

Morning Note



Indices	7/Feb	6/Feb	% Chg.
S&P BSE SENSEX	36,971	36,975	-0.01%
Nifty 50	11,069	11,062	0.06%
NIFTY Midcap 100	16,845	16,721	0.74%
NIFTY Smallcap 100	6,030	5,988	0.71%
BSE Sectoral Indices			
Nifty Media	2,257	2,201	2.52%
Nifty Auto	8,737	8,567	1.98%
Nifty Pharma	9,056	8,907	1.68%
Nifty MNC	13,427	13,315	0.84%
Nifty FMCG	30,266	30,029	0.79%
Nifty IT	16,086	16,056	0.19%
Nifty Metal	2,836	2,833	0.10%
Nifty Financial Services	11,607	11,610	-0.03%
Nifty Bank	27,387	27,402	-0.06%
Nifty Realty	225	225	-0.07%
Nifty Infrastructure	2,923	2,932	-0.33%
Nifty PSU Bank	2,941	2,952	-0.37%
Nifty Energy	15,225	15,394	-1.10%

Major Indices	7/Feb	6/Feb	% Chg.
United States	25,170	25,390	-0.87%
S&P 500	2,706	2,732	-0.94%
London	7,094	7,173	-1.11%
Frankfurt	11,022	11,325	-2.67%

Major Asian Indices	7/Feb	6/Feb	% Chg.
Hong Kong	27,990	27,990	0.00%
Nikkei 225	20,751	20,874	-0.59%
Korea	2,203	2,203	-0.00%
Shanghai	2,618	2,618	0.00%
Taiwan	9,932	9,932	0.00%

FII's & DII's in equity				Rs Crs	
7-Feb	Buy	Sell	Net	Total %	
FII / FPI Investments	3,331	2,913	418	19%	
DII's Investments	3,020	2,725	294	17%	
* Total % - contribution to the total turnover					

FII's in Derivatives (F&O)				Rs Crs	
7-Feb	Index Fut	Index Opt	Stock Fut	Stock Opt	
Net	999	1,174	473	85	
OI	27,706	59,436	88,650	7,184	
Chg.OI	0.9%	-2.5%	0.4%	11.1%	
FIIs' contribution to the total F&O turnover					23%

Curr. Derivatives (NSE)	7/Feb	6/Feb	Chg.	% Chg.
USDINR 26-FEB-2019	71.56	71.72	-0.16	-0.22%
EURINR 26-FEB-2019	81.26	81.84	-0.58	-0.71%
JPYINR 26-FEB-2019	65.23	65.47	-0.24	-0.37%
GBPIINR 26-FEB-2019	92.43	93.05	-0.62	-0.67%

Commodities (MCX)	7/Feb	6/Feb	Chg.	% Chg.
Aluminium(28FEB2019)	134.7	136.4	-1.70	-1.2%
Copper (28FEB2019)	446.3	449.2	-2.85	-0.6%
Crude (19FEB2019)	3,727	3,881	-154.00	-4.0%
Gold (05APR2019)	33,169	33,327	-158.00	-0.5%
Silver (05MAR2019)	39,920	40,146	-226.00	-0.6%

ADR (\$)	7/Feb	6/Feb	Chg.	% Chg.
Dr. Reddy's Lab (RDY)	39.58	39.37	0.21	0.53%
HDFC Bank (HDB)	100.59	100.26	0.33	0.33%
Wipro (WIT)	5.66	5.65	0.01	0.18%
Infosys (INFY)	10.85	10.90	-0.05	-0.41%
ICICI Bank (IBN)	9.94	10.00	-0.06	-0.60%
Tata Motors (TTM)	11.40	12.59	-1.19	-9.45%

Domestic Market View

Benchmarks likely to make a cautious start

Erasing most of the early gains, Indian markets ended almost flat on Thursday after the Reserve Bank of India (RBI) unexpectedly cut the repo rate by 0.25% to 6.25%, saying inflation will likely stay within its target range. Today, the start of the session is likely to be cautious amid global growth concerns. However, some support may come later in the day with Finance Minister Piyush Goyal's statement that the rate cut by the RBI will give a boost to the economy by providing affordable credit to small businesses and homebuyers. The RBI has reduced repo rate (at which RBI lends to banks) by 0.25% to 6.25%, a move that will translate into softening interest rates. Besides, welcoming the RBI's decision, Economic Affairs Secretary Subhash Chandra Garg said it is a very balanced and pragmatic policy statement. Meanwhile, India has jumped eight places to 36th position on the International Intellectual Property (IP) Index, which analyses the IP climate in 50 global economies, this year. India's eight-point jump in 2019 from 44th position in 2018 is the highest increase among 50 nations mapped by the index. The report said the improvement reflects important reforms implemented by Indian policy-makers towards building and sustaining an innovation ecosystem for domestic entrepreneurs and foreign investors alike.

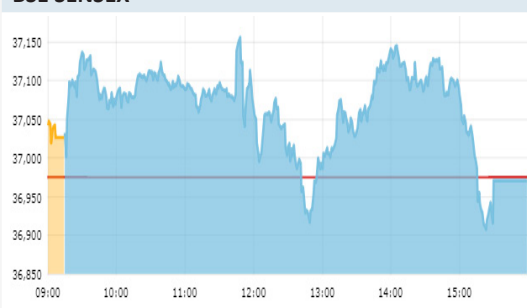
Besides, a report stated that as many as 21 firms including Religare Enterprises, Reliance Naval and Engineering, and Binani Industries have come under short-term additional surveillance measure (ASM) framework of the NSE. Under the short-term ASM framework, NSE said the applicable rate of margin is fixed at 1.5 times the existing margin or 40%, whichever is higher, subject to maximum rate of margin capped to 100%. There will be some buzz in the aviation sector stocks with an International Air Transport Association (IATA) report stating that there is an 18.6% annual increase in domestic aviation sector considering the rise in Indians preferring to fly across the country last year. Also, there will be some reaction in non-banking finance companies (NBFCs) stocks with report that the RBI has decided to assign risk weights for the rated exposures of banks to all NBFCs to facilitate credit flow to the sector that is reeling under liquidity pressure post IL&FS defaults in August. There will be lots of earnings reaction based on the performance of the companies.

Domestic Market Overview

NSE NIFTY



BSE SENSEX



Repo rate cut fails to enthuse markets on Thursday

The Reserve Bank of India's (RBI) the policy repo rate failed to enthuse Indian equity benchmarks on Thursday, as both the larger peers, Sensex and Nifty, settled the day almost flat. RBI in its sixth bi-monthly monetary policy review of 2018-19, has reduced the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 6.50% to 6.25% with immediate effect. The RBI also decided to change the monetary policy stance from calibrated tightening to neutral. The start of the day was firm, aided by Moody's Investors Service's statement that the tax relief steps for the middle-class and direct cash transfer programme for farmers will give a fiscal stimulus of about 0.45% of Gross Domestic Product (GDP), and support growth through increased consumption over the near term, albeit at a fiscal cost. Some support also came with report that the government allowed export of bio-fuels from special economic zones (SEZs) and export-oriented units (EoUs) with certain conditions. In August 2018, the government imposed restrictions on export of bio-fuels for non-fuel purposes.

In the second half of the session, the markets turned volatile and erased all of their gains to end the trading session flat, tracking weak global markets. Anxiety spread among the traders, after RBI raised concerns that in spite of soft crude oil prices and the lagged impact of the recent depreciation of the Indian rupee on net exports, slowing global demand could pose headwinds and added that in particular, trade tensions and associated uncertainties appear to be moderating global growth. The market participants paid no heed towards reports that the commerce ministry proposed several measures such as setting up of a separate fund, single-window e-marketplace and a law to define the role of various stakeholders, as part of the draft national logistics policy. The street also overlooked a report stating that the government decided to raise additional Rs 36,000 crore through dated securities during the current financial year (FY19), with an aim to meet additional expenses. The government will borrow additional Rs 36,000 crore through two tranches of Rs 18,000 crore each during March 11-15 and March 18-22

stocks related to the agri industry remained in focus, amid reports that the Cabinet Committee of Economic Affairs

gave its approval for the creation of a corpus of Rs 2000 crore for Agri-Market Infrastructure Fund (AMIF) to be created with NABARD for development and up-gradation of agricultural marketing infrastructure in Gramin Agricultural Markets and Regulated Wholesale Markets. Mining and minerals sector stocks remained in limelight, after the Cabinet Committee of Economic Affairs approved the proposal for continuation of the Scheme of Exploration of Coal and Lignite with an expected expenditure of Rs 1875 crore.

Top Gainer

	Company	LTP	Chg	% Chg
CNX Nifty	ZEEL	406	18	4.6
	SUNPHARMA	434	17	4.1
	EICHERMOT	21855	751	3.6
	BAJAJ-AUTO	2854	84	3.0
	GRASIM	755	21	2.9

Top Losers

	Company	LTP	Chg	% Chg
	JSWSTEEL	273	-7	-2.4
	RELIANCE	1288	-22	6.0
	LT	1295	-19	-6.9
	POWERGRID	185	-2	-6.8
	HDFC	1966	-22	-5.5

	Company	LTP	Chg	% Chg
BSE 100	IDEA	32	2	8.2
	ASHOKLEY	88	5	6.2
	ZEEL	409	21	5.4
	RECLTD	125	6	5.0
	SUNPHARMA	434	19	4.5

	Company	LTP	Chg	% Chg
	CUMMINSIND	770	-31	-3.9
	LUPIN	822	-20	-2.4
	JSWSTEEL	273	-6	-2.3
	RELIANCE	1290	-20	-1.5
	POWERGRID	185	-2	-1.1

	Company	LTP	Chg	% Chg
BSE Midcap	IDFCFIRSTB	44	3	6.7
	MUTHOOTFIN	516	32	6.6
	L&TFH	135	7	5.4
	GRUH	241	12	5.1
	WOCKPHARMA	419	20	5.0

	Company	LTP	Chg	% Chg
	RELINFRA	111	-43	-28.1
	RPOWER	10	-3	-22.0
	RELCAPITAL	116	-28	-19.2
	CUMMINSIND	770	-31	-3.9
	DHFL	115	-4	-3.4

	Company	LTP	Chg	% Chg
BSE Smallcap	PARSVNATH	5	1	20.0
	UJAAS	6	1	19.8
	VIVIMEDLAB	24	4	18.0
	BRNL	98	13	15.6
	ORIENTCEM	72	9	13.7

	Company	LTP	Chg	% Chg
	JK AGRI	653	-92	-12.3
	VIMTALABS	227	-27	-10.8
	RELHOME	24	-3	-10.7
	SHIVAMAUTO	34	-4	-10.3
	SILINV	180	-17	-8.5

NIKKEI 225 INDEX



FTSE 100 IDX



NASDAQ NMS COMPOSITE INDEX



Global Market Overview

Asian markets end mixed on Thursday

Asian markets ended mixed on Thursday, as investors shrugged off US President Donald Trump's State of the Union address and looking for progress in the US-China trade dispute, ahead of crucial talks in Beijing next week. Japanese shares ended lower despite SoftBank announcing a share buyback following the company's release of strong quarterly earnings. Meanwhile, markets in Taiwan, China and Hong Kong were closed for the Lunar New Year holidays.

US markets end lower on fears for global growth

The US markets ended in red on Thursday as slashed European growth forecasts and warnings on the US-China trade dispute weighed on the sentiments. Renewed concerns about a US-China trade deal generated selling pressure after a report that President Donald Trump and Chinese President Xi Jinping are highly unlikely to meet before a March 02 deadline. The report comes after White House economic adviser Larry Kudlow told Fox Business the US and China have a pretty sizable distance to go before reaching a trade deal. Besides, worries about the US-China trade talks added to concerns about the global economy raised by the European Commission lowering its eurozone growth forecast. The European Commission slashed its GDP growth forecast for 2019 to 1.3% from 1.9% and lowered its estimate for growth in 2020 to 1.6% from 1.7%. The downgrade reflected external factors, such as trade tensions and the slowdown in emerging markets, notably in China.

On the economic front, first-time claims for US unemployment benefits pulled back in the week ended February 02 after the jump seen in the previous week, according to a report released by the Labor Department. The report said initial jobless claims fell to 234,000, a decrease of 19,000 from the previous week's unrevised level of 253,000. Street had expected jobless claims to drop to 221,000. The smaller-than-expected decrease came after jobless claims rebounded to their highest level since September of 2017 in the previous week. The Labor Department said the less volatile four-week moving average rose to 224,750, an increase of 4,500 from the previous week's unrevised average of 220,250. Continuing claims, a reading on the number of people receiving ongoing unemployment assistance, slid by 42,000 to 1.736 million in the week ended January 26.

Dow Jones Industrial Average dropped 220.77 points or 0.87 percent to 25169.53, S&P 500 declined 25.56 points or 0.94 percent to 2706.05 and Nasdaq was down by 86.93 points or 1.18 percent to 7288.35.

Index Futures

(OI in '000 Shares)	Future 7/Feb	Chg (%)	Spot 7/Feb	Spot 6/Feb	Chg (%)	Prem / Disc	Total Open Interest 7/Feb	Chg (%)
NIFTY	11,094	0.03	11,069	11,062	0.06	24.4	23,064	0.78
NIFTYIT	16,138	-0.03	16,086	16,056	0.19	52.1	32	0.94
BANKNIFTY	27,450	-0.30	27,387	27,402	-0.06	62.7	1,760	1.31

Increasing OI, Increasing Delivery Qty & Increasing Price in Stock Futures (Open Interest in '000 Shares)

Symbol	Total OI		Del Qty Cash Market					Spot	Fut	Spot	Fut	Prem / Disc
	7/Feb	Chg	7/Feb	6/Feb	% Del.	Prev. % Del.	Increase in Del Qty	(₹)	(₹)	Chg (%)	Chg (%)	
MUTHOOTFIN	2,021	28.9%	1,075,835	536,109	25%	20%	539,726	516	517	6.7%	7.6%	0.5
MANAPPURAM	10,536	24.8%	5,296,635	1,595,027	20%	26%	3,701,608	104	104	7.3%	7.5%	0.0
RAMCOCEM	649	24.4%	158,028	87,520	29%	36%	70,508	617	620	2.3%	2.0%	2.8
SIEMENS	1,869	14.1%	635,250	343,556	25%	29%	291,694	1048	1053	2.8%	2.9%	5.3
PCJEWELLER	10,693	9.7%	2,203,741	1,439,334	8%	7%	764,407	72	72	9.9%	9.3%	-0.5
CANFINHOME	4,513	6.6%	264,253	134,895	16%	22%	129,358	254	256	3.6%	3.6%	1.3
KTKBANK	13,658	5.3%	755,623	210,523	30%	18%	545,100	121	122	3.9%	3.5%	0.5
CHENNPETRO	1,402	5.1%	148,439	90,466	14%	22%	57,973	232	233	1.2%	0.9%	0.8

Decreasing OI, Decreasing Delivery Qty & Decreasing Price in Stock Futures (Open Interest in '000 Shares)

Symbol	Total OI		Del Qty Cash Market					Spot	Fut	Spot	Fut	Prem / Disc
	7/Feb	Chg	7/Feb	6/Feb	% Del.	Prev. % Del.	Increase in Del Qty	(₹)	(₹)	Chg (%)	Chg (%)	
RPOWER	102,976	33.6%	94,837,479	23,551,785	30%	11%	71,285,694	10	10	-23.1%	-21.1%	0.1
CADILAHC	9,918	20.8%	2,671,400	501,482	34%	47%	2,169,918	322	324	-0.3%	1.1%	2.2
UJJIVAN	3,987	17.5%	4,684,707	718,394	62%	25%	3,966,313	287	287	-4.3%	-3.4%	-0.1
MRF	35	16.8%	7,644	2,320	32%	42%	5,324	59411	59819	-0.8%	-0.7%	408.8
RAYMOND	4,441	13.9%	728,464	87,524	17%	16%	640,940	654	657	-8.2%	-8.1%	3.2
CUMMINSIND	1,597	9.3%	327,853	297,968	25%	39%	29,885	770	766	-3.7%	-4.3%	-3.8
ALBK	20,579	4.7%	376,263	261,823	3%	4%	114,440	43	41	-0.9%	0.0%	-1.3
POWERGRID	11,016	4.2%	1,676,013	1,165,902	68%	47%	510,111	185	184	-1.1%	-0.8%	-0.9

Corporate News

- **Tata Motors'** wholly owned subsidiary -- Jaguar Land Rover (JLR) has reported 10.9% fall in global vehicle sales to 43,733 units in January, hit by tough market conditions in China. The JLR sales of the month stood at 12,799 units in January, a decline of 9% over the same month of 2018. However, Land Rover range sales declined 11.6% in January to 30,934 units.
- Aurobindo Pharma has entered into a share subscription agreement to invest Rs 15 crore in Synergy Remedies, a Tirupathi based Pharma Company by subscribing to additional equity shares of the said company. After making the said investment, the Company will be holding 19.9% of the share capital of Synergy.
- **Hindustan Construction Company's (HCC)** wholly owned subsidiary -- HCC Real Estate has executed a definitive agreement in respect of 100% stake sale of Charosa Wineries (CWL), its wholly owned subsidiary, to Quintela Assets and Grover Zampa Vineyards. The consideration to be received for the sale is around Rs 1.76 crore.
- **Asian Hotels (East)** has received approval from National Company Law Tribunal (NCLT), Kolkata for the scheme of arrangement between GJS Hotels, the Company and Robust Hotels and their respective shareholders.
- **Reliance Industries' (RIL)** telecom arm -- **Reliance Jio Infocomm (Jio)** has become the largest investor in the digital space in West Bengal. RIL has already invested of Rs 28,000 crore in West Bengal accounts which is one-tenth of the company's total investments in India. Jio will further invest Rs 10,000 crore plus to make the state a land of digital revolution.
- **Pradeep Metals** is planning to diversify business activities. In this regard, a proposal for recycling of Lead Acid Batteries utilizing a green technology was considered for diversification of the business activities and a sub-committee of Directors was constituted to evaluate and make suitable recommendations to the Board.
- **Vardhman Textiles** has reported the production and sales details for the third quarter of FY19 under Yarn, Grey Fabric and Processed Fabric segments. Under Yarn segment, the production stood at 51,352 metric tonnes in Q3FY19, while sales (including Internal Transfers) stood at 51,033 metric tonnes for the same period. In Grey Fabric segment, the production stood at 483 lakh meters in Q3FY19, while sales (including Internal Transfers) stood at 480 lakh meters for the same period. Similarly, under Processed Fabric segment, the production stood at 344 lakh meters in Q3FY19, while sales stood at 341 lakh meters for the same period.
- **Asian Oilfield Services** is targeting on couple of EPC projects and reasonably confident of securing them in the upcoming months. The company is continuously working on optimizing its fixed and operational costs to make the company more cost efficient and take the revenues and profits on the upside.
- **Mahindra Lifespace Developers (MLDL)** has executed an agreement to acquire approximately seven acres of land in Pune. This is as part of company's pursuit to acquire land for business growth.
- **Tata Consultancy Services (TCS)** has been ranked as Britain's Number One Top Employer for the second

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- consecutive year, by the Top Employer Institute. The certification recognizes company's employee-friendly workplace practices and continued investments in building up local talent in the UK through professional development initiatives and digital skills programs.
- **UFO Moviez India** has reported 3,738 Screens during Q3FY19. Out of the total screens, Multiplex Screens stood at 1,259 and Single Screens stood at 2,479 during the third quarter of current year.
 - **PVV Infra** has been awarded a work order for Rs 17.99 crore by Municipal Administration Department, Government of Telangana on Build, Own, Operate and Transfer model (DBOT Hybrid Annuity) to set up Faecal Sludge Treatment Plants (FSTPs) in 11 Urban Local Bodies with 10 years term.
 - **Majesco** has launched its previously announced rights offering. Under the terms of the rights offering, Majesco will distribute to its shareholders, at no charge, one non-transferable subscription right for each share of common stock held or deemed to be held as of 5:00 p.m. (Eastern Time) on February 5, 2019, the record date. Each subscription right will entitle the holder to purchase one-sixth of a share of Majesco's common stock at a subscription price of \$7.10 per whole share. If all of the basic subscription rights are exercised, the total purchase price of the shares offered in the rights offering will be approximately \$45,502,043.
 - **Ador Fontech** has received an approval for the sale of one non-operational/dormant business unit of the company admeasuring 419 square feet built up area along with open terrace admeasuring 943.50 square feet situated at Mumbai. The Board of Directors of the company at their meeting held on February 06, 2019, approved the same.
 - Indian Hume Pipe has estimated balance value of the work of Rs 4,707.54 crore as on January 31, 2019 as against Rs 3,367.05 crore for January 31, 2018.
 - **Bangalore Fort Farms** has received approval for setting up new unit at Falta SEZ from the Development Commissioner. Therefore, the company has decided to commence commercial production of Jute Bags and Accessories in its new unit at Falta SEZ with effect from February 15, 2019.
 - **Mold-Tek Packaging** has inaugurated a new plant at Mysore in the state of Karnataka. The company has successfully completed the construction of plant facility for manufacturing rigid plastic containers for Asian Paints.
 - **Bharti Airtel** has further upgraded its 4G network in Punjab with the deployment of LTE 900 technology. With this technology, Bharti Airtel 4G users in Punjab will experience better network coverage and download speeds.
 - **Yes Bank** has signed a memorandum of understanding (MoU) with MG Motor India to offer financing and banking solutions to both the MG Motor dealers as well as the end consumers.
 - **Tata Steel** has organised a first-of-its-kind two-day U-10 and youth football tournament at Central Playground, Joda of Keonjhar District on February 5-6, 2019.
 - The Union Cabinet has approved a proposal of the Power Ministry for higher allocation of electricity to

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rake loading of CIL to the power sector, including loading from washery and good-shed, was 252.5 rakes a day, registering a growth of 13 % over same period of last year.

- United Healthcare Services has filed a complaint against **Dr Reddy's Laboratories'** US-based arm and some other entities, alleging a price fixing conspiracy to rig bids and allocate customers with respect to 30 drugs. United Healthcare Services has filed a complaint against Dr Reddy's Laboratories and 42 other defendants, involving a total of 30 generic drugs.
- **GAIL (India)** has offloaded the pipe laying contract from IL&FS due to poor project progress driven on account of acute financial crisis. The Bokaro - Durgapur section (124 kms) is now re-tendered and awarded to three different contractors to expedite construction efforts for hooking up supply network to the fertilizer, city gas distribution and other industrial consumers. Meanwhile in a separate pro-active measure taken earlier, the project consultant, Engineers India was replaced by Mecon for overseeing the project activities under this crucial stretch.
- **DFL** is planning to issue up to 17.3 crore shares through Qualified Institutional Placement (QIP) to raise funds, as part of its objective to become a debt-free company. The company will sell shares to institutional investors to raise about Rs 3,000 crore when market conditions are conducive.
- **Punjab National Bank (PNB)** has set a target of recovering Rs 10,000 crore from bad loans in the March quarter. The bank has reported 7.13% rise in its net profit at Rs 246.51 crore for the December quarter under review as compared to Rs 230.11 crore for the same quarter in the previous year.

Economy

- **RBI cuts repo rate to 6.25%; pegs 7.4% GDP growth for 2019-20**

The Reserve Bank of India (RBI), in its sixth bi-monthly monetary policy review of 2018-19, has reduced the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 6.50% to 6.25% with immediate effect. Consequently, the reverse repo rate under the LAF stands adjusted to 6.00%, and the marginal standing facility (MSF) rate and the Bank Rate to 6.50%. The RBI also decided to change the monetary policy stance from calibrated tightening to neutral. These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4% within a band of +/- 2%, while supporting growth.

On the inflation front, the Central Bank has lowered retail inflation (CPI) projection to 2.8% for Q4 FY19, 3.2-3.4% for H1FY20 and 3.9% for Q3FY20, with risks broadly balanced around the central trajectory, citing a normal monsoon in 2019. As per the Monetary Policy Committee (MPC), headline inflation is expected to remain soft in the near term reflecting the current low level of inflation and the benign food inflation outlook. Beyond the near term, some uncertainties warrant careful monitoring.

On the economic growth, RBI is expecting gross domestic product (GDP) growth of 7.4% in 2019-20, 7.2-7.4% in H1 and 7.5% in Q3 – with risks evenly balanced. However, the apex bank raised concerns that in spite of soft crude oil prices and the lagged impact of the recent depreciation of the Indian rupee on net exports, slowing global demand could pose headwinds and added that in particular, trade tensions and associated uncertainties appear to be moderating global growth.

- **CCEA approves proposal for setting up 12,000 MW solar power projects**

The Cabinet Committee on Economic Affairs (CCEA) has approved a proposal to implement the Central Public Sector Undertaking (CPSU) Scheme Phase-II for setting up 12,000 MW grid-connected solar photovoltaic (PV) power projects with Viability Gap Funding (VGF) support of Rs 8,580 crore for self-use or use by both central and state government entities.

With the implementation of the scheme, 12,000 MW or more of grid connected solar PV power projects would be set up by government producers in four years (2019-20 to 2022-23), thereby generating investment of about Rs 48,000 crore. The Scheme will mandate use of both SPV cells and modules manufactured domestically as per specifications and testing requirements fixed by Ministry of New & Renewable Energy (MNRE).

The proposal will provide direct employment to around 60,000 persons for about one year in pre-commissioning activities/construction phase and to around 18,000 persons for about 25 years in the

Economy

operation and maintenance period. In addition, more than 1.2 lakh employment opportunities will be created for the local population by way of involvement in setting up of solar power projects and also in manufacturing of domestically produced cells and modules.

- **Govt permits export of bio-fuels from SEZs, EoUs with certain conditions**

The directorate general of foreign trade (DGFT) has said that the government has permitted export of bio-fuels from special economic zones (SEZs) and export-oriented units (EoUs) with certain conditions. In August 2018, the government placed restrictions on biofuel exports for non-fuel purposes. After this restriction, exporters operating from SEZs and EoUs made representations to remove this prohibition stating they only use imported material for export of final product. They also informed government authorities that SEZ units have been granted letter of approval for export of bio-fuels and EoU units have obligations to fulfil under an export promotion scheme.

The DGFT notice has stated that considering the hardship faced by the trade community and the fact that production of bio-fuels in EoU/SEZ would be from imported feedstock, therefore, it would not impact the domestic production/consumption. Hence, it said that the restriction as applicable to DTA (domestic tariff area) may not be extended to EoU/SEZ. It also noted that SEZs and EoUs are export-oriented units outside the ambit of domestic customs laws. It further said that members of trade and industry are informed that export of bio-fuels for non-fuel purposes from EoU/SEZ will be regulated under certain rules of SEZs and foreign trade policy. It added that the feedstock for production of bio-fuel for export from these areas should be from imported sources only.

Biofuels include ethyl alcohol and other spirits, petroleum oil and oils obtained from bituminous minerals, biodiesel and mixtures. Before August 2018, the export of these items was allowed without any restrictions. India exported ethyl alcohol worth \$276.35 million in 2017-18 as against \$224 million in the previous fiscal. Similarly, export of petroleum oil and oils obtained from bituminous minerals increased to \$8 million in 2017-18 from \$0.54 million in the previous fiscal.

- **Govt to raise additional Rs 36,000 crore in FY19**

With an aim to meet additional expenses, the government has decided to raise additional Rs 36,000 crore through dated securities during the current financial year (FY19). The government will borrow additional Rs 36,000 crore through two tranches of Rs 18,000 crore each during March 11-15 and March 18-22. As per the calendar issued previously, the last tranche for borrowing through government bonds was to

Economy

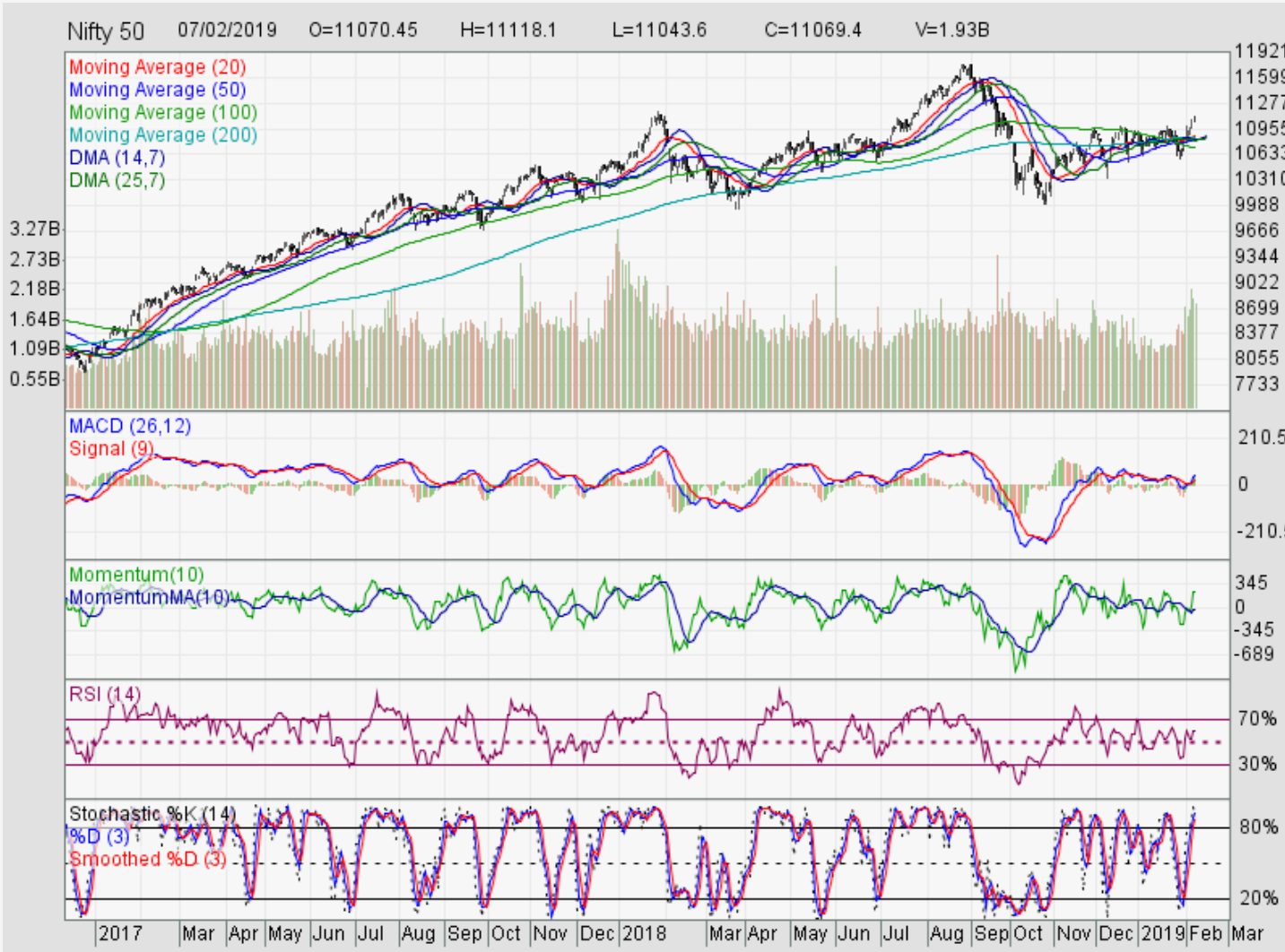
complete in the week ending March 8, 2019.

The finance ministry stated that in order to enable institutional and retail investors plan their investments efficiently and provide transparency and stability to the government securities market, an indicative calendar for issuance of government dated securities for the remaining period of the fiscal year 2018-19 (February 4 to March 31) has been prepared in consultation with the Reserve Bank of India (RBI).

The Ministry said the government, in consultation with the RBI, will continue to have the flexibility to bring about modifications in the calendar in terms of notified amount, issuance period, maturities and others. The government may also issue different types of instruments, including instruments having non-standard maturity and floating rate bonds (FRBs), depending upon the requirement of the government.

Besides, the Ministry added the government reserves the right to exercise the greenshoe option to retain additional subscription up to Rs 1,000 crore each against any one or more of the above security. Though, the exercise of the greenshoe option within one or more securities in an auction will be within the overall notified amount for the auction.

CNX Nifty Intraday chart



Technical View

Index closed a day at 11069 with minimal gains of 7 points on Thursday session and formed doji star kind of candle pattern on daily chart suggesting indecision in the markets. Index has given breakout from 10990 zone, any dip near these level will be good buying opportunity for near term. Index has formed support near 11040-10990 zone and resistance is coming near 11120-11150 zone. Nifty bank has support near 27320-27200 and resistance is near 27520-27700 zone.

Source: LKP Research, BSE, NSE & Ace Equity

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