

INDIA WEEKLY ROADMAP

WEEK 38, 2019 (Sep 16 – Sep 20)

Sensex: ↑ 1.09% Nifty: ↓ 1.18%

Buy on Dips !!

In the forthcoming week ahead, spotlight will be on policy meetings at the US Fed and the Bank of Japan (BoJ). Global cues, macroeconomic data, progress of monsoon, movement of rupee against the dollar, Brent crude oil price movement and investments by foreign portfolio investors (FPI) and domestic institutional investors (DII) will also be watched.

Monsoon rains in India were above average, the weather office said on Thursday, 12 September 2019. The IMD said that for the country as a whole, cumulative rainfall during this year's monsoon from 1 June till 12 September was 3% above the Long Period Average (LPA). The June-September southwest monsoon is critical for the country's agriculture because a considerable part of the country's farmland is dependent on the rains for irrigation.

On the macro front, the WPI Inflation (YoY) for August 2019 will be unveiled on Monday, 16 September 2019. India's balance of trade data for August 2019 will also be announced on Monday, 16 September 2019.

Overseas, developments in US-China trade talks will be closely watched. U.S. President Donald Trump said on Thursday he would not rule out an interim trade pact with China. The two sides are preparing for new rounds of talks aimed at curbing a trade war, which has dragged on for more than a year, roiling financial markets and threatening to push other economies into recession.

China's Industrial Production (YoY) for August 2019 will be announced on Monday, 16 September 2019.

In Japan, the Bank of Japan will announce its interest rate decision on Thursday, 19 September 2019. Japan's inflation rate for August 2019 will be announced on Friday, 20 September 2019. In US, the Industrial Production data for August 2019 will be published on Tuesday, 16 September 2019.

The U.S. Federal Reserve will announce its interest rate decision on Wednesday, 18 September 2019. The Fed cut rates in July for the first time since 2008. In the Euro area, the Consumer Confidence for September 2019 will be unveiled on Friday, 20 September 2019. The Consumer Economic Sentiment indicator measures the level of optimism that consumers have about the economy.

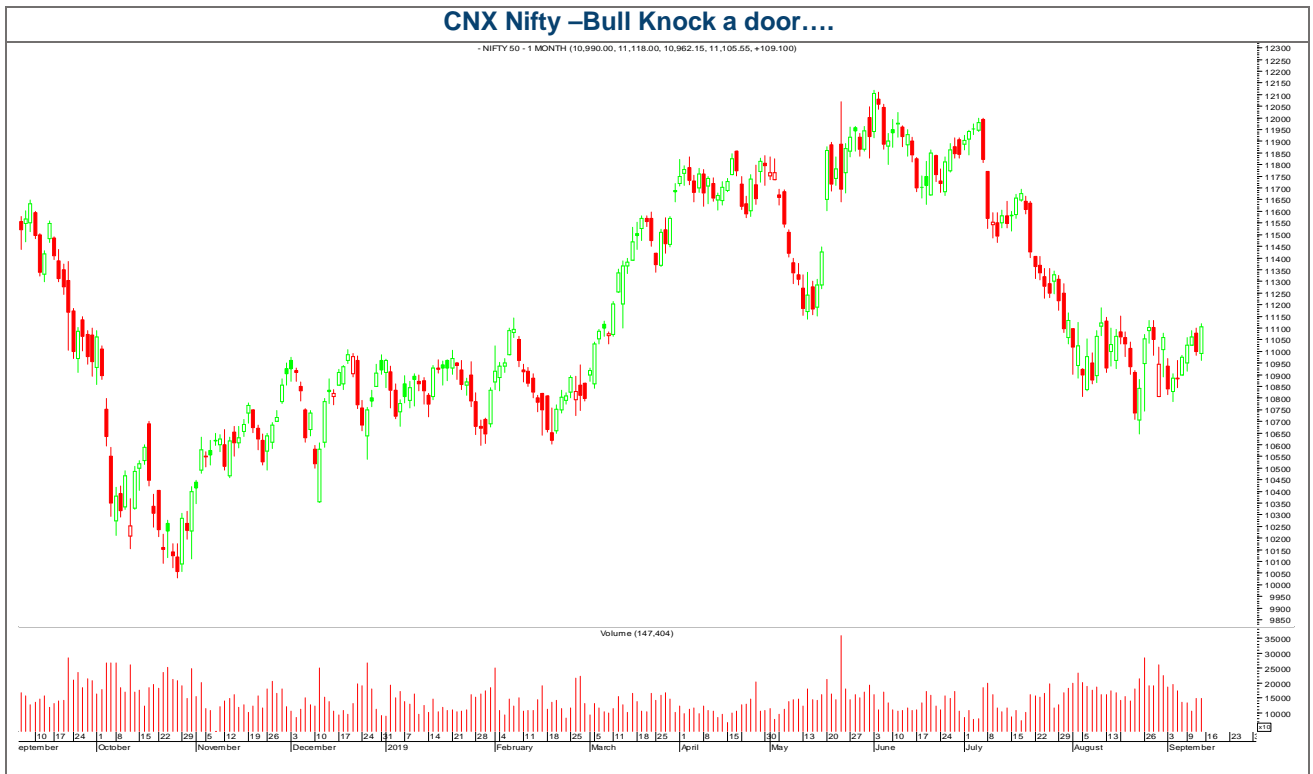
NIFTY PCR is @1.17 which suggests Put buying happening @10800 levels on Nifty and Call unwinding happening @11000 levels .Nifty seems to be trading in the range of 10800 to 11200. Expect some pullback as the markets are oversold and key levels to watch will be 11200 on upside.

	Sensex	Nifty	Institutional Activity (Mon-Fri)			Currency		
			(Rs bln)	Fills	MFs	Closing	% ▲	
Closing	37384.99	11075.90	Purchase	189	72	Rs /Euro	78.51	+0.89
Weekly Move	+403.22	+129.70	Sales	167	63	Rs /US\$	71.32	+0.58
Weekly Hi / Low	37435 / 36784	11084 / 10890	Net	+22	-9			
52 Wk Hi / Low	40312 / 33292	12103 / 10005	MTD	-26	+35			
Avg. To/day (bln)	20	311	YTD	+474	+430			
			**FY19-20 *CY19					

MACRO WEEKLY

Banks					Institutional Activity				
	Closing	1 Week	1 Month	1 Year		Weekly	MTD	YTD	Prev CY
Base Rate SBI	9.3	-	-	-	FII Rs Bln	+22	-26	+474	-244
Call Money Rate SBI	-	-	-	-	MF Rs Bln	-9	+35	+430	+804
Credit Growth	11.6	-54%	-38%	-128%	Nifty				
C/D Ratio	76.4	-	-0.2%	1.3%		Closing	1 Week	1 Month	1 Year
Deposit Growth	10.2	8%	-17%	185%	Midcap Mcap Rs Bln	14567	14299	14286	16522
Govt Borrowing Rs Mln	0.36	11%	31.3%	48.8%	NSE Mcap/GDP	1.34	-	-	-
I/D Ratio	28.1	0.6%	0.4%	-7.9%	P/E TTM	23.4	23.2	23.1	-
LAF Rs Bln	46.2	86.4%	14%	25%	P/E 1 Year Fwd	18.2	18.0	17.7	-
LABOR US\$ 1 Year	2.01	11%	2%	-86%	P/B TTM	2.7	2.7	2.7	-
Mortgage Rate HDFC	9.45	-	-	-20%	P/B 1 Year Fwd	2.6	2.5	2.5	-
PLR SBI	14.05	-	-	-	VIX	14.1	17.3	17.8	14.3
Bonds					Nifty P/E Fwd				
German 10Y Bund	-0.49	15 bps	12 bps	-91 bps					
Gsec 10Y-3M Spread	1.34	3 bps	11 bps	-					
US 10Y T-bond	1.80	24 bps	10 bps	-117 bps					
Commodities					Sectors in Limelight				
Aluminum \$/Mt	1771	0.8%	1.9%	-12.5%	Top Gainers	%	Top Losers	%	
Copper \$/Mt	5803	-0.4%	1.5%	-3.0%	Sugar	15.2	I.T.		1.4
Crude \$/Bbl	55	-2.4%	-3.3%	-16.6%	Paper	8.6	Power		0.9
Gold \$/Troy Oz	1506	-0.1%	0.3%	25.3%	Realty	7.2	-		-
Silver \$/Troy Oz	18	-0.2%	7.0%	28.1%	Scrip's in Limelight				
Steel \$/Mt	-	-	-	-	Top Gainers	%	Top Losers	%	
Sugar \$/Mt	317	2.5%	-2.9%	-11.7%	Wockhardt	32	Hathway Cable		12
Currency					Murudeshwar Ceramics	30	Seamec		11
Rs/€	78.8	0.4%	1.7%	6.2%	Patel Engg	27	Glenmark Pharma		6
Rs/US\$	71.0	1.1%	0.6%	1.7%	Dhampur Sugar Mills	24	L&T Infotech		5
Rs/¥	0.66	1.9%	1.5%	-1.5%	JK Paper	19	Den Networks		5
Dollar Index	98.1	-0.3%	0.3%	3.8%	Infrequent Series				
Inflation						Closing	1 Week	1 Month	1 Year
WPI Food	153.7	-	200 bps	890 bps	BoP US\$ Bln	14.2	-	-	7 bps
WPI Fuel & Power	-3.6	-	-144 bps	-2174 bps	Capital Acct US\$ Bln	19.2	-	-	-23 bps
WPI Primary Articles	5.0	-	-169 bps	299 bps	CD Issued Rs Bln	2240	-	-12.5%	36.7%
Auto Sales '000 Units					CP Issued Rs Bln	1999	520.3%	433.1%	14.6%
	2078	-	14.3%	13.3%	CPI	3.2	-	6 bps	-48 bps
Cement Sales Mln Mt					Debt: External US\$ Bln	543	-	-	2.6%
	18.1	-	11.0%	6.7%	Deficit: Cur Acct %				
Core Output					GDP	2.1	-	-	27%
	2.1	-	146 bps	-518 bps	Deficit: Fiscal % GDP	3.4	-	-	6%
CRR					ECB US\$ Bln	4.9	-	-8.7%	126.6%
	4.0	-	-	-	Gross FCF Rs Trn	828	-	-	4.4%
Exports Rs Bln					M1 Rs Trn	35.7	0.4%	-0.2%	12.1%
	1812	-	4.3%	2.4%	M3 Rs Trn	156.0	-0.3%	-	10.2%
GDP, Nominal					OECD CLI	-	-	-	-
	9.4	-	-	-330 bps					
Govt Spending Rs Bln									
	3432	-	-	16.7%					
Imports Rs Bln									
	2736	-	-2.2%	-10.3%					
IIP									
	4.3	-	310 bps	-220 bps					
PMI Manufacturing									
	51.3	-	-1.0%	-1.7%					
Repo Rate									
	5.4	-	-	-110 bps					
Reverse Repo Rate									
	5.2	-	-	-110 bps					
Steel Prodn '000 Mt									
	9432	-	-4.0%	6.6%					
WPI									
	1.1	-	-94 bps	-419 bps					

INDIA WEEKLY TECHVIEW



A strong bullish candle followed by couple of mixed candle on daily chart indicates positive bias in Index. However, on weekly front: Strong bullish candle followed by dragon fly doji with average volume action indicates bull's presence. By and large, we expect market to remain volatile amid of global volatility with positive bias. Therefore, We recommend to adopt buy on dips strategy for a week.

Last week, we had mentioned possibility of reversal in market for a week and Actually, market has seen positive tone throughout a week. Moreover, Nifty is trading with current P/E of 27.22 with life time high of 29.90 at 12103 . Finally, market has given close with gain of 1.18% on weekly basis with major contributions of sectors like Banking OMCs, Cement and Auto. **Critical support and resistance levels are placed at 10940(10750) and 11400(11580) for the Nifty.** On weekly Front: Nifty is trading in expanding wedge pattern and hovering near lower arm of it. Moreover nifty has formed inverted head and shoulder pattern on daily chart and given a breakout of neck line. Short term DEMAs acted as a strong support. Nifty has pierced resistance of 50% of (10004-12103) Fibonacci level near 11054 and close above it. Daily Momentum indicators RSI has seen with positive sign while Stochastic oscillator has seen in over bought zone. On weekly chart, RSI has given positive crossover while SO has seen with positive sign. So, Overall indicators are indicating Positive tone in the index. **By and large, we expect market to remain volatile amid of global volatility with positive bias. Therefore, We recommend to adopt buy on dips strategy for a week.**

TECHNIPICKS

Stocks				Chart
BAJFINANCE				<i>Formed narrowing wedge pattern</i>
CMP	Reco	Support	Resist.	
3427	Buy	3330(3240)	3530(3660)	
<p>Bullish candle followed by couple of green candle on daily chart indicates strength in a counter. Stock has given breakout of narrowing wedge pattern on daily chart. 7 DEMA acted as a strong support. RSI has seen with positive sign. So buy with sl.</p>				
SIEMENS				<i>Forming rounding pattern</i>
CMP	Reco	Support	Resist.	
1246.30	Buy	1200(1160)	1290(1360)	
<p>Green candle followed by doji candle on daily chart indicates bullish stance. Strong bullish candle followed by doji candle on weekly chart support a stance. Stock is forming rounding pattern on daily chart. Stock is trading above all moving averages. RSI has seen with positive sign. So buy with sl.</p>				
LT				<i>Short term DEMAs acted as a strong support</i>
CMP	Reco	Support	Resist.	
1363	Buy	1310(1260)	1420(1470)	
<p>Dragon fly doji candle followed by couple of red candle on daily chart indicates strength in a counter. Short term DEMAs acted as a strong support. Stock has formed expanding wedge pattern on daily chart. Stochastic has seen with negative sign. So buy with sl.</p>				
HINDPETRO				<i>RSI has given positive crossover</i>
CMP	Reco	Support	Resist.	
271.15	Buy	260(249)	285(300)	
<p>Strong bullish candle followed by couple of mixed candle on daily chart indicates strength in a counter. Stock has pierced resistance of 200 DEMA and closes above it. RSI and SO have seen with positive sign. Therefore we suggest buy with sl.</p>				
GLENMARK				<i>Lower top lower bottom formation</i>
CMP	Reco	Support	Resist.	
368.90	Sell	350(330)	386(404)	
<p>Red candle followed by doji candle on daily chart indicates weakness in a counter. Stock is trading in lower top lower bottom formation on daily chart, Stock is trading below all moving averages. RSI has seen with negative crossover. Therefore we suggest sell with sl.</p>				

Derived Value

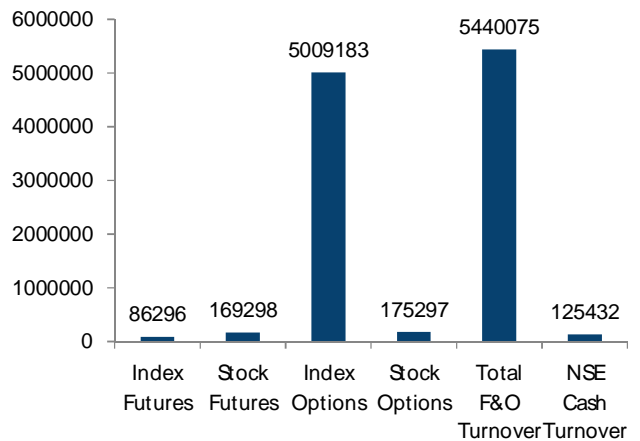
F & O Trend

Positive: BPCL, IOC, ARVIND, KAJARIACER, TITAN, ACC, SBIN, ADANIEN, HINDPETRO, VEDL, KOTAKBANK, FEDERALBANK, HINDALCO, UJJIVAN, TATACHEM, BAJAJ-AUTO, DABUR, BATAINIDA, ENGINEERSIND, APOLLOTYRE, ICICIBANK, CESC, ESCORTS, BHARATFORGE, and TATAPOWER have witnessed the Long Build Up of positions.

Negative: IBULHSGFIN, GLENMARK, HINDUNILVR, BIOCON, TCS, WIPRO, UBL, TECHM, HEXAWARE, YESBANK, APOLOHOSP, and ITC have witnessed the Short build up of positions.

FII's were net Buyers to the tune of 7414 crs. While the Open Interest has gone down by 21.41%.

F&O turnover (NSE) at Rs 54400.75 bln



*Cumulative From Monday to Friday

FII Trade summary

FII's derivative activities for the week*

(Rs in Crore)	Buy	Sell	Net	Open Int.
Index Futures	9002	9746	-744	42111
Index Option	718223	710191	8032	173479
Stock Futures	32540	32295	246	267027
Stock Options	14869	14989	-120	11413
Total ...	774635	767221	7414	494030

MSFL Derivatives Strategies

TECHM	Rs 711.15	ICICIBANK	Rs 414.40
<p>Outlook – Positive</p> <p>Increase in price coupled with increase in open interest indicates long build up of positions. The stock is expected to test 730 levels.</p> <p>Strategy –Covered call Strategy</p> <p>Buy a Sept Future @ 711.15 Write a Sept 730 Call @ 6.10 Keep stop loss of 696.20</p> <p>Payoff</p> <p>Maximum profit is 24.95 at or above 730 levels while loss is restricted to 8.85 at stop loss level.</p> <p>Logic</p> <p>Buying a future allows one to gain in the up move, while selling an OTM call reduces a cost.</p>		<p>Outlook – Positive</p> <p>Increase in price coupled with increase in open Interest indicates long build up of positions. The stock is expected to test 430 levels.</p> <p>Strategy –Buy a call Strategy</p> <p>Buy a Sept 420 Call @ 4.85 Keep stop loss of 400</p> <p>Payoff</p> <p>Maximum profit is unlimited above 424.85 levels while loss is restricted to 4.85.</p> <p>Logic</p> <p>Buying an OTM call allows one to gain in the up move.</p>	

THE WEEK GONE BY

Sectorial Market Movements: Indicative Change in Market Capitalization

(Change)	Week 34	Week 35	Week 36	Week 37	Change	Change
					Month	Year
BSE Sensex	-1.74	1.72	-0.94	1.09	0.09	-1.85
Nifty	-1.98	1.79	-0.70	1.18	0.25	-3.81
Automobiles	0.08	0.78	1.21	3.07	5.22	-27.41
Auto Ancillaries	-0.42	3.49	-2.39	3.07	3.68	-34.93
Banking & Finance	-4.73	3.11	-2.17	3.05	-0.97	-6.77
Shipping	-2.58	1.97	6.79	3.57	9.86	-20.08
Cement	-6.66	3.13	-3.45	4.29	-3.08	-2.84
Construction	-7.77	2.85	3.25	4.07	1.92	-39.17
Realty	-9.08	12.80	-7.25	7.18	1.96	10.43
Paper	-4.76	5.31	2.16	8.60	11.27	-24.59
Tea / Coffee	-0.93	3.46	-3.35	0.98	0.04	-23.00
Sugar	-7.67	4.62	3.89	15.17	15.58	9.71
Textiles	-6.34	1.29	1.38	6.14	2.07	-31.52
Oil / Refineries	-1.39	-0.36	-0.24	1.21	-0.79	-5.90
FMCG	1.34	2.73	-2.27	0.26	2.00	6.90
Pharmaceuticals	-0.73	2.57	1.41	1.50	4.82	-13.42
Steel	-6.74	-1.30	6.00	1.07	-1.38	-35.20
Telecom	-1.77	-1.08	-0.07	0.26	-2.64	-28.50
Power	-2.08	0.99	2.64	-0.87	0.61	-19.39
Hotels	1.37	2.45	-2.23	1.60	3.16	-10.43
I.T.	2.87	1.19	0.98	-1.44	3.60	-3.05
Power Equipment	-4.14	1.54	0.67	1.59	-0.44	-14.52
Engineering	-2.30	2.78	0.27	3.40	4.10	0.70
Fertilizers	-2.07	4.58	0.59	3.90	7.03	-22.71
Aluminium/Metals	-2.26	6.02	1.69	2.04	7.53	-29.88
Media	3.59	0.96	-0.22	0.43	4.80	-22.52
Over the last week		Over the last month			Over the last year	
Out performer		Out performer			Out performer	
Shipping, Cement, Construction, Realty, Paper, Sugar, Textiles, Engineering, Fertilizers		Automobiles, Shipping, Paper, Sugar, Pharmaceuticals, Engineering, Fertilizers, Aluminium/Metals, Media			Realty, Sugar, FMCG	
Market performer		Market performer			Market performer	
Automobiles, Auto Ancillaries, FMCG, Banking & Finance, Tea / Coffee, Steel, Oil / Refineries, Pharmaceuticals, Telecom, Power, Hotels, Power Equipment, Media, Aluminium/Metals		Auto Ancillaries, Banking & Finance, I.T, Cement, Construction, Realty, Textiles, Tea / Coffee, Oil / Refineries, FMCG, Steel, Telecom, Power, Hotels, Power Equipment			Banking & Finance, Cement, I.T, Oil / Refineries, Engineering	
Under performer		Under performer			Under performer	
I.T		-			Automobiles, Auto Ancillaries, Shipping, Construction, Paper, Tea / Coffee, Textiles, Pharmaceuticals, Steel, Telecom, Power, Hotels, Power Equipment, Fertilizers, Aluminium/Metals, Media	

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Rating Expected Return**Key ratings:**

Buy	> 15%
Accumulate	5 to 15%
Hold	- 5 to 5%
Sell	< - 5%
Not Rated	-

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