

Morning Mantra 2nd June, 2016

Markets to remain in consolidation phase with a cautious start.

The market participants will be getting some support with Organisation for Economic Cooperation and Development (OECD) in its Global Economic Outlook stating that India's growth rate is expected to hover near 7.5% this year as well as next even as many emerging market economies continue to lose momentum.

The Finance Minister Arun Jaitley has said that the roll-out of GST will convert India into one common market, prevent tax-on-tax and make goods and services cheaper. He also said that the country is on an "upward curve" and a good monsoon, GST passage and increased infra and rural spending will further accelerate the growth.

The consumer goods stocks will continue to remain in action, with service tax proposals announced during the Union Budget 2016 coming into effect from June 1, imposing 0.5% Krishi Kalyan Cess and increasing the total incidence of service tax to 15 percent.

Nifty Levels

Close	8181			
Support	8120	8080	8055	8020
Resistance	8199	8240	8277	8290

Global Indices –1st June, 2016
Institutional Activities –1st June, 2016

Dow	+2.47(+0.01%)	FII Cash	+259.90crs
Nasdaq	+4.20(+0.08%)	DII Cash	-160.49crs
S&P500	+2.37(+0.11%)	FII F&O	+673.69crs
SGX Nifty (Today)	-18.50(-0.23%)		

US. Markets

The US markets managed a modestly positive close in last session, coming out of their early weakness. Though, the trade remained choppy but a report from Institute for Supply Management showing an unexpected uptick in the pace of growth in manufacturing activity in May, supported the markets.

Other Information

The Asian markets have made a mixed start as uncertainty over the outlook for Japanese stimulus policy revived the yen.

NY Crude Oil \$48.35/barrel Rs./\$ - 67.45

F&O Ban

NIL

Corporate/Media News

Tata Motors reported a 1% growth in sales at 40,071 units in May compared with 39,496 in the same month last year.

Amtek Auto that defaulted on bond payments last year, will sell a "significant" stake to financial investors to infuse capital into the business and pare debt.

Tata Steel has announced the completion of sale of its European long steel business, including the giant Scunthorpe plant, to Greybull Capital LLP.

Coal India: A difference of opinion with Coal India over share buyback has led the government to form an inter-ministerial group to discuss the pros and cons of the proposal as well as the optimum quantum.

Reliance Industries will invest \$16 million (about Rs.108 crores) in San Diego-headquartered NetraDyne Inc, a tech start-up that is yet to commence commercial operations, said a media report.

Axis Bank: Axis Bank on June 01, 2016, allotted Senior Fixed Rate Green Bonds aggregating to USD 500,000,000 (USD Five Hundred Million only) under the MTN Programme through its Dubai International Financial Centre (DIFC) branch. The notes will be listed at the Singapore Stock Exchange and London Stock Exchange.

South Indian Bank proposes to raise up to Rs 500 crores from bonds to fund business expansion.

TVS Motor Company said that its total two wheeler sales increased by 13% to 238,320 units in May 2016 from 210,843 units recorded in May 2015.

ZEE Learn has decided not to go ahead with Tree House Education deal. After January-March quarter results, ZEE Learn had said that it was re-evaluating the merger plans.

Punj Lloyd: A UK court has asked infrastructure major Punj Lloyd to pay \$26 million to International Finance Corporation (IFC) for their claims.

Fundamental Calls

<u>Scripts</u>	<u>Initiation Date</u>	<u>Initiation price (Rs.)</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>
Nandan Denim	18-Apr-15	77.60	139.60	180.00
Uflex	04-May-15	119.00	205.30	240.00
IG Petrochemicals	21-July-15	114.00	126.10	180.00
Tinplate Company of India	29-July-15	66.00	79.85	90.00
Rural Electrification Corp.	17-Aug-15	259.25	164.90	337.00
Sutlej Textiles	04-Nov-15	451.20	566.20	645.00
Transpek Industry	07-Dec-15	375.50	366.00	488.00
Kalyani Steel	18-Dec-15	173.30	187.60	225.30
KNR Constructions	24-Dec-15	582.50	561.00	728.00
J B Chemicals & Pharma	04-Jan-15	279.15	253.40	362.90
The Great Eastern Shipping Co.	09-Jan-16	368.70	312.60	479.30
Lloyd Electric and Engineering	15-Jan-16	243.30	243.40	340.00
Lumax Auto Technologies	27-Jan-16	333.00	324.50	460.00
Alembic Pharma	29-Jan-16	617.75	544.00	800.00
State Bank of Bikaner & Jaipur	13-Feb-16	460.00	471.60	598.00
Pricol	20-Feb-16	50.00	57.10	75.00
Balmer Lawrie & Company Ltd.	12-Mar-16	540.00	580.00	756.00
The Ramco Cements Ltd.	19-Mar-16	396.00	487.10	516.00
Oriental Carbon & Chemicals Ltd.	26-Mar-16	486.00		630.00
PTC India Ltd.	08-Apr-16	62.05	67.60	80.00
Sintex Inds.	15-Apr-16	83.00	80.60	116.00

Richa Inds.	23-Apr-16	35.80	30.70	50.00
KCP Ltd.	29-Apr-16	84.00	79.05	118.00
Indraprastha Gas Ltd.	07-May-16	572.80	561.75	744.00
Exide Inds.	21-May-16	146.45	158.90	190.00
VTM Ltd.	20-May16	30.60	29.00	46.00
DCM Shriram Ltd	28-May-16	187.00	193.60	252.00

Technical Calls			
<u>Scripts</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>	<u>SL(Rs.)</u>
<u>BUY</u>			
BPCL	987	1030	950
<u>SELL</u>			
AMBUJA CEMENT	231	220	240
HDFC	1243	1180	1270

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