0.99
TECK	7747	-107	-1.36
IT	15592	-254	-1.60

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
BEL	10.72	PNBHOUSING	-5.27
IBULHSGFIN	6.91	IBVENTURES	-4.99
UPL	5.74	NIACL	-4.09
EXIDEIND	5.34	MOTILALOFS	-3.54
GODREJPROP	5.28	OFSS	-3.30

ADVANCE/DECLINES

	BSE	%
ADVANCES	1304	46
DECLINES	1324	47
UNCHANGED	184	7

INSTITUTIONAL ACTIVITY

Rs Cr	26/09/18	25/09/18	Sep Total
FII	-810	-1232	-3106
MF	1555	2284	5384

VIEW POINT

DERIVATIVES WILL DICTATE THE DIRECTION

The Federal Open Market Committee of the U.S Federal Reserve raised interest rates by 0.25% as expected. The U.S. markets have closed in the red after the event. Though the FOMC has removed the word ‘accommodation’ from its language, it is largely on account of the strength of the economy. The Fed raised the growth forecast this year to 3.1% from 2.8% for US economy.

The Fed is sanguine on inflation, and that is good news. The weakness in the Dow was led by banks, which tumbled as Powell downplayed the prospect of steeper rate hikes. We think after the FOMC meeting the markets should be more confident of the U.S. economy.

An important event is now out of the way, and global markets should move on.

We have the expiry of September derivative contracts today. Nifty has fallen by 5% and Bank-Nifty is lighter by 10% this series. Bears will attempt to bring markets down near 11000 levels where they would like it to expire. Lower overall roll-overs will put pressure on select stocks in the Financials and FMCG sector today.

Nifty is trying to build a new base with support at 10866 and once derivative expiry is done and dusted with, we look forward to markets attempting a decent recovery in the October series.

Government hikes import duty on 19 items, including jet fuel, ACs and refrigerators

The measures included removal of withholding tax on masala bonds, relaxation for foreign portfolio investors, and curbs on non-essential imports, to contain the widening CAD, which has widened to 2.4 percent of the GDP in April-June and check the rupee’s fall. Total import bill on account of shipment of these items into the country last fiscal was Rs 86,000 crore, the Finance Ministry said in a statement.

These measures are likely to have a positive impact to the tune of USD 8-10 billion. Import duty of aviation turbine fuel (ATF) or jet fuel has been increased to 5 percent from zero, a move that is expected to make air tickets more expensive.

GLOBAL INDICES

	Close	Points	% Chg
DOW JONES	26385	-106.93	-0.40
S & P 500	2906	-9.59	-0.33
NASDAQ	7990	-17.11	-0.21
FTSE	7511	3.93	0.05
CAC	5513	33.63	0.61
DAX	5705	5.17	0.09
MSCI World	2189	-4.89	-0.22
MSCI EM	1046	4.24	0.41
MSCI AC Pac.	166	0.18	0.11

EXCHANGE RATES

	Value	% Change
USD/INR	72.4	0.04
EURO/USD	1.2	0.08
USD/GBP	0.8	0.11
USD/JPY	112.8	0.06

COMMODITIES

	Value	%
RJ/CRB Index	194.0	-0.59
Gold (\$ / Oz)	1201.8	0.23
Silver (\$ / Oz)	14.5	-0.09
Crude Oil Futures	72.5	1.26
Brent Oil (\$ / Barrel)	81.7	1.08

INTEREST RATES

	Value %	Chg bps
IND10 Yr Bond Yield	8.07	-0.06

ADR

	Value \$	%
Dr Reddys Labs	35.58	0.31
HDFC Bank	92.78	0.48
ICICI Bank	8.76	0.69
Rediff.com India	0.07	0.00
Tata Motors	16.17	-1.82
Wipro	5.28	-1.68
Vedanta Ltd	13.25	3.35
MTNL	0.38	0.00

Products	From %	To %
Air Conditioners	10	20
Refrigerators	10	20
Washing Machine < 10 KG	10	20
Compressor for AC & Refrigerators	7.5	10
Speakers	10	15
Footwear	20	25
Radial Tyres	10	15
Cut & Polished Diamond	5	7.5
Diamonds Semi Processed	5	7.5
Articles of Jewellery & parts of precious metal	15	20
Shower Bath, Sink Wash Basin etc. of Plastics	10	15
Tableware, Kitchenware Plastics	10	15
Suitcase, Travel Bags etc.	10	15
Aviation Turbine Fuel	0	5

Hero MotoCorp to hike prices by up to Rs 900 from 3 October

Hero MotoCorp yesterday said it will increase prices of its entire range of products by up to Rs 900 with effect from 3 October in order to offset impact of rising input costs and weakening of rupee against the dollar.

The revision has been necessitated by the increasing commodity costs and currency depreciation, the company said in a statement.

The price hike will translate to an increase of up to Rs 900, although the exact quantum of the increase will vary, basis the model and the specific market, it added. Hero MotoCorp currently sells a range of bikes and scooters priced between Rs 40,000 and Rs 1 lakh.

The company had taken a price hike of up to Rs 500 last month as well.

TD Power Board approves Buy Back worth Rs 30cr

TD Power Systems: Board approved the buyback of equity shares for an aggregate amount not exceeding Rs 30 crore at price not exceeding Rs 256 per share.

Garden Reach Shipbuilders IPO extended; price band revised

Garden Reach Shipbuilders & Engineers extended its initial public offer by three days to October 1 and also revised the price band.

The Rs 345crore offer, scheduled to close Wednesday, was subscribed 67 percent.

Garden Reach Shipbuilders & Engineers initial public offer subscription date has been extended and now the offer closes on October 1, 2018. Price band of the issue revised to Rs 114-118 per equity share. The original price band for the share sale was Rs 115-118 apiece.

Key U.S. Indices

Dow	26,385	-107	-0.40%
S&P 500	2,906	- 10	-0.33%
Nasdaq	7,990	- 17	-0.21%

Fed Hikes As Expected; Indices Close In The Red

Stocks on Wednesday surrendered earlier gains to close lower after the Federal Reserve raised interest rates by 25 basis points, as widely anticipated, and indicated its intent to tighten once more in December.

The Dow Jones Industrial Average fell 107 points or 0.40% to close at 26,385.

The S&P 500 slipped 10 points or 0.33% to 2,906.

The Nasdaq Composite edged down 17 points or 0.21% to 7,990.

Major indices were modestly higher before the rate decision came.

Fed hikes

The Federal Open Market Committee unanimously voted to hike the benchmark interest rate by a quarter-point to a range of 2% to 2.25% and predicted another hike by December and three more in 2019.

In a change of language the Fed dropped the phrase that its policy remains “accommodative.”

However, the removal of the word should be taken as an indication that the economy is performing as expected, emphasized Fed Chairman Jerome Powell during the news conference following the Fed’s announcement.

Powell said that although tense trade relations were on the central bank’s radar it hadn’t yet risen to the level of a significant concern for policy makers.

Banks impacted

A sea of red washed over banking stocks as bonds yields fell after Federal Reserve Chairman Powell downplayed the prospect of faster rate hikes following a widely expected U.S. interest rate rise.

Goldman Sachs, JPMorgan and Wells Fargo stocks closed lower, weighing on the broader market, as the United States 10-Year yields fell. Falling treasury yields limit net interest margin earnings for banks.

Economic data

The Commerce Department said Monday new home sales rose 3.5% to a seasonally adjusted annual rate of 629,000 units last month. The rise was better than expectations.

Other markets

Shares in Asia were broadly higher, with Hong Kong’s Hang Seng Index up more than 1%, while Japan’s Nikkei rose for the seventh straight session.

Major European markets were also modestly higher.

On the New York Mercantile Exchange, crude futures for November delivery fell 1% to settle at \$71.57 a barrel.

Gold prices also settled lower.

The U.S. dollar index bounced around after the Fed’s rate increase and traded slightly higher.

DATA & EVENTS

OPEN TRADING CALLS

No.	Reco Date	Company Name	Reco	Cost	SL	Target
1	26-09-2018	ABB	BUY	1469-1445	1420	1540
2	26-09-2018	ACC OCT FUTURE	BUY	1590-1575	1565	1640

NOTE: ALL TRADING RECOMMENDATIONS GIVEN BY PCG TEAM ARE ON REAL TIME BASIS. A TRADING RECOMMENDATION SHOULD BE CONSIDERED CLOSED OR SQUARED OFF AS AND WHEN A STOPLOSS OR TARGET IS TOUCHED IN INTRADAY TRADING. DO NOT WAIT FOR TARGET ACHIEVED OR STOPLOSS MESSAGE TO CLOSE THE POSITIONS. REFER JAMMOON FOR TIMELY ENTRY AND EXIT FROM RECOMMENDATIONS.

TODAY'S EVENTS

DATE	COUNTRY	EVENT	PERIOD	FORECAST	PREVIOUS
27 09 2018	US	GDP Annualized QoQ	2Q T	4.3	4.2
27 09 2018	US	Personal Consumption	2Q T	N.A.	3.8
27 09 2018	US	GDP Price Index	2Q T	3	3
27 09 2018	US	Core PCE	2Q T	N.A.	2

YESTERDAY'S EVENTS

DATE	COUNTRY	EVENT	PERIOD	FORECAST	PREVIOUS	ACTUAL
26 09 2018	US	FOMC Rate Decision (Upper Bound)	Sep , 2018	2.25	2	2.25
26 09 2018	US	FOMC Rate Decision (Lower Bound)	Sep , 2018	2	1.75	2

DATA & EVENTS

BULK DEALS*

Date	Script Name	Fund Name	Buy/Sell	Quantity	Value (Rs.Cr.)
NSE					
26/09/18	Dewan Housing Fin Corp	ALPHAGREP COMMODITIES PRIVATE LIMITED	BUY	1634090	49.5
26/09/18	Dewan Housing Fin Corp	ALPHAGREP COMMODITIES PRIVATE LIMITED	SELL	1633461	49.6
26/09/18	Dewan Housing Fin Corp	BNP PARIBAS ARBITRAGE	BUY	5145821	153.3
26/09/18	Dewan Housing Fin Corp	GENUINE STOCK BROKERS PVT LTD	BUY	1612995	49.0
26/09/18	Dewan Housing Fin Corp	GENUINE STOCK BROKERS PVT LTD	SELL	1612995	49.1
26/09/18	Dewan Housing Fin Corp	MRIDUL SINGHANIA	BUY	1628000	50.1
26/09/18	Dewan Housing Fin Corp	PURITY TRADEMAX LLP	BUY	1737534	52.9
26/09/18	Dewan Housing Fin Corp	PURITY TRADEMAX LLP	SELL	1737534	52.9
26/09/18	Dewan Housing Fin Corp	VAIBHAV STOCK & DERIVATIVES BROKING PVT. LTD	BUY	2743484	83.5
26/09/18	Dewan Housing Fin Corp	VAIBHAV STOCK & DERIVATIVES BROKING PVT. LTD	SELL	2743484	83.6
BSE					
26/09/18	APOLLOHOSP	OPPENHEIMER FUNDS INC	SELL	1400178	146.2
26/09/18	APOLLOHOSP	WELLINGTON TRUST CO NATIONAL ASSOCIATION MULTIPLE COMMON TRUST FNDS TRUST EMERGING MKT OPP PORTFOLIO	BUY	944281	98.6
* Bulk deals of only more than Rs.25 Cr are taken into consideration					

LIST OF FIFTY STOCKS

COMPANY	CLOSE	R2	R1	PIVOT	S1	S2
NIFTY 50	11054	11217	11135	11064	10983	10912
ADANI PORTS	338	352	345	338	331	324
ASIAN PAINT	1280	1315	1298	1286	1268	1256
AXIS BANK	618	630	624	618	612	606
BAJAJ-AUTO	2773	2840	2807	2775	2742	2710
BAJAJ FINSV	6205	6328	6267	6227	6166	6126
BAJAJ FINANCE	2299	2375	2337	2316	2278	2257
BHARTIARTL	361	369	365	361	357	353
BPCL	368	376	372	367	362	357
CIPLA	672	687	679	668	660	648
COALINDIA	273	280	276	273	269	266
DRREDDY	2592	2689	2640	2616	2567	2543
EICHERMOT	25210	26670	25940	25520	24791	24371
GAIL	375	387	381	376	370	364
GRASIM	1040	1058	1049	1041	1032	1025
HCLTECH	1090	1134	1112	1099	1077	1063
HDFC	1759	1824	1792	1774	1741	1724
HDFC BANK	1966	1989	1978	1966	1955	1944
HEROMOTOCO	3096	3161	3128	3108	3075	3054
HINDALCO	248	255	252	247	243	238
HINDPETRO	248	253	250	246	243	239
HINDUNILVR	1610	1670	1640	1619	1589	1568
IBULHSGFIN	993	1074	1034	982	941	889
ICICIBANK	313	321	317	311	307	301
INDUSINDBK	1702	1731	1716	1698	1683	1665
INFRA TEL	262	281	271	265	255	248
INFY	720	741	731	721	711	701
IOC	155	158	156	154	152	150
ITC	293	309	301	295	288	282
KOTAK BANK	1165	1199	1182	1172	1155	1144
LT	1335	1355	1345	1327	1317	1299
LUPIN	892	920	906	896	882	872
M&M	888	929	908	897	876	864
MARUTI	7835	8183	8009	7916	7742	7648
NTPC	168	174	171	169	166	163
ONGC	180	187	184	181	178	175
POWERGRID	193	198	195	192	190	186
RELIANCE	1254	1272	1263	1245	1236	1218
SBIN	263	278	270	267	259	255
SUNPHARMA	640	658	649	641	632	624
TATAMOTORS	233	249	241	235	228	222
TATASTEEL	608	623	615	607	599	591
TCS	2147	2224	2186	2160	2122	2097
TECHM	748	781	764	752	735	723
TITAN	817	831	824	813	806	795
ULTRACEMCO	4054	4138	4096	4060	4018	3983
UPL	701	738	720	687	668	635
VEDL	242	254	248	239	233	223
WIPRO	320	334	327	322	315	309
YES BANK	224	236	230	224	217	211
ZEEL	447	456	452	448	443	439

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