

Morning Mantra 18th May, 2016

The Indian markets are likely to be a bit somber on weak global cues and may lose some strength in early trade, on concern of a Fed rate hike after some officials suggested that two rate hikes may be warranted this year.

There will be buzz in the markets with the government forming a five-member committee under former revenue secretary N K Singh to review the working of the 12-year old FRBM Act and examine the feasibility of a fiscal deficit range instead of a fixed target.

Some support to the markets can come with a Nielsen survey that Indian consumers were the most confident in the world in terms of job prospects, personal finances and concerns in the first quarter of 2016 with their confidence index touching a nine-year high during the period.

There will be buzz in the PSU banking stocks, especially in State Bank of India (SBI) and its listed associate banks after the central board of SBI passed a resolution to seek the government's nod to start negotiating the merger of its five subsidiary banks and Bharatiya Mahila Bank (BMB) with itself.

State Bank of India: SBI plans to sell part of its holding in National Stock Exchange (NSE), where it owns 15 % stake. In a press release, SBI said its board has given in-principle approval for the bank to discuss the possibility of acquiring its associate banks.

Nifty Levels

Close	7891			
Support	7850	7822	7750	7710
Resistance	7920	7945	7960	7999

Important Results Today

PNB , JSW Steel, Torrent Pharma, Tata Communications, Prabhat Dairy, Corporation Bank and Balkrishna Industries etc.

Global Indices -17th May, 2016
Institutional Activities -17th May, 2016

Dow	-180.73(-1.02%)	FII Cash	-224.97crs
Nasdaq	-59.73(-1.25%)	DII Cash	+384.67crs
S&P500	-19.45(-0.94%)	FII F&O	+1337.35crs
SGX Nifty (Today)	-53.00(-0.67%)		

US. Markets

US markets suffered sharp sell-off in last session. Traders ignored Labor Department report showing a slightly bigger than expected increase in consumer prices in the month of April.

Other Information

The Asian markets have made mostly a lower start, as better-than-expected data in the US and Japan fueled speculation their central bank policies will be less accommodative than was previously envisaged.

NY Crude Oil \$48.48/barrel Rs./\$ - 66.91

F&O Ban

JINDALSTEL and ORIENTBANK

Corporate/Media News

LT Foods: Hindustan Unilever has received Competition Commission of India's nod to sell its rice export business to Delhi-based LT Foods. The deal, announced in March, allows transfer of the brands and inventory to LT Foods for Rs 25 crores.

Mahindra Holidays & Resorts reported a standalone net profit of Rs 32.09 crores for the quarter ended March 31, 2016.

Voltas reported a 51.43% increase in its consolidated net profit at Rs 180.71 crores for the March quarter on account of improvement in order execution by projects business.

HDFC Ltd: HDFC said the company will raise Rs 1,500 crores by issuing debentures on a private placement basis.

Fresh inclusions in derivative segment: Jubilant Life Sciences, NIIT Tech, Torrent Power, Emami, Intellect Design and Vakrangee are likely to be included in the equity derivatives segment in the next round of review by NSE, said analysts at ICICI Securities, Anand Rathi and IDBI Capital.

Tata Steel: Tata Steel's board has approved the company's decision to seeking recall of the scheme of amalgamation between Tata Metaliks and Tata Metaliks DI Pipes Limited with the company. The scheme of amalgamation between was earlier sanctioned by the Bombay High Court on August 21, 2015.

L&T: Markets watchdog Sebi has sought clarification from the merchant banker of L&T Infotech, an arm of engineering giant Larsen and Toubro (L&T), regarding the company's proposed initial public offering.

Shriram Group companies: Business tycoon Ajay Piramal now plans to bring all his finance entities under one roof, including those of the Shriram Group, in which he is the single largest shareholder.

Punjab National Bank is expected to report 81 % YoY drop in net profit to Rs 58 crores compared to Rs 307 crores reported in the year-ago period, Angel Broking said in a note.

JSW Steel is expected to report a net loss of Rs 64 crores for the quarter ended March 31 compared to Rs 31 crores profit reported in the year-ago period, said the Angel Broking estimates.

SpiceJet launched a new sale offer to commemorate 11 years of its operations.

Coal India: The Competition Appellate Tribunal today set aside the Rs 1,773 crores fine imposed on Coal India for unfair business ways and asked CCI to consider the matter afresh.

NBCC has dropped plans to raise Rs 1,000 crores fresh capital through FPO route, saying it currently does not require funds for business expansion.

GlaxoSmithKline (GSK) reported an 8.18 % decline in its standalone net profit for the March quarter at Rs 180.68 crores.

United Bank of India posted a net loss of about Rs 413.04 crores for Q4 of FY16, against a profit of around Rs 105.52 crores in the same period last year.

Syndicate Bank reported a net loss of Rs 2,158.17 for the quarter ending March 2016 due to more than three-fold rise in provisions for bad loans and contingencies.

Fundamental Calls

Scripts	Initiation Date	Initiation price (Rs.)	CMP (Rs.)	TGT(Rs.)
Suven Life Science	06-Aug-14	122.00	210.60	350.00
GoodLuck Steel	03-Dec-14	76.15	100.00	120.00
Nandan Denim	18-Apr-15	77.60	147.80	180.00
Uflex	04-May-15	119.00	183.35	240.00
IG Petrochemicals	21-July-15	114.00	307.20	180.00
Tinplate Company of India	29-July-15	66.00	71.20	90.00
Rural Electrification Corp.	17-Aug-15	259.25	160.65	337.00

Aksh Optifibre	22-Aug-15	19.40	15.51	40.00
GIC Housing Finance	31-Oct-15	199.00	259.80	280.00
Sutlej Textiles	04-Nov-15	451.20	578.10	645.00
Transpek Industry	07-Dec-15	375.50	412.20	488.00
Star Paper Mills	12-Dec-15	34.30	39.90	48.00
Kalyani Steel	18-Dec-15	173.30	160.30	225.30
KNR Constructions	24-Dec-15	582.50	520.00	728.00
J B Chemicals & Pharma	04-Jan-15	279.15	262.90	362.90
The Great Eastern Shipping Co.	09-Jan-16	368.70	307.20	479.30
Lloyd Electric and Engineering	15-Jan-16	243.30	273.10	340.00
Lumax Auto Technologies	27-Jan-16	333.00	323.00	460.00
Alembic Pharma	29-Jan-16	617.75	576.00	800.00
State Bank of Bikaner & Jaipur	13-Feb-16	460.00	508.95	598.00
Pricol	20-Feb-16	50.00	52.45	75.00
NGL Fine-Chem	05-Mar-16	198.00	217.40	278.00
Balmer Lawrie & Company Ltd.	12-Mar-16	540.00	582.00	756.00
The Ramco Cements Ltd.	19-Mar-16	396.00	487.65	516.00
Oriental Carbon & Chemicals Ltd.	26-Mar-16	486.00	471.20	630.00
Kakatiya Cement Sugar & Inds.	01-Apr-16	208.90	532.50	-----
PTC India Ltd.	08-Apr-16	62.05	64.80	80.00
Sintex Inds.	15-Apr-16	83.00	79.20	116.00
Richa Inds.	23-Apr-16	35.80	33.75	50.00
KCP Ltd.	29-Apr-16	84.00	80.00	118.00
Indraprastha Gas Ltd.	07-May-16	572.80	591.10	744.00

Technical Calls			
<u>Scripts</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>	<u>SL(Rs.)</u>
<u>BUY</u>			
IGL	591	620	570
SRTRANSPORT	1098	1166	1055
<u>SELL</u>			
IBREALEST	89	85	93

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