

Morning Mantra 7th October, 2016

The Indian markets are likely to be a bit soft on weak global cues, however, trade may see some recovery with IMF's statement that India's strong reform push in 2016 is welcome and should continue apace. Adoption of the GST is poised to boost India's medium-term growth. It added that as shown by India, progress on reforms could ignite business investment (including already strong FDI inflows), further boosting domestic demand.

There will be buzz in the telecom stocks, as the India's biggest auction of telecom spectrum ended on a whimper note with just Rs 65,789 crores of bids coming in over five days against an expectation of Rs 5.6 lakh crores, leaving nearly 60% of airwaves, including premium 4G bands, unsold.

Nifty Levels

Close	8709			
Support	8718	8680	8638	8601
Resistance	8779	8832	8868	8895

Global Indices –6th October, 2016

Dow	-12.53(-0.07%)	FII Cash	+353.80crs
Nasdaq	-9.17(-0.17%)	DII Cash	-124.45crs
S&P500	+1.04(+0.05%)	FII F&O	+485.61crs
SGX Nifty (Today)	-1.50(-0.02%)		

Institutional Activities –6th October, 2016
US. Markets

The US markets made a flat closing in last session as traders looked ahead to the release of the Labor Department's closely watched monthly jobs report on Friday. Traders even overlooked the Labor Department's report showing a modest drop in initial jobless claims in the week ended October 1st.

Other Information

The Asian markets have made mostly a weak start and some of the indices are down by over half a percent in early deals after a sudden plunge in the pound spooked investors ahead of American jobs data.

NY Crude Oil \$43.77/barrel

Rs./\$ - 66.69

F&O Ban

IBREALEST, JINDALSTEL

Corporate/Media News

Orient Cement said that it will acquire two cement assets of Japjee group for an enterprise value of Rs 1,950 crores.

Aurobindo Pharma: The founders of Aurobindo Pharma are selling shares worth up to \$135 million in a block trade on Friday, according to a deal term sheet seen by Reuters.

Cadila Healthcare will market its therapy through Zydus Trans-immune, a division that offers a range of therapies related to transplant medicine.

UPL Corp, the wholly owned subsidiary of UPL Ltd, formerly known as United Phosphorous Limited, has raised \$500 million (Rs 3,325 crores) by selling dollar-denominated bonds to overseas investors.

UCO Bank will sell 7.17 crore shares to LIC on a preferential basis, which may fetch about Rs 270 crores to the bank.

Tata Motors has struck a deal with a major South African car hire company to supply Tata Bolt 1.2 Turbo hatchbacks for its national rental fleet.

Tata Steel has raised Rs 1,000 crores in a bond sale after a long time as it capitalises on the twin benefits of softening interest rates and improved profit margins due to slowing of Chinese dumping after punitive levies.

HDFC will raise Rs 1,500 crores by issuing debt securities on a private placement basis. The secured non-convertible debentures (NCDs) will carry a coupon rate of 7.5% per annum.

IDBI Bank: The government, looking to get state-run IDBI Bank's stalled disinvestment plan moving again, has instructed the lender's management to bring its stake down to 52 per cent.

Dewan Housing Finance Corporation reduced lending rate by 0.2 per cent to 9.35 per cent to cash in on the festival fervour.

Canara Bank, Indian Bank and Kotak Mahindra Bank cut lending rates by up to 0.1 per cent, following the 0.25 per cent repo rate cut by the RBI.

ONGC has signed a preliminary pact to acquire a stake and operate the KG Basin block of Gujarat State Petroleum Corp.(GSPC), which had announced a major natural gas discovery and spent \$3 billion to develop it but hasn't been able to start commercial production in the technically challenging field.

ABG Shipyard has decided to divest its subsidiary Western India Shipyard Ltd and will invite bids from prospective investors.

Fundamental Calls

<u>Scripts</u>	<u>Initiation Date</u>	<u>Initiation price</u> <u>(Rs.)</u>	<u>CMP</u> <u>(Rs.)</u>	<u>TGT(Rs.)</u>
Rural Electrification Corp.	17-Aug-15	129.00	131.20	337.00
Transpek Industry	07-Dec-15	375.50	484.40	488.00
J B Chemicals & Pharma	04-Jan-15	279.15	361.90	362.90
The Great Eastern Shipping Co.	09-Jan-16	368.70	372.50	479.30
Lloyd Electric and Engineering	15-Jan-16	243.30	280.05	340.00
Alembic Pharma	29-Jan-16	617.75	677.50	800.00
Balmer Lawrie & Company Ltd.	12-Mar-16	540.00	690.00	756.00
Sintex Inds.	15-Apr-16	83.00	83.45	116.00
Richa Inds.	23-Apr-16	35.80	29.50	50.00
KCP Ltd.	29-Apr-16	84.00	104.45	118.00
VTM Ltd.	20-May-16	30.60	29.50	46.00
DCM Shriram Ltd	28-May-16	187.00	214.25	252.00
Gulshan Polyols	04-June-16	336.00	366.00	471.00
Finolex Industries	13-June-16	410.75	458.00	534.00
DTIL	21-June-16	301.00	306.00	424.00
GHCL	02-July-16	192.00	275.00	270.00
Karur Vysya Bank	09-July-16	530.10	476.90	690.00
Tamil Nadu Newsprint	06-Aug-16	295.30	348.85	413.50
Lumax Auto Technologies	27-Jan-16	333.00	495.00	587.00
AksharChem (India)	1-Sep-16	334.00	512.55	476.60(Target achieved)
The Karnataka Bank	10-Sep-16	157.00	151.70	204.10
Sanghvi Movers	17-Sep-16	234.95	239.55	304.00
Salzer Electronics	25-Sep-16	220.35	210.50	286.00
Technocraft Industries (India)	01-Oct-16	343.00	582.75	446.00

Technical Calls			
<u>Scripts</u>	<u>CMP (Rs.)</u>	<u>TGT(Rs.)</u>	<u>SL(Rs.)</u>
<u>BUY</u>			
HINDUNILEVER	884	908	870
<u>SELL</u>			
ARVIND	358	348	363
TECHM	420	409	425

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