

Morning Mantra 4th December 2015

The Indian equities ended lower for the second straight session tracking weak global cues, as traders resorted to profit-booking amid rising speculation of a US interest rate hike this month. Further, weak Indian services PMI data also curbed investor's risk taking appetite.

Today, the start is likely to be weak tailing the negative global cues as traders will be concerned about the global growth after the ECB's stimulus announcement.

Also, the US Ambassador has stated that problems related to ease of doing business such as taxation, regulatory burdens and legal issues can deter American investors from investing in India.

The rating agency, Crisil in its latest report has said that India is unlikely to attain the ambitious target of doubling exports of goods and services to \$900 billion by fiscal 2020 from \$470 billion in FY15, mainly due to declining competitiveness of India Inc, infrastructure bottlenecks and labour market rigidity.

However, there can be some bounce back in the latter part of the trade taking encouragement from Standard & Poor's Ratings Services projection of India's economy growing at 7.4% in the current fiscal, which will further improve to over 8% in 2016-17.

Sugar stocks will be in action, on report that India's sugar production rose 24% to 23.60 lakh tonnes in the first two months of the current marketing year on higher output from Maharashtra.

Nifty Levels

| | | | | |
|-------------|------|------|------|------|
| Close | 7864 | | | |
| Supports | 7810 | 7780 | 7755 | 7712 |
| Resistances | 7910 | 7933 | 7968 | 7999 |

Global Indices – 3rd December, 2015
Institutional Activities – 3rd December, 2015

| | | | |
|--------------------------|-----------------|----------|------------|
| Dow | -252.01(-1.42%) | FII Cash | -611.43crs |
| Nasdaq | +85.69(-1.67%) | DII Cash | +521.11crs |
| S&P500 | -29.89(-1.44%) | FII F&O | +103.90crs |
| SGX Nifty (Today) | -57.50(-0.73%) | | |

US. Markets

The US markets lost over a percent on concerns about the outlook for monetary policy. Traders reacted to comments from Draghi and Yellen. The former announced an extension of the ECB's asset purchase program until March of 2017, while the latter indicated that the central bank remains on track to raise interest rates later this month.

Other Information

The Asian markets have made a soft start, with some of the indices trading lower by over a percent, reverberating ECBs stimulus decision.

NY Crude Oil \$40.48/barrel Rs./\$ -66.91

F&O Ban

Corporate/Media News

Ujaas Energy has bagged again EPC order of 10MW Canal Bank Grid Connected Solar Photovoltaic Power Plant at Vadodara, Gujrat and its operation and Maintenance for 25years as issued by Sardar Darovar Narmada Nigam Ltd.

Jain Irrigation's shareholders approved the proposal for raising more than Rs.400 crores funds through issue of equity warrants and compulsorily convertible debentures to agri-business funding firm Mandala Co-Investment and a promoter.

Dena Bank has got board approval for dilution of government holding to up to 52% and raise capital up to Rs 2,500 crores from various bonds.

Reliance Communications Ltd: Veteran telecom industry executive and former CEO of Orange SA, Sanjiv Ahuja backed by private equity buyout group TPG Capital has emerged as frontrunners to buy Anil Ambani led Reliance Communication's (RCom) telecom towers arm Reliance Infratel.

Jaiprakash Associates will seek shareholders' approval for raising up to Rs.5,000 crores through private placement of non-convertible debentures.

Tata Motors owned Jaguar Land Rover (JLR) is reportedly examining a bid worth millions of pounds to buy Britain's Formula One Grand Prix track.

Mastek Ltd will make no further investments towards development of 'Veyo', a platform built to help in conveyance process.

Dabur India has become the first major private Indian company to be hit by prevailing political tension in Nepal as the homegrown FMCG giant is expecting its juice sales to dip 10-15% in October-November due to disruption of supplies from its plant in the Himalayan nation.

Apollo Tyres' production operations at plant located at Oragadam, near Chennai have been disrupted due to flooding at the factory premises caused by heavy rains.

Coal India Ltd has estimated a capital investment of Rs 57,000 crores over the next five years to increase the production to 908.1 MT, as part of the road-map for one billion tonne coal production by 2020.

Tata Chemicals Ltd: Lack of interest from buyers has forced Tata Chemicals to put off the sale of its fertiliser business. This was to have been the first major restructuring of the Tata Group under Cyrus Mistry, said a media report.

Havells India Ltd: Foreign fund house Citigroup Global Markets Mauritius offloaded 61 lakh shares of Havells India for over Rs 178 crores through an open market transaction.

Fundamental Calls

| <u>Scripts</u> | <u>Initiation Date</u> | <u>Initiation price (Rs.)</u> | <u>CMP (Rs.)</u> | <u>TGT(Rs.)</u> |
|---------------------------|------------------------|-------------------------------|------------------|-----------------|
| Suven Life Science | 06-Aug-14 | 122.00 | 262.05 | 350.00 |
| Srikalahasthi Pipes | 22-Aug-14 | 52.00 | 275.50 | 350.00 |
| Welspun Syntex | 29-Nov-14 | 50.50 | 139.00 | 140.00 |
| GoodLuck Steel | 03-Dec-14 | 76.15 | 94.60 | 120.00 |
| Tata Metaliks | 20-Dec-14 | 136.00 | 101.50 | 178.00 |
| Indo Borax & Chemicals | 21-Mar-15 | 249.00 | 296.10 | 400.00 |
| PTC India Finance | 30-Mar-15 | 50.55 | 40.35 | 90.00 |
| Nandan Denim | 18-Apr-15 | 77.60 | 138.30 | 180.00 |
| Albert David | 24-Apr-15 | 315.00 | 400.00 | 450.00 |
| Uflex | 04-May-15 | 119.00 | 189.60 | 240.00 |
| Sintex Inds. | 19-May-15 | 112.00 | 103.25 | 144.00 |
| Himatsingka Seide | 02-Jun-15 | 82.65 | 224.90 | 250.00 |
| Kolte Patil Developers | 13-Jun-15 | 204.75 | 154.00 | 266.00 |
| Karnataka Bank | 22-Jun-15 | 144.00 | 125.85 | 181.00 |

| | | | | |
|------------------------------------|-------------------|---------------|----------------|----------------|
| Vindhya Telelink | 03-July-15 | 726.25 | 885.50 | 1000.00 |
| IG Petrochemicals | 21-July-15 | 114.00 | 115.90 | 180.00 |
| Tinplate Company of India | 29-July-15 | 66.00 | 68.35 | 90.00 |
| APL Apollo Tubes | 08-Aug-15 | 442.00 | 593.75 | 600.00 |
| Rural Electrification Corp. | 17-Aug-15 | 259.25 | 230.80 | 337.00 |
| Aksh Optifibre | 22-Aug-15 | 19.40 | 19.15 | 40.00 |
| Tamil Nadu News Paper | 02-Sept-15 | 189.89 | 229.10 | 247.00 |
| Nilkamal | 15-Sept-15 | 904.00 | 1062.25 | 1175.00 |
| MT Educare | 10-Oct-15 | 136.00 | 140.55 | 180.00 |
| Shreyas Shipping | 16-Oct-15 | 471.90 | 476.25 | 610.00 |
| GIC Housing Finance | 31-Oct-15 | 199.00 | 209.00 | 280.00 |
| Sutlej Textiles | 04-Nov-15 | 451.20 | 485.70 | 645.00 |

| Technical Calls | | | |
|-------------------------|-------------------------|------------------------|-----------------------|
| Scripts | <u>CMP (Rs.)</u> | <u>TGT(Rs.)</u> | <u>SL(Rs.)</u> |
| <u>Buy Calls</u> | | | |
| Gulf Petro | 70.50 | 77.00 | 67.50 |
| Castrol | 450.00 | 463.00 | 444.00 |
| <u>Sell Call</u> | | | |
| Adani Ports | 259.00 | 250.00 | 263.00 |

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