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NIFTY FIFTY : The market has kick-started the week with mild gains. The Nifty down 4.50 points at 7894.80. Global developments and F&O expiry on Thursday keep the market volatile, Nifty managed to hit a four-month high in this week's trade

TECHNICAL TREND (NIFTY - BANK NIFTY FUTURES)

NIFTY FIFTY : The market has kick-started the week with mild gains. The Nifty down 4.50 points at 7894.80. Global developments and F&O expiry on Thursday keep the market volatile, Nifty managed to hit a four-month high in this week's trade, but failed to sustain as traders turned cautious after a staggering rally in last two months. Fourth quarter earnings season has been a mixed bag so far. This is the second consecutive month of FII buying after four successive months of selling prior to March. FII money is one of the biggest movers of the Indian market. Hopes of further RBI rate cut, positive macro data and good monsoon forecasts mean that the tap may stay open for a while. On Tuesday the stock market staged a spectacular recovery after a sluggish start. The Nifty rallied 107 points or 1.4 percent at 7962, On Thursday The Bank of Japan left monetary policy steady, Also the Federal Reserve kept its benchmark interest rate unchanged citing slower growth in the US economy. The crucial level for Nifty is 8150-8280 up side and 7900-7850 is down side for next week.

BANK NIFTY : - The Bank Nifty opened in a positive notes on Monday at 16746 up by 43 points. The global rating agency has warned the Indian government over the bad loan situation. The Supreme Court on Tuesday asked the Narendra Modi government to overhaul the banking system to prevent bad loans and hasten recovery from defaulting borrowers, instead of acting as if everything is fine. The initiative for merger of PSU banks has to come from boards of the Banks concerned and the Government's and RBI's role would be that of a facilitator. From the Global Front The Bank of Japan left monetary policy steady, surprising several market players who were widely expecting a hefty dose of stimulus. And the Federal Reserve also kept its benchmark interest rate unchanged. The Bank Nifty Technically is bearish for short term, The Crucial level for Bank Nifty for Next week is 16980-17360 up side and 16650-16420 down side.

NSE - WEEKLY NEWS LETTERS

? TOP NEWS OF THE WEEK

RBI should have consulted the government before talking about UDAY: Piyush Goyal - After a report by the RBI which said that the UDAY scheme by the Power Ministry will have an adverse effect on the financials of state governments, Minister of Coal, Power and Renewable Energy has retorted by saying that he wish the RBI had talked to the government over the scheme and

understood its implications.â€œI do wish they would talk to us and we will be able to satisfy them that the UDAY scheme is a win-win for everybody including the states,â€• Goyal said.

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Government must provide more capital as PSBs can't tap markets: Moody's - Public sector banks will not be able to raise funds from the markets and government will have to provide capital support to them in the near term given their weak solvency position, Moody's has said. They could see negative pressure on their credit profile if the government does not revise upwards its capital infusion plans, Moody's Investors Service VP Financial Institutions Group Alka Anbarasu said. "Given the weak solvency position of many PSBs, we expect the remedial measures will require substantial external capital. With little chance of the banks accessing the capital markets in the near term, we expect much of the capital support will be required from the Indian government,"

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Strong economic growth a key driver of NRI investment in India - Indiaâ€™s strong economic growth and depreciation of the rupee remain major driving forces of increased investment from overseas Indians in the country, finds a new report. Indiaâ€™s economy has overtaken Chinaâ€™s to become the worldâ€™s fastest growing major economy in late 2015. The economy grew by 7.3% in the last three months of the year compared to Chinaâ€™s 6.8% during the same period. While Indian consumer confidence has fallen over the year partly as a result of additional services tax, the Indian government has undertaken several initiatives to stimulate the countryâ€™s overall economic growth. These include recent interest rates cut, the launch of the Make in India program, reforms in the power generation industry, and strengthening of the countryâ€™s telecommunications and internet networks. It has also opened up key sectors such as railways, defense, insurance and medical devices to attract higher levels of foreign direct investment.

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Moody's: Build-up in leverage poses varying risks for Asia Pacific sovereigns - Moody's Investors Service says that the increase in leverage across Asia Pacific over the last five years could weigh on sovereign credit quality. The sovereign risks could materialize either directly, where the debt increase has been concentrated in the public sector, or indirectly, where the rise in private sector leverage has been rapid. The report highlights that in addition to the pace of increase in and level of debt, several other factors determine risks to sovereign credit profiles. It notes that macroeconomic trends, asset buffers, income profiles and policy responses can all mitigate or exacerbate the credit impact that high leverage can have. Moody's report identifies the sovereigns that face risks from an accumulation of debt, and the source, whether via government, state-owned enterprise, corporate, household or bank balance sheets.

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GST rollout, infra funding are a difficult task: Moody's - Implementation of the Goods and Services Tax and bridging large infrastructure deficit are a difficult task before the Indian government, Moody's Investors Service said today. In a report, Moody's said a history of double-digit inflation, elevated government debt, weak infrastructure and a complex regulatory regime have constrained India credit profile.â€œWe also expect that some aspects of the government's policy agenda such as the implementation of GST and bridging India large infrastructure deficit will

still face an uphill climb," it said. As a positive, Moody's noted that easing of constraints on investment coupled with RBI's inflation targeting and ongoing efforts to clean up bank balance sheets could propel growth.

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Call drop case: TRAI can reconsider penalty if free calls are given for every call drop - Telecom Regulatory Authority of India on Tuesday told the Supreme Court that it is ready to reconsider the call drop penalty if the telecom companies agree to compensate consumers with an equal number of free calls. Attorney General Mukul Rohatgi, defending TRAI's stand said, "The regulator has to safeguard the interest of 100 crore telecom subscribers." Further he cited Telenor's plan wherein the Telco provides a free call as a compensation to every dropped call. AG Rohatgi appealed to the top telcos saying that if they agree to do so, TRAI will consider dropping the penalty, as per reports.

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India Ratings: FY17 GDP growth revised downwards to 7.7% - India Ratings and Research has revised its gross domestic product growth forecast for FY17 downwards to 7.7% from its earlier forecast of 7.9%. Despite favourable prospects for agriculture due to an above normal monsoon, industrial recovery is proving to be a drag on the FY17 growth prospect. The resilience of Indian agriculture on monsoon has increased over the years. As a result, agriculture no longer witnesses a sharp decline in output and gross value added in the years of a sub-par monsoon. As the downside to agriculture has reduced due to a subpar monsoon so has the upside to agriculture with a favourable monsoon.

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FM: Govt takes measures to deal with the issue of NPAs - The Union Finance Minister, Arun Jaitley said that the Government has taken various measures to deal with the issue of Non Performing Assets in Banking Sector especially in case of Public Sector Banks. The Finance Minister said that there are two categories of defaulters, viz. those who are unable to pay back due to economic slowdown both in domestic and global market and other reasons outside their control as well as wilful defaulters including loans sanctioned without due diligence by the banks. The Finance Minister said that the Government has taken various measures to deal with both these categories of defaulters. The Finance Minister Shri Jaitley was making his Opening Remarks at the Second Meeting of the Consultative Committee attached to the Ministry of Finance on the subject: "NPAs in Banking Sector" here.

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India's current account deficit to print at US\$25bn in FY2017: ICRA - ICRA expects India's current account deficit to widen modestly to USD 25 billion in FY2017, from an estimated USD 20 billion in FY2016, but be comfortably covered by capital inflows. A favourable monsoon after a gap of two years would have a mixed impact on trade in various sectors, boosting agricultural exports and limiting imports of crude oil and coal while enhancing the demand for gold.

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? TOP ECONOMY NEWS

India stands to gain from the strict implementation of environmental norms and safety standards on Chinese speciality chemical manufacturing firms, that has resulted in the closure of several unorganised and small units in that country.

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Aiming to drastically reduce the time taken for first examination of patent applications to 18 months from about 5-7 years, the government has initiated various steps, including hiring of more examiners.

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Foreign Direct Investment into India touched the "highest ever" mark of USD 51 billion during the Apr-Feb period of last fiscal ended March 31.

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Oil marketing companies have claimed subsidy on domestic LPG to the tune of Rs 1.1 trillion in the last three financial years.

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Transport Minister Nitin Gadkari has set ambitious targets for FY17 of awarding 25,000 km stretch of road projects as against 10,000 km in FY16.

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The Reserve Bank of India said eight states issued Rs. 989.6 billion worth of bonds under the UDAY scheme.

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In a boost to telecom operators providing Internet protocol-based services such as 4G, the Department of Telecom has allowed interconnection among such networks of service providers.

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As per the latest government report, there are 77 loss-making PSUs at the end of March last year with a total aggregate loss of Rs. 273.60 billion.

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Six months after auction process was initiated for 43 mines across 12-mineral bearing states, only six blocks have managed to find buyers.

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To fast track development of major ports, government is mulling giving land parcels of state-run ports to private players "on lease" for various projects.

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Indian firms raised a staggering over Rs. 480 billion through issuance of shares to promoters and shareholders on a preferential basis in the first 11 months of 2015-16 to meet their business requirements.

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The total telephone subscriber base in the country rose marginally in February to 1051.8 million on the back of growth in wireless users even as wireline base continues to decline.

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Implementation of new pay scales recommended by the 7th Pay Commission is estimated to put an additional burden of Rs1.02 trillion, or 0.7% of GDP, on the exchequer in 2016-17.

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The Environment Ministry accorded 349 environmental clearances in the mining sector from April 1, 2014 to March 31, 2016.

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The government owes more than Rs. 430 billion to the fertiliser industry on account of subsidy.

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Subsidy on petroleum products has come down by nearly 29% in 2015-16, marking a saving of Rs. 542 billion from the year-ago period on the back of low crude prices and market reforms.

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The National Pharmaceutical Pricing Authority has issued notices to 263 firms that were found overcharging during 2015-16.

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Foreign direct investment in agriculture sector increased to Rs. 5.53 billion during the first 11 months of 2015-16.

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The final cabinet note on allowing 100% FDI in food processing sector has been moved by the Department of Industrial Policy and Promotion. Finance Minister Arun Jaitley had said in his budget speech, "100% FDI will be allowed through FIPB route in marketing of food products produced and manufactured in India. This will benefit farmers, give impetus to the food processing industry and also create vast employment opportunities.

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Indian economy is projected to expand by 7.6 per cent in 2016-17 and accelerate to 7.8 per cent in 2017-18, mainly on the back of domestic consumption demand aided by steady employment and a relatively low inflation, a UN report for the Asia-Pacific said today.

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The Reserve Bank of India for the first time proposed rules for peer-to-peer lending, seeking to regulate a growing sector with potential measures including requiring minimum capital of 20 million rupees (\$301,023.48) or prohibiting them from promising "extraordinary returns."

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? TOP CORPORATE NEWS -

Kalpataru Power Transmission Ltd has bagged new orders of over Rs11.50 billion in domestic and overseas markets.

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ICMR, MOHFW, Govt. of India, Govt of Madhya Pradesh and Sun Pharma will establish a malaria elimination demonstration project titled Malaria Free India, to support the national framework for elimination of malaria in India.

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BPCL has got green nod for its Rs6.94bn project of developing LPG import terminal as well as storage, bottling and bulk distribution facilities at Haldia Dock Complex in West Bengal.

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Bharti Airtel is redesigning its online recharge and payments interface to integrate all mobile wallets on its website and other digital platforms like MyAirtel app to deliver an improved and consistent customer experience.

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Tata Motors is undergoing a slow but steady transformation in its cars to woo more women customers.

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Mahindra & Mahindra announced the launch of the limited edition Scorpio Adventure variant. With a production run of only 1,000 vehicles the limited edition variant is priced at Rs1.31million.

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Hero MotoCorp is setting up a new manufacturing facility in Andhra Pradesh, in which it plans to invest Rs. 30 billion. The plant will have a capacity of 1.8mn units.

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Dewan Housing Finance Corporation Ltd , Board of Directors of the company will meet on May 4 to consider raising up to Rs 63. billion.

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Engineers India Ltd has signed a contract with Bangladesh Petroleum Corporation for providing project management consultancy services for a USD1.7 billion refinery expansion project.

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Vistara, a joint venture between the Tatas and Singapore Airlines has entered into a strategic partnership with Tata Consultancy Services for a broad range of information technology services, including application maintenance services and airport infrastructure support.

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The department of telecommunications has approved spectrum sharing between Reliance Communications and Reliance Jio in nine circles including Mumbai, Himachal Pradesh and Haryana.

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Aurobindo Pharma has received final approval from USFDA to manufacture and market Esomeprazole Magnesium delayed release capsules, used in treatment of gastroesophageal reflux disease, in the American market. (BS)

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Havells India has launched entry-level modular switches under brand name Reo Bliss to boost its market share in the Rs50bn segment.

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ONGC Limited is planning to explore as many as 17 shale gas and oil wells in both east and west coasts with an investment of around Rs. 7 billion.

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Reliance Industries has bought crude oil from Iran after a 6-year break and is looking to strike a long-term fixed quantity deal, post lifting of sanctions.

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Bharti Airtel is likely to consider a buyback of equity shares in its board meeting on April 27.

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Jet Airways has received shareholders approval for the proposed merger of JetLite with itself.

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L&T Finance Holding, has undertaken massive downsizing exercise and asked close to 550 employees across businesses to go, citing high costs amid muted business.

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In the first disinvestment of current fiscal, the government will sell 11.36% equity shares in NHPC Ltd at Rs. 21.75 a piece to raise about Rs. 27 billion.

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The board of directors of Bharti Infratel Ltd approved a share buyback for Rs. 20 billion.

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Bharat Forge said that aircraft maker Boeing has awarded a contract to the firm for supply of titanium forgings for Boeing 777X.

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Glenmark Pharmaceuticals has received tentative nod from the US health regulator for generic version of oral contraceptive tablets Lo Loestrin Fe.

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Pidilite Industries, has approved execution of definitive agreements with Industria Chimica Adriatica Spa , a wood finish manufacturer based in Italy.

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Aurobindo Pharma has received final approval from the US health regulator to manufacture and market generic version of blood pressure treatment drugs Amlodipine and Valsartan tablets.

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Linde India Ltd has commissioned its second air separator unit at Kalinganagar in Odisha. Linde, under a long-term gas supply contract with Tata Steel Ltd at Kalinagar plant, has set up two air separation units with the total capacity of 2,400 t a day.

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? TOP BANKING AND FINANCIAL NEWS OF THE WEEK

Private lender DCB Bank today reduced both base rate or the minimum lending rate and the marginal cost of funds-based lending rate, a move which will lower EMIs for its borrowers. While MCLR has been reduced by up to 0.5 per cent, the base rate has been cut by 0.06 per cent.

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The Supreme Court on Tuesday asked the Narendra Modi government to overhaul the banking system to prevent bad loans and hasten recovery from defaulting borrowers, instead of acting as if everything is fine. Had the system been working, the public sector banks would not have had to write off more than Rs 1,14,000 crore of bad loans.

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As many as 701 accounts with bad loans exceeding Rs. 100 crore owed public sector banks Rs 1.63 lakh crore at the end of December, with State Bank of India accounting for the biggest chunk. State Bank of India had 85 such accounts with aggregate non-performing assets of Rs. 23,726 crore, followed by Bank of India with 93 accounts with cumulative NPAs of Rs. 21,398 crore. Bank of Baroda had 59 accounts with NPAs of Rs. 13,657 crore, Minister of State for Finance Jayant Sinha said in a written reply to Rajya Sabha.

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The initiative for merger of PSU banks has to come from boards of the banks concerned and the government's and RBI's role would be that of a facilitator.

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State-run banks seeking a share of the Rs 25,000-crore capital infusion by the government will have to show some movement on bad assets before they can petition for funds. The finance ministry has told banks to step up recovery and is holding meetings with individual banks on their capital raising plans and how they will be selling their non-core assets.

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Aggregate deposits as well as credit forwarded by banks dropped sharply in the first fortnight of the fiscal year 2016-17, as window dressing of banks' balance sheets start reversing. The deposits for the two weeks ending on April 15 of this year stood at Rs 95.4 lakh crore dropping Rs 1.7 lakh crore according to Reserve Bank of India data.

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