

Morning Mantra 7th April, 2016

The Indian markets are likely to be flat, as the regional peers are not showing much enthusiasm to the US Fed's indication of a gradual rate hike. However, markets will get some strength in latter part of the trade supported by industry body CII terming the GDP calculation methodology an "imprecise science" and pegging the country's economic growth at around 8% for the current fiscal, higher than the RBI's projection of 7.6%.

The Reserve Bank of India Governor Raghuram Rajan has said that conditions are in place for the Indian economy to start growing faster in the next few quarters as banks pass on its rate cuts to their borrowers.

In an important development the government approved fiscal deficit target of 3% for states, as recommended by the 14th Finance Commission for the 2015-20 period. It has also provided for year-to-year flexibility for additional deficit.

The telecom stocks will continue buzzing, as the Union cabinet has decided to allow telecom companies to use spectrum allocated to them without auction to offer new services to consumers at a provisional price recommended by the telecom regulator. The cabinet decision will allow companies to deliver 3G or 4G mobile services as well as to share and trade the spectrum with other operators.

Nifty Levels

Close	7614			
Support	7590	7555	7520	7480
Resistance	7630	7655	7670	7690

Global Indices –6th April, 2016

Dow	+112.73(+0.64%)
Nasdaq	+76.79(+1.59%)
S&P500	+21.49(+1.05%)
SGX Nifty (Today)	-23.00(-0.30%)

Institutional Activities – 6th April, 2016

FII Cash	-493.56crs
DII Cash	+258.68crs
FII F&O	-1030.17crs

US. Markets

The US markets surged in last session coming out of their consolidation mood. The major averages not only ended the session just off their best levels of the day, but the tech heavy Nasdaq was able to post its three-month closing high. The sharp gains were partly due to a notable increase by the price of crude oil.

Other Information

The Asian markets have made a mixed start with some of the indices trading in red despite US Federal Reserve meeting minutes reaffirming that US policy makers aren't in a rush to raise interest rates.

NY Crude Oil \$38.13/barrel

Rs./\$ - 66.54

F&O Ban

NIL

Corporate/Media News

BHEL will be announcing its results for the quarter ended March 31 on April 7.

Siemens India: German industrial group Siemens has won an order worth more than \$800 million to supply a gas-fired power plant for Lordstown, Ohio.

MEP Infrastructure has won three contracts worth Rs 1,763 crores in Maharashtra and Rajasthan from NHA and the Ministry of Road Transport and Highways (MoRTH).

IOC: Union Minister Dharmendra Pradhan today said PSU major Indian Oil Corporation was going to spend Rs.20,000 crores for brown field expansion of its refinery near here.

Pfizer: Drugmaker Pfizer Inc and Ireland-based Allergan Plc walked away from their \$160 billion merger. Pfizer said the decision was driven by new U.S. Treasury rules aimed at curbing such deals, called inversions.

HDFC will make an additional one-time provision of Rs 450 crores in the quarter ended March after it made Rs 1,705 crores on the sale of shares in its life insurance company HDFC Standard Life Insurance.

Future Retail announced that the Company has made further investment in its subsidiary, Staples Future Office Products Limited (SFOL), pursuant to the rights issue, which has resulted in increase of its total holding from 60% to 61.67%, said a media report. In a separate report they said that they have agreed to acquire FabFurnish.com.

Diamond Power Infrastructure: Kotak Mahindra Bank Ltd has announced that the Company's subsidiary, Kotak Mahindra (International) Limited (KMIL), a foreign portfolio investor (FPI) has acquired 38,68,606 equity shares at Rs. 23.65 each, aggregating to Rs.9.16 crores being 6.8% of the paid-up capital of Diamond Power Infrastructure.

Sobha Ltd. registered new sales area of 3.38m sq ft valued at 20.12bn at an average price realisation of Rs. 5946 per sq ft. The new sales volume in FY16 was 3.2% higher as compared to FY15.

GOL Offshore: The Board of Directors of GOL Offshore have in principle approved the conversion of debt in to equity up to seventy four per cent of the post issue capital of the Company under the provisions of the Strategic Debt Restructuring (SDR) Scheme devised by the Reserve Bank of India (the RBI), said a media report.

IIFL Holdings has now informed BSE that the Board of Directors of IIFL Wealth Management Limited (IIFLW) at its meeting held on April 06, 2016 noted the transfer of 7,95,519 equity shares by the employees of IIFLW to GA at a price of Rs.586.70 each.

Punjab National Bank: PNB Housing Finance has raised Rs.500 crores by issuing bonds to World Bank arm IFC for funding its green residential projects.

Andrew Yule & Co: The Government on Wednesday cleared conversion of Bank of Baroda's Rs.29.91 crores loan to Andrew Yule & Co into equity shares, paving the way for disinvestment of the Kolkata-based PSU in the next three months.

Essar Steel has posted the highest ever monthly production of flat steel products at five lakh tonne in March 2016. Production was up nearly 62 per cent over the same period last year when Essar Steel registered an output of 3.08 lakh tonne in March 2015.

Tata Steel will begin the formal process to sell its UK units by Monday (April 11), British business minister Sajid Javid tweeted after a two-hour meeting with the company's chairman Cyrus Mistry at Bombay House, the Tata Group's headquarters, on Wednesday.

Cholamandalam Investment and Finance said that it has received a demand notice for Rs 212.64 crore (including tax and interest) from the Deputy Commissioner of Income Tax, Chennai, for Assessment Year 2009-10. The company intends to contest the reassessment and also seek a stay on the demand.

Fundamental Calls

<u>Scripts</u>	<u>Initiation Date</u>	<u>Initiation price (Rs.)</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>
Suven Life Science	06-Aug-14	122.00	192.15	350.00
GoodLuck Steel	03-Dec-14	76.15	93.00	120.00
Nandan Denim	18-Apr-15	77.60	132.30	180.00

Uflex	04-May-15	119.00	178.25	240.00
Vindhya Telelink	03-July-15	726.25	641.50	1000.00
IG Petrochemicals	21-July-15	114.00	120.40	180.00
Tinplate Company of India	29-July-15	66.00	68.00	90.00
Rural Electrification Corp.	17-Aug-15	259.25	159.85	337.00
Aksh Optifibre	22-Aug-15	19.40	14.66	40.00
GIC Housing Finance	31-Oct-15	199.00	240.00	280.00
Sutlej Textiles	04-Nov-15	451.20	491.50	645.00
Transpek Industry	07-Dec-15	375.50	422.80	488.00
Star Paper Mills	12-Dec-15	34.30	37.75	48.00
Kalyani Steel	18-Dec-15	173.30	172.70	225.30
KNR Constructions	24-Dec-15	582.50	500.00	728.00
J B Chemicals & Pharma	04-Jan-15	279.15	247.30	362.90
The Great Eastern Shipping Co.	09-01-16	368.70	327.20	479.30
Lloyd Electric and Engineering	15-01-16	243.30	250.40	340.00
Lumax Auto Technologies	27-01-16	333.00	307.00	460.00
Alembic Pharma	29-01-16	617.75	587.20	800.00
State Bank of Bikaner & Jaipur	13-02-16	460.00	498.65	598.00
Pricol	20-02-16	50.00	45.25	75.00
NGL Fine-Chem	05-03-16	198.00	236.20	278.00
Balmer Lawrie & Company Ltd.	12-03-16	540.00	573.70	756.00
Ramco Cements Ltd.	19-03-16	396.00	415.45	516.00
Oriental Carbon & Chemicals Ltd.	26-03-16	486.00	515.00	630.00
Kakatiya Cement Sugar & Inds. Ltd.	01-04-16	208.90	220.00	271.00

Technical Calls			
<u>Scripts</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>	<u>SL(Rs.)</u>
<u>BUY</u>			
TATASTEEL	329	348	325
<u>SELL</u>			
AUROPHARMA	746	730	752
HDFCBANK	1062	1020	1077

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