

# Sensex ends flat, Nifty above 9600; Lupin gains over 3%

**3:30 pm Market at Close:** Equity benchmark indices ended the session on a flat note with a positive bias, with the Nifty ending above 9600-mark.

The Sensex closed up 35.77 points at 31245.56, while the Nifty ended higher by up 24.30 points at 9637.60. The market breadth was positive as 1685 shares advanced against a decline of 982 shares, while 144 shares were unchanged.

Lupin, ONGC and Vedanta gained the most, while ITC, Wipro and Infosys lost the most.

**3:20 pm Drug launch:** Pharma major Lupin shares rallied 5 percent intraday after it announced generic version of Moxifloxacin Hydrochloride Ophthalmic solution in the United States.

Moxifloxacin Hydrochloride Ophthalmic solution USP, 0.5 percent (base) is an AT1 rated generic equivalent of Novartis Pharma's Vigamox Ophthalmic solution.

The drug is used for treatment of bacterial conjunctivitis caused by susceptible strains of the organisms.

Vigamox Ophthalmic solution had US sales of USD 267.9 million, as per IMS MAT data of March 2017.

**3:05 pm New contract:** Shares of IL&FS Engineering and Construction Company rose 10.4 percent intraday as it has received contacts worth Rs 236.76 crore.

The company has received letter of intents (LoIs) from Jharkand Bijli Vitran Nigam (JBVNL) under the Integrated Power Development Scheme (IPDS) for a total contract value of Rs 236.76 crore.

**2:49 pm Market Check:** Equity benchmarks remained rangebound in afternoon trade, with the Nifty moving in a tight range of 20 points since the beginning today.

The 30-share BSE Sensex was down 2.03 points at 31,207.76 and the 50-share NSE Nifty gained 10.55 points at 9,623.85.

About 1,640 shares advanced against 957 declining shares on the BSE.

IDFC as well as IDFC Bank rallied nearly 10 percent each after sources told CNBC-TV18 that IDFC Bank is likely to announce a large acquisition shortly.

The bank is looking to acquire a large financial services company, which will be in-line with with strategy to augment retail business, sources said.

**2:25 pm Buzzing:** Tata Motors gained more than 1 percent intraday after Morgan Stanley retained overweight rating on the stock despite tepid JLR sales growth in US; and the company announced price cut.

The research house also maintained its price target of Rs 588, implying 37 percent upside over a period of one year.

Luxury car maker Jaguar Land Rover's retail sales in North America in June were up 3 percent YoY against 14 percent growth YoY in May, led by Jaguar sales.

Jaguar sales increased 7 percent in June against a 44 percent YoY growth in May as the base has now caught up - F Pace launched in May 2016 in North America.

Land Rover sales were up 1 percent in June, same as in May.

The mix in Land Rover sales was good with RR sales up 23 percent YoY and further ramp-up in Discovery sales and launch of Velar should improve sales growth going forward, Morgan Stanley said.

Incentives continued to be up YoY but were down 6 percent MoM to USD 2,621 per unit in June, driven primarily by lower discounts in the Jaguar portfolio, it added.

**2:05 pm MSEI decision postpones:** A day after announcing the extension of trading hours from 9:15 am to 5:00 pm, the Metropolitan Stock Exchange of India (MSEI) has decided to postpone this decision.

"It is hereby informed that the implementation of the revised schedule of trading hours, as mentioned in the circular, has been postponed. A circular mentioning the revised date of implementation will be issued separately," the index said in a statement.

The exchange on Tuesday had said that the new trading hours would be implemented till 5 pm from July 7, 2017. Presently, the trading commences on the exchange at 9.15 am and closes at 3.30 pm.

**1:45 pm MF assets soar:** The average assets under management of the mutual fund industry rose 7 percent taking the total AUM to a record high of Rs 19.52 lakh crore at the end of June quarter, according to the data on the Association of Mutual Funds in India.

Fund managers attributed the increase in AUM to robust markets matched with growing participation from retail investors.

In January-March, the average AUM of 42 MF players stood at Rs 18.3 lakh crore, as per AMFI.

**1:21 pm Market Check:** Equity benchmarks continued to be volatile in afternoon trade while the broader markets extended gains following positive global cues.

The 30-share BSE Sensex was up 14.82 points at 31,224.61 and the 50-share NSE Nifty gained 14.15 points at 9,627.45.

Lupin extended gains to 4 percent after the launch of generic Vigamox Ophthalmic solution in the US, which has US sales of USD 267.9 million, as per IMS MAT March 2017.

Jaiprakash Associates was biggest midcap gainer, up 6 percent followed by Videocon Industries, Shriram Transport, Reliance Communications and Tata Chemicals with 3-5 percent upside.

The BSE Midcap and Smallcap indices gained nearly a percent each as about 1,606 shares advanced against 910 declining shares on the exchange.

**1:05 pm Buzzing:** Shiva Cement share were locked at 10 percent upper circuit at Rs 30.15 on profit booking after a solid rally in more than a week.

There were pending sell orders of 1,559,186 shares, with no buyers available on the BSE, at 13:08 hours IST.

The stock rallied nearly 62 percent in previous six consecutive sessions after new promoter - JSW Cement raised its stake in the company to over 50 percent.

With the current buy out of 3.15 percent stake, JSW Cement's shareholding in Shiva Cement increased to 53.47 percent from 50.33 percent earlier.

"JSW Cement has acquired control over Shiva Cement and will become the promoter of the company. Current equity shareholders, who are currently members of the promoter group will cease to be promoters of the company," Shiva Cement said.

**12:40 pm Europe opening:** European markets opened mixed as Independence Day celebrations in the US kept trading activity muted across the world and geopolitical tensions continue to heat up.

**12:35 pm Market Check:** Equity benchmarks continued to consolidate in afternoon trade, with the Sensex hovering around 31,200 level.

The 30-share BSE Sensex was down 9.15 points at 31,200.64 while the 50-share NSE Nifty rose 8.40 points to 9,621.70.

About 1,506 shares advanced against 935 declining shares on the BSE.

**12:15 pm Buzzing:** Tata Elxsi share price gained nearly 2 percent as KR Choksey said it assigned a buy rating on the stock after applying a P/E multiple of 23x FY19E EPS of INR 90 to arrive at a target price Rs 2,070.

It believes that Tata Elxsi is rightly placed in all high growth industries, i.e. automotive, broadcast & media, semi-conductor, communications and healthcare which will serve as key triggers to drive 20 percent revenue CAGR between FY17 and FY19.

The research house is particularly bullish on recent updates wherein the company's autonomai platform for autonomous vehicles has been licensed to a Top Global OEM and company's association with Panasonic for Specialist Design Services in consumer products/ electronics.

**11:50 am Q1 Earnings Preview:** Hefty box office collection of more than Rs 1,000 crore due to blockbuster movies - Baahubali 2 and Tubelight - is expected to boost financials of multiplex companies in June quarter of FY18 but the same performance is unlikely in second quarter.

'Baahubali 2: The Conclusion' gave a big bang start to Q1FY18 with the blockbuster reporting overall domestic box office collection of Rs 1,326 crore. However, the much hyped (expected to collect Rs 200 crore plus) Salman Khan flick, Tubelight came croppers and ended with around Rs 100 crore box office collections.

Movies like Sachin A Billion Dream and Hindi Medium performed moderately. Among Hollywood movies, The Fate Of The Furious 8 did well in Q1FY18 while Guardians Of The Galaxy Vol.2, Pirates Of The Caribbean-5 and Wonder Woman failed to make a mark.

"We estimate 18 percent YoY advertising growth for PVR, aided by good expected performance of Tubelight, Baahubali 2 and Sachin A Billion Dream in Q1FY18," Edelweiss said.

It expects the multiplex industry to continue to report decent growth in Q1FY18 on higher share of net box office collections led by addition of screens in past 12 months (PVR opened 8 screens in Q1FY18); and pick up in Hollywood films.

**11:29 am Market Check:** The broader markets continued to outperform benchmarks, with the BSE Midcap and Smallcap indices rising 0.6 percent and 0.9 percent, respectively.

The 30-share BSE Sensex was up 34.73 points at 31,244.52 and the 50-share NSE Nifty gained 17.45 points at 9,630.75.

About 1504 shares advanced against 788 declining shares on the BSE.

Reliance Industries, M&M, Asian Paints and Tata Motors continued to rally, up 1-2 percent. Banks stocks like Axis Bank, HDFC Bank, SBI, ICICI Bank were up 0.3-1 percent.

However, the correction in ITC, HDFC, Infosys, TCS, Wipro and Bharti Airtel capped gains.

**11:15 am Phase II trial:** Zydus announced the initiation of a phase II trial investigating ZYAN 1, an oral hypoxia-inducible factor prolyl hydroxylase inhibitor, as a treatment for anemia associated with chronic kidney disease.

Two phase I trials of ZYAN 1 have been concluded in Australia and India, and results were recently published in clinical pharmacokinetics.

**11:00 am Price cut:** Following the rollout of GST, Tata Motors decided to pass on the entire benefit to customers, offering a price reduction of up to 12 percent ranging between Rs 3,300 and Rs 2.17 lakh depending on the model and variant.

**10:45 am Services PMI:** Activity in India's dominant service sector expanded at its fastest pace in eight months in June as new business orders surged, a private survey showed.

The Nikkei/IHS Markit Services Purchasing Managers' Index climbed to 53.1 in June from the previous month's 52.2. June was the fifth consecutive month the index has been above the 50 mark that separates growth from contraction.

"With services being the prevalent sector in India, the fainter rise in manufacturing was more than offset and growth of private sector output climbed to an eight-month peak," said Pollyanna de Lima, economist at IHS Markit.

**10:33 am Market Check:** Equity benchmarks continued to trade higher in morning, with the Nifty eyeing 9,650 level, backed by Reliance Industries and HDFC Bank.

The 30-share BSE Sensex was up 46.05 points at 31,255.84 and the 50-share NSE Nifty rose 16.05 points to 9,629.35.

The broader markets outperformed benchmarks, with the BSE Midcap and Smallcap indices up over 0.6 percent on strong breadth. About two shares advanced for every share falling on the exchange.

**10:12 am Buzzing:** Motilal Oswal has initiated coverage on Jubilant Life Sciences with a buy rating and target price of Rs 905, implying 31 percent upside on expectations of strong growth in pharma and life science ingredients segments going ahead. The stock gained more than 5 percent intraday.

All sub-segments in pharmaceuticals (which constituted 52 percent of total sales in FY17) are well poised for growth, the research house feels.

**9:59 am Buzzing:** Shares of ABC Bearings has locked at 20 percent upper circuit and Timken India gained nearly 5 percent as ABC Bearings is going to merge with the later one.

The board of directors of ABC Bearings at its meeting held on July 4, has approved the merger of ABC Bearing into Timken India through a scheme of amalgamation and arrangement amongst ABC Bearing, Timken India and their respective shareholders and creditors," ABC Bearings said in press release.

The said scheme is subject to the approval of the shareholders and creditors of ABC Bearings, approval of the regulatory authorities and the sanction of the National Company Law Tribunal.

Timken India will issue 5 equity shares of Rs 10 each for every 8 shares held in the ABC Bearings of Rs 10 each.

**9:45 am FII View:** Adrian Mowat of JPMorgan said the MSCI Emerging Market index rallied 17 percent in the first half of 2017 outperforming Developed Market by 8 percent.

This was the best first half performance since 2009. It was the 6th straight month of outperformance from emerging markets versus developed markets, the longest run since May 2008, and only the fourth such streak in the last 20 years, he added.

He feels capital is returning to emerging markets.

For India, policy newsflow remains supportive given progress on GST rollout, increasing expectations of monetary easing and steps towards resolution of asset quality issues by RBI, Mowat said.

**9:30 am Earnings Preview:** Expect Nifty's Q1FY18 earnings to decline 6%, revenue growth of 7%: Deutsche

Abhay Lajawala of Deutsche Bank said the research house expects Q1FY18 aggregate revenue growth of 7 percent, EBITDA decline of 7 percent and earnings decline of 6 percent (YoY) for the Nifty.

The 6 percent forecast decline in earnings may be exaggerated by the large YoY inventory adjustments at the oil marketing companies due to the sharp decline in global oil prices, according to him.

He feels excluding energy, Nifty earnings are expected to rise by 4 percent (YoY).

GST rollout uncertainties are forecast to impact earnings of companies focused on domestic consumption while exchange rate dynamics are likely to impact earnings of exporters, according to Lajawala.

For the Deutsche Bank coverage universe, analysts forecast revenue growth of 5 percent, EBITDA decline of 7 percent and earnings decline of 12 percent (YoY), he said.

**9:15 am Market Check:** Equity benchmarks opened moderately higher on Wednesday, with the Nifty holding 9600 level despite mixed Asian cues.

The 30-share BSE Sensex was up 25.37 points at 31,235.16 and the 50-share NSE Nifty rose 5.95 points to 9,619.25.

Reliance Industries hit a fresh 52-week high, up nearly a percent and surpassed market capitalisation of TCS. BPCL, M&M, Adani Ports and Tata Motors were other gainers.

HDFC lost a percent on exposure to NPA accounts Insolvency and Bankruptcy Code. Infosys, Maruti Suzuki, Tata Steel and Hindalco Industries were under pressure.

The broader markets gained too, with the Nifty Midcap up 0.3 percent as about two shares advanced for every share falling on the BSE.

Among midcaps, ABC Bearings surged 20 percent and Texmaco Rail was up 10 percent. Jubilant Life, Kesoram Industries, United Spirits, Persistent Systems, Shilpi Cable, Tata Coffee, Jaypee Infratech, Videocon and Venky's were up 1-5 percent.

Shiva Cement plunged 10 percent after 50 percent rally. Reliance Communications and Bajaj Finance were other losers.

Asian bourses were mixed as geopolitical concerns came to the fore a day after North Korea launched a long-range ballistic missile.