

Morning Mantra 24th October, 2016

Markets to make a flat-to cautious start of the Diwali and F&O expiry week.

Traders will get some support with Prime Minister Narendra Modi's statement that the Goods and Services Tax law will boost domestic demand, create more opportunities for domestic business and drive job creation.

There will be some buzz in the banking sector stocks, as the Finance Ministry has called a meeting with senior managers of banks to discuss the bad loans problem existing in specific sectors. The agenda of meeting will be focussed on non-performing assets (NPAs) in sectors like steel, power and infrastructure, so these sectors too will be in action.

The industry body Assocham has said that it had earlier cautioned for card frauds, after the unprecedented security breach reported earlier this week.

There will be some buzz in the aviation sector too, as the Directorate General of Civil Aviation (DGCA) and the Bureau of Civil Aviation Security (BCAS) all set to get powers to impose fines on violators. While in other development, carriers from the gulf region have shown interest in launching regional airlines to implement the regional connectivity scheme.

Important Q2 results: Adani Power, Axis Bank, Indiabulls Real Estate, Idea Cellular, Reliance Capital, Tata Metalliks etc.

Nifty Levels

| | | | | |
|------------|------|------|------|------|
| Close | 8693 | | | |
| Support | 8640 | 8599 | 8540 | 8518 |
| Resistance | 8725 | 8755 | 8783 | 8800 |

Global Indices -21st October, 2016

| | |
|--------------------------|----------------|
| Dow | -16.64(-0.09%) |
| Nasdaq | -76.43(-1.45%) |
| S&P500 | -0.18(-0.01%) |
| SGX Nifty (Today) | +0.24(+21.00%) |

Institutional Activities -21st October, 2016

| | |
|----------|------------|
| FII Cash | -272.91crs |
| DII Cash | +500.37crs |
| FII F&O | -45.82crs |

US. Markets

The US markets despite recovery ended flat with a negative bias and all the three indices snapped the weekly declining streak, amid mixed corporate earnings.

Other Information

The Asian markets have made mostly a positive start, though the gains are muted as investors weighed prospects for a US interest-rate increase, and as a report showed China's capital outflows are picking up.

NY Crude Oil \$50.60/barrel

Rs./\$ - 66.95

F&O Ban

BANKINDIA, HDIL, IBREALEST and JINDALSTEL

Corporate/Media News

Sun Pharma completed the divestment of its seven prescription brands in India to RPG Life Sciences.

M&M has acquired the UK-based two-wheeler manufacturer BSA Company for 34 lakh Pounds (around Rs 28 crores).

L&T plans to raise Rs.3,350 crores by selling shares to institutional investors, joining the league of a group of large companies taking advantage of a liquidity-driven market rally to fund their capital requirements

Tata Motors is evaluating the possibility of acquiring a stake in shared mobility providers, as Uber, Ola and a host of other new age companies disrupt the way the transportation sector works.

NBCC looked set to raise about Rs 2,200 crores from sale of its 15% stake in NBCC after retail investors grabbed 82% of their allotted quota, with institutional investors making up for the small shortfall.

Indiabulls Housing Finance reported 23.2% increase in net profit during the quarter ended September 30, 2016, on demand for a home loan from individuals.

State Bank of B&J has reported a loss of Rs 210.10 crores for the September quarter mainly on account of higher non-performing assets (NPAs) due to changes in the group's policy of classifying loans and advances.

Persistent Systems reported revenues of \$105.18mn for the quarter ended 30th September 2016, a 26.8% increase year on year, and a marginal rise of 0.4 per cent over the previous quarter.

Oberoi Realty has reported 12.4% on-year rise in consolidated net profit at Rs 83.72 crores for the quarter ended September.

ICICI Bank & Axis Bank: Within days of Essar Group signing a mega \$12.9-billion asset sale in its oil business, three top lenders -- ICICI Bank, Axis Bank, and StanChart -- have got back an estimated \$2.5 billion as part of the first payment for their debt exposure to the Ruias-led conglomerate.

GMR Infrastructure's airport arm has raised \$522.60 million by selling bonds to international investors.

Punj Lloyd: The India infrastructure fund of IDFC Alternatives is buying three solar projects in Punjab and Rajasthan from Punj Lloyd Infrastructure as part of the parent's plans to establish a presence in the renewable energy space through acquisitions - as much as 1,000 megawatts in a year or so.

Religare Enterprises: Brothers Malvinder and Shivinder Singh have approached financial and strategic investors to sell Religare Finvest for as much as Rs 6,000 crore, said people aware of the matter.

Wipro posted 8.2% year-on-year drop in net profit at Rs 2,070 crores for the second quarter of this financial ended September 30, 2016.

RIL is set to buy six very large ethane carriers (VLEC) from South Korea's Samsung Heavy Industries Co Ltd for \$600 million.

Fundamental Calls

| <u>Scripts</u> | <u>Initiation Date</u> | <u>Initiation price (Rs.)</u> | <u>CMP (Rs.)</u> | <u>TGT(Rs.)</u> |
|--------------------------------|------------------------|-------------------------------|------------------|-----------------------|
| Rural Electrification Corp. | 17-Aug-15 | 129.63 | | 168.00 |
| Transpek Industry | 07-Dec-15 | 375.50 | | 488.00Target Achieved |
| J B Chemicals & Pharma | 04-Jan-15 | 279.15 | | 362.90Target Achieved |
| The Great Eastern Shipping Co. | 09-Jan-16 | 368.70 | | 479.30 |
| Lloyd Electric and Engineering | 15-Jan-16 | 243.30 | | 340.00 |
| Alembic Pharma | 29-Jan-16 | 617.75 | | 800.00 |
| Balmer Lawrie & Company Ltd. | 12-Mar-16 | 540.00 | | 756.00 |
| Sintex Inds. | 15-Apr-16 | 83.00 | | 116.00 |
| Richa Inds. | 23-Apr-16 | 35.80 | | 50.00 |
| KCP Ltd. | 29-Apr-16 | 84.00 | | 118.00 |

| | | | |
|-------------------------------|------------------|---------------|------------------------|
| VTM Ltd. | 20-May-16 | 30.60 | 46.00 |
| DCM Shriram Ltd | 28-May-16 | 187.00 | 252.00 Target Achieved |
| Gulshan Polyols | 04-June-16 | 336.00 | 471.00 |
| Finolex Industries | 13-June-16 | 410.75 | 534.00 |
| DTIL | 21-June-16 | 301.00 | 424.00 |
| GHCL | 02-July-16 | 192.00 | 270.00 Target Achieved |
| Karur Vysya Bank | 09-July-16 | 530.10 | 690.00 |
| Tamil Nadu Newsprint | 06-Aug-16 | 295.30 | 413.50 |
| Lumax Auto Technologies | 27-Jan-16 | 333.00 | 587.00 |
| The Karnataka Bank | 10-Sep-16 | 157.00 | 204.10 |
| Sanghvi Movers | 17-Sep-16 | 234.95 | 304.00 |
| Salzer Electronics | 25-Sep-16 | 220.35 | 286.00 |
| Technocraft Industries | 01-Oct-16 | 343.00 | 446.00 |
| Sarla Performance | 08-Oct-16 | 71.75 | 100.00 |
| Century Enka | 15-Oct-16 | 297.50 | 386.75 |

| Technical Calls | | | |
|------------------------|-------------------------|------------------------|-----------------------|
| <u>Scripts</u> | <u>CMP (Rs.)</u> | <u>TGT(Rs.)</u> | <u>SL(Rs.)</u> |
| <u>BUY</u> | | | |
| TALBROS (above 158) | 155 | 168 | 151 |
| TATACHEM | 434 | 445 | 429 |
| <u>SELL</u> | | | |
| ACC | 1566 | 1530 | 1586 |

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