

Morning Mantra 4th August, 2016

The Indian markets are likely to be jubilant and will see good recovery with a gap-up start, as in the biggest tax reform since Independence, the national sales tax or **GST Bill has been approved by the Rajya Sabha.**

The Finance Minister Arun Jaitley has said that manufacturing taxes and VAT will come down with the new national sales tax but the same for services tax will be decided by states and centre.

The Union Cabinet has approved the Motor Vehicle (Amendment) Bill, 2016, providing for hefty penalties for violation of road safety rules.

There will be some buzz in the telecom stocks, as the cabinet has approved the weighted average spectrum usage charge (SUC) at a minimum of 3% of annual revenue, clearing the stage for holding the largest ever auction in September this year.

The oil & gas stocks will be in action, as the Petroleum Minister Dharmendra Pradhan has asked Finance Ministry to cut cess on domestically produced crude oil to 10-12% from current 20% to provide relief to producers hit by slump in prices.

Tata Power, Siemens, Arvind, Gati, Monsanto India, Thomas Cook, Taj GVK and Orient Paper are among many to announce their numbers today.

Nifty Levels

Close	8544			
Support	8500	8450	8420	8380
Resistance	8570	8599	8620	8680

Global Indices –3rd August, 2016
Institutional Activities –3rd August, 2016

Dow	-90.74(+0.49%)	FII Cash	+578.17crs
Nasdaq	-46.47(-0.90%)	DII Cash	-800.75crs
S&P500	-13.81(-0.64%)	FII F&O	-976.69crs
SGX Nifty (Today)	-42.50(-0.49%)		

US. Markets

The US markets made modest recovery in the last session and the Dow snapped its seven days losing streak, led by the gains in energy stocks after the crude prices bounced back. Though, traders were concerned with mixed batch of economic reports and seemed somewhat reluctant to make more significant moves.

Other Information

The Asian markets have made a mixed start and some of the indices are marginally in red, though others are moving higher driven by mining and energy shares.

NY Crude Oil \$41.17/barrel Rs./\$ -66.77

F&O Ban

JINDALSTEL

Corporate/Media News

Logistics companies will be in focus after the Rajya Sabha approved the crucial 122nd Constitutional amendment to turn the GST bill into law.

NTPC became the second Indian company to raise funds selling masala bonds, the rupee dominated bonds sales in overseas markets.

Tata Power is expected to report a 20% YoY growth in the net profit to Rs 290 crores for the quarter ended June 30 compared with Rs 241 crores reported in the year-ago period.

Siemens has received a nearly Rs 217 crores order from Power Grid Company of Bangladesh Ltd (PGCB).

Berger Paints is looking to expand its Jejuri plant near Pune at an investment of Rs 100 crores by next fiscal and also double revenue within five years.

Piramal Enterprises is looking to set up asset restructuring companies (ARCs). Piramal has been one of the biggest player which is looking at stressed real estate projects for a while.

DHFL received record bids on the day the company opened the sale of its retail inflation-linked bonds, as yield-hungry investors rushed to grab their share of a paper that offered interest rates as high as 9.50 per cent.

Infosys has backed an Israel-based cloud computing startup by picking up a minority stake for \$4 million (Rs 27 crore).

Dr Reddy's Laboratories has successfully completed the USD 350 million (around Rs 2,300 crore) acquisition of eight abbreviated new drug applications (ANDAs) in the US from Teva Pharmaceutical Industries and an affiliate of Allergan plc.

Punj Lloyd: Punj Lloyd Ltd said that its arm Pt Engineering Limited has sold its entire stake in UK-based Simon Carves Engineering to Engineers and Constructors International Inc for \$2 million.

Orient Cement: The company reported a net loss of Rs 7.6 crore for the quarter ended June 30 compared with Rs 28.8 crore reported in the year-ago period.

Cadila Healthcare: Drug firm Cadila Healthcare on Wednesday reported a 22.59 percent dip in consolidated net profit to Rs 356.2 crore for the quarter ended June 30.

Fundamental Calls

<u>Scripts</u>	<u>Initiation Date</u>	<u>Initiation price (Rs.)</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>
IG Petrochemicals	21-July-15	114.00	152.70	180.00
Rural Electrification Corp.	17-Aug-15	259.25	213.30	337.00
Transpek Industry	07-Dec-15	375.50	458.00	488.00
Kalyani Steel	18-Dec-15	173.30	283.30	300.00
KNR Constructions	24-Dec-15	582.50	581.75	728.00
J B Chemicals & Pharma	04-Jan-15	279.15	279.90	362.90
The Great Eastern Shipping Co.	09-Jan-16	368.70	350.75	479.30
Lloyd Electric and Engineering	15-Jan-16	243.30	232.80	340.00
Lumax Auto Technologies	27-Jan-16	333.00	389.70	460.00
Alembic Pharma	29-Jan-16	617.75	621.80	800.00
State Bank of Bikaner & Jaipur	13-Feb-16	460.00	620.55	700.00
Balmer Lawrie & Company Ltd.	12-Mar-16	540.00	616.30	756.00
Sintex Inds.	15-Apr-16	83.00	73.25	116.00
Richa Inds.	23-Apr-16	35.80	28.45	50.00
KCP Ltd.	29-Apr-16	84.00	97.60	118.00
Indraprastha Gas Ltd.	07-May-16	572.80	652.20	744.00
VTM Ltd.	20-May-16	30.60	27.50	46.00

DCM Shriram Ltd	28-May-16	187.00	220.00	252.00
Gulshan Polyols	04-June-16	336.00	367.00	471.00
Finolex Industries	13-June-16	410.75	462.85	534.00
DTIL	21-June-16	301.00	303.80	424.00
Salzer Electronics	25-June-16	206.00	239.95	290.00
GHCL	02-July-16	192.00	231.55	270.00
Karur Vysya Bank	09-July-16	530.10	475.55	690.00

Technical Calls			
<u>Scripts</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>	<u>SL(Rs.)</u>
<u>BUY</u>			
ASIAN PAINTS	1144	1250	1120
IGL	653	690	640
<u>SELL</u>			
TCS	2656	2520	2702

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