

Morning Note

Indices	8/Feb	7/Feb	% Chg.
S&P BSE SENSEX	36,546	36,971	-1.15%
Nifty 50	10,944	11,069	-1.14%
NIFTY Midcap 100	16,597	16,845	-1.47%
NIFTY Smallcap 100	5,932	6,030	-1.63%
BSE Sectoral Indices			
Nifty Realty	227	225	0.76%
Nifty Bank	27,294	27,387	-0.34%
Nifty IT	16,020	16,086	-0.41%
Nifty Financial Services	11,540	11,607	-0.57%
Nifty Pharma	8,985	9,056	-0.79%
Nifty Infrastructure	2,885	2,923	-1.30%
Nifty Energy	15,014	15,225	-1.39%
Nifty PSU Bank	2,896	2,941	-1.52%
Nifty FMCG	29,769	30,266	-1.64%
Nifty MNC	13,189	13,427	-1.77%
Nifty Media	2,214	2,257	-1.87%
Nifty Metal	2,741	2,836	-3.36%
Nifty Auto	8,420	8,737	-3.62%

Major Indices	8/Feb	7/Feb	% Chg.
United States	25,106	25,170	-0.25%
S&P 500	2,708	2,706	0.07%
London	7,071	7,094	-0.32%
Frankfurt	10,907	11,022	-1.05%

Major Asian Indices	8/Feb	7/Feb	% Chg.
Hong Kong	27,946	27,990	-0.16%
Nikkei 225	20,333	20,751	-2.01%
Korea	2,177	2,203	-1.20%
Shanghai	2,618	2,618	0.00%
Taiwan	9,932	9,932	0.00%

FII's & DII's in equity				Rs Crs	
8-Feb	Buy	Sell	Net	Total %	
FII / FPI Investments	4,435	3,591	844	25%	
DII's Investments	2,865	3,825	-960	20%	
* Total % - contribution to the total turnover					

FII's in Derivatives (F&O)				Rs Crs	
8-Feb	Index Fut	Index Opt	Stock Fut	Stock Opt	
Net	-224	1,878	-799	-41	
OI	28,133	60,406	88,410	7,569	
Chg.OI	1.5%	1.6%	-0.3%	5.4%	
FIIs' contribution to the total F&O turnover					37%

Curr. Derivatives (NSE)	8/Feb	7/Feb	Chg.	% Chg.
USDINR 26-FEB-2019	71.43	71.56	-0.13	-0.19%
EURINR 26-FEB-2019	81.13	81.26	-0.13	-0.15%
JPYINR 26-FEB-2019	65.10	65.23	-0.13	-0.20%
GBPINR 26-FEB-2019	92.68	92.43	0.26	0.28%

Commodities (MCX)	8/Feb	7/Feb	Chg.	% Chg.
Aluminium(28FEB2019)	134	135	-1.05	-0.8%
Copper (28FEB2019)	443	446	-3.60	-0.8%
Crude (19FEB2019)	3,760	3,727	33.00	0.9%
Gold (05APR2019)	33,242	33,169	73.00	0.2%
Silver (05MAR2019)	40,105	39,920	185.00	0.5%

ADR (\$)	8/Feb	7/Feb	Chg.	% Chg.
Infosys (INFY)	10.86	10.85	0.01	0.09%
Wipro (WIT)	5.66	5.66	-	0.00%
ICICI Bank (IBN)	9.79	9.94	-0.15	-1.51%
HDFC Bank (HDB)	100.29	100.59	-0.30	-0.30%
Dr. Reddy's Lab (RDY)	38.80	39.58	-0.78	-1.97%
Tata Motors (TTM)	10.51	11.40	-0.89	-7.81%

Domestic Market View

Markets to make weak start of the new week

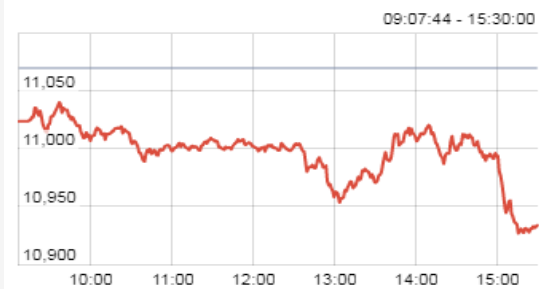
Indian markets ended sharply lower on Friday led by heavy losses in Tata Motors and renewed concerns over US-China trade tiff. Today, the start of new week is likely to be weak amid mixed global cues. Traders will be concerned about the International Monetary Fund warning governments to gear up for a possible economic storm as growth undershoots expectations. It said the bottom-line they see an economy that is growing more slowly than they had anticipated. There will be some cautiousness with asserting India's fast economic growth is not without generation of jobs, Economic Affairs Secretary Subhash Chandra Garg said the country actually faces shortage of capital more than the scarcity of jobs. However, traders may take some support later in the day with the Reserve Bank of India's (RBI) data showing that the country's foreign exchange reserves increased by \$2.063 billion to \$400.24 billion in the week to February 1, on account of rise in foreign currency assets.

Some support may also come with report that the government has collected Rs 7.88 trillion from direct taxes in the first ten months of the current financial year. Besides, the commerce ministry said India's exports to China has reached \$12.7 billion during April-December 2018 on account of growth in shipments of marine products, chemicals, plastics, petroleum products, grapes and rice. Meanwhile, the finance ministry has sought from the Reserve Bank of India (RBI) Rs 27,380 crore that was withheld by the central bank towards risks and reserves in the previous years.

There will be some reaction in banking sector stocks with the government's statement that bad loans of public sector banks declined by more than Rs 31,000 crore to Rs 8,64,433 crore in the first nine months of the current fiscal as compared to end of March 2018. There will be some buzz in the power sector stocks with a recent ASSOCHAM-Grant Thornton joint study stating that investments worth over Rs 2.5 lakh crore in thermal sector projects, based on domestic coal, imported coal, and gas, are facing stress and immediate remedial measures need to be undertaken to ensure that they are revived in a time-bound manner. Also, there will be some reaction in micro, small and medium enterprises (MSMEs) stocks with report that the RBI's restructuring package for small businesses announced last month will help recast Rs 1 trillion of loans for 700,000 eligible MSMEs. There will be lots of earnings reaction based on the performance of the companies.

Domestic Market Overview

NSE NIFTY



BSE SENSEX



Benchmarks witness bloodbath; Nifty breaches 11k mark

Friday turned out to be a horrendous day of trade for Indian equity benchmarks with frontline gauges losing over a percent, breaching their crucial 11,000 (Nifty) and 36,600 (Sensex) levels. Sentiments remained dampened since start of the trade as traders remained wary on renewed concerns over US-China trade tiff. Traders failed to take any sense of relief 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. Traders also shrugged off report that 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.

Markets extended losses as sentiment remained dull with disappointing third quarter number by Tata Motors. The company reported a consolidated net loss of Rs 26,960 crore for the third quarter of this fiscal due to asset impairment in its British arm Jaguar Land Rover (JLR). Domestic indices added losses to end near intraday low points, as sentiment on the street weakened further with report that India is unlikely to achieve its target of 100 gigawatt (GW) solar electricity capacity as it faces short-term uncertainty due to imposition of various taxes. Meanwhile, the RBI has increased the limit of collateral-free agricultural loans to Rs 1.6 lakh from the current limit of Rs 1 lakh. Earlier, in 2010, the collateral-free limit for crop loans and term loans was hiked to Rs 1 lakh from Rs 50,000. Keeping in view the overall inflation and rise in agriculture input costs since then, the RBI has decided to raise the limit for collateral-free agriculture loans to Rs 1.6 lakh.

Auto stocks edged lower on report that Domestic passenger vehicle (PV) sales declined 1.87 per cent to 2,80,125 units in

January from 2,85,467 units in the same month last year. Domestic car sales were also down 2.65 per cent to 1,79,389 units as compared to 184,264 units in January 2018. Aviation stocks ended in red despite report that aviation sector has recorded 18.6 per cent annual increase in domestic market considering the rise in Indians preferring to fly across the country last year.

Top Gainer

Company	LTP	Chg	% Chg
INFRATEL	329	23	7.6
KOTAKBANK	1299	14	1.1
HCLTECH	1068	5	0.5
BHARTIARTL	312	1	0.4
CIPLA	535	2	0.3

Top Losers

Company	LTP	Chg	% Chg
TATAMOTORS	150	-33	-17.9
IBULHSGFIN	607	-45	-6.0
VEDL	155	-9	-6.9
GRASIM	715	-38	-6.8
EICHERMOT	20812	-1092	-5.5

Company	LTP	Chg	% Chg
INFRATEL	325	18	5.9
DLF	165	5	2.8
DIVISLAB	1686	20	1.2
LUPIN	830	9	1.1
PETRONET	225	2	1.0

Company	LTP	Chg	% Chg
TATAMOTORS	151	-32	-17.3
TATAMTRDVR	81	-13	-13.7
IBULHSGFIN	614	-39	-5.9
VEDL	154	-9	-5.8
PNB	71	-4	-5.8

Company	LTP	Chg	% Chg
RELCAPITAL	129	13	11.2
RPOWER	11	1	9.6
RELINFRA	118	7	6.5
RNAM	163	8	4.9
GRUH	246	4	1.8

Company	LTP	Chg	% Chg
UNIONBANK	73	-6	-7.6
SAIL	45	-4	-7.6
BANKINDIA	87	-5	-5.9
DHFL	109	-6	-5.5
MRF	56470	-3167	-5.3

Company	LTP	Chg	% Chg
SHRIRAMEPC	10	1	12.7
MANPASAND	85	9	11.7
SEAMECLTD	320	29	9.9
JPOWER	2	0	9.6
BLKASHYAP	20	2	9.2

Company	LTP	Chg	% Chg
KHADIM	379	-73	-16.1
THANGAMAYL	329	-36	-9.9
IGPL	249	-24	-8.9
ANDHRAPET	51	-5	-8.6
TVSELECT	167	-15	-8.5

NIKKEI 225 INDEX



FTSE 100 IDX



NASDAQ NMS COMPOSITE INDEX



Global Market Overview

Asian markets end mostly lower on Friday

Asian markets ended mostly lower on Friday amid growth and trade worries after the European Commission lowered its growth forecasts for euro zone and US President Donald Trump said he did not plan to meet with Chinese President Xi Jinping before the March 1 deadline for reaching a trade deal. Japanese shares led regional losses to hit a one-month low as the yen strengthened on fresh worries about the US-China trade dispute. Weak earnings results also sapped investors' appetite for risk. On the economic front, a government report showed that Japan posted a current account surplus of 452.8 billion yen in December, down 43.1 percent year on year. That was shy of expectations for a surplus of 458.5 billion yen and down from 757.2 billion yen in November. Japan's trade balance in December showed a surplus of 216.2 billion yen, exceeding forecasts for 132.4 billion yen following the 559.1 billion yen deficit in the previous month. Meanwhile, markets in Taiwan and China remained closed for the Lunar New Year holidays.

US markets end mostly in green on Friday

The US markets settled mostly higher on Friday, but The Dow Jones Industrial Average ending lower amid lingering concerns about a potential trade deal between the US and China. Adding to the worries, a report which said that the US and China do not even have a draft accord that specifies where they agree and disagree. The report comes after President Donald Trump said that he would not meet with Chinese President Xi Jinping before a crucial March deadline. Tariffs on Chinese goods are currently set to jump automatically on the deadline.

Besides, Trump is expected to sign an executive order next week banning Chinese wireless equipment from US networks ahead of the MWC Barcelona conference at the end of this month. The move was aimed at protecting the US from cyber threats. Nagging global growth worries also weighed on the markets with investors concerned that China's slowdown has hit Europe after weak data and forecasts from the region.

S&P 500 gained 1.83 points or 0.07 percent to 2707.88 and Nasdaq was up by 9.85 points or 0.14 percent to 7298.20, while Dow Jones Industrial Average dropped 63.20 points or 0.25 percent to 25106.33.

Index Futures

(OI in '000 Shares)	Future 8/Feb	Chg (%)	Spot 8/Feb	Spot 7/Feb	Chg (%)	Prem / Disc	Total Open Interest 8/Feb	Chg (%)
NIFTY	10,957	-1.23	10,944	11,069	-1.14	13.6	22,775	-1.26
NIFTYIT	16,080	-0.36	16,020	16,086	-0.41	60.2	34	5.28
BANKNIFTY	27,337	-0.68	27,294	27,387	-0.34	42.4	1,757	-0.17

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
	8/Feb	Chg	8/Feb	7/Feb	% Del.	Prev. % Del.	Increase in Del Qty	(₹)	(₹)	Chg (%)	Chg (%)	
KOTAKBANK	9,714	4.1%	1,037,102	444,882	40%	34%	592,220	1299	1301	1.4%	0.9%	1.2
PCJEWELLER	11,135	4.1%	2,231,582	2,203,741	7%	8%	27,841	77	76	5.0%	5.8%	-0.8
HDFCBANK	12,021	2.9%	2,064,615	1,051,105	66%	56%	1,013,510	2123	2126	0.6%	0.2%	3.8
BHARTIARTL	35,688	1.6%	592,135	581,400	18%	16%	10,735	313	314	1.0%	0.9%	1.1
INFRATEL	8,534	1.2%	3,075,044	676,239	27%	21%	2,398,805	326	326	7.0%	5.9%	-0.3
HEXAWARE	3,539	0.1%	424,584	309,230	30%	28%	115,354	356	358	0.2%	1.0%	2.3

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
	8/Feb	Chg	8/Feb	7/Feb	% Del.	Prev. % Del.	Increase in Del Qty	(₹)	(₹)	Chg (%)	Chg (%)	
KSCL	1,064	18.8%	91,650	60,512	17%	15%	31,138	550	538	-3.9%	-4.7%	-12.4
POWERGRID	12,704	15.3%	2,059,566	1,676,013	46%	68%	383,553	181	179	-2.0%	-2.3%	-1.6
SAIL	89,580	14.5%	7,924,937	1,449,269	22%	10%	6,475,668	45	45	-8.3%	-8.2%	0.0
NESTLEIND	353	14.4%	59,708	18,181	49%	48%	41,527	11243	11271	-4.0%	-4.3%	28.8
LT	8,926	13.4%	1,689,840	832,769	52%	50%	857,071	1262	1254	-2.6%	-3.0%	-8.0
AJANTPHARM	1,012	12.6%	202,708	153,017	33%	18%	49,691	961	947	-0.8%	-0.7%	-14.3
NTPC	29,100	12.2%	2,916,437	2,570,176	61%	58%	346,261	132	132	-2.8%	-3.3%	-0.5
MRF	39	11.9%	8,838	7,644	33%	32%	1,194	56451	56693	-4.3%	-5.2%	241.3

Corporate News

- **Glenmark Pharmaceuticals** – subsidiary -- Glenmark Pharmaceuticals Inc., USA (Glenmark) has been granted final approval by the United States Food & Drug Administration (USFDA) for Sevelamer Hydrochloride Tablets, 400 mg and 800 mg, a generic version of Renagel Tablets, 400 mg and 800 mg, of Genzyme Corporation.
- **Volta**s is planning to start construction of new manufacturing facility, spread over 65 acres, in Tirupati. This facility will initially manufacture and assemble air conditioners and related cooling products with a total capacity of more than 1 million units to start with.
- **Engineers India (EIL)** has signed Memorandum of Understanding (MoU) with Mongol Refinery State Owned LLC of Government of Mongolia. As per MoU, EIL shall provide Project Management Consultancy Services to Mongol Refinery for setting up of an Oil Refinery in Mongolia for which terms and conditions are being discussed and will be mutually settled in the form of a contract agreement.
- **Essel Propack** has inaugurated its first Greenfield unit in Kamrup in the state of Assam. The unit will deliver high-quality laminated tubes with a manufacturing capacity of 275 million tubes annually. The size of investment in phase-I is Rs 82 crore and will provide employment to about 150 people.
- **Sundaram Brake Linings (SBL)** has received approved for transfer of technology along with customer base, for manufacture of Brake Linings for select applications in Commercial Vehicles from Tokai Material Company, Japan. The Board of Directors of the Company at its meeting held on February 09, 2019 has approved the same.
- **Alufluoride** has received approval to enter into non-binding Memorandum of Undertakings (MoUs) with Jordan - Phosphate Mining Company (JPMC), Jordan for production and marketing of Aluminium Fluoride. The Board of Directors of the Company at its meeting held on February 09, 2019 has approved the same.
- **Reliance Industries (RIL)** has raised its stake in luxury apparel firms Future101 Design and Genesis Colors to strengthen its foothold in retail industry. Reliance Brands (RBL), a unit of RIL, has acquired a further stake of 2.5 per cent in Future101 Design on February 7, 2019, for a consideration of Rs 1.99 crore, taking its total stake in Future101 to 15 per cent.
- **WH Brady & Company** has received the approval to acquire 47,520 equity shares i.e. 100% paid-up share capital of Brady Telesoft and making the said company as wholly owned subsidiary company. The Board of Directors of the company at their meeting held on February 8, 2019, approved the same.
- **Oriental Bank of Commerce** has received approval from its board to raise capital for an amount upto Rs 1186.00 crore through issuance of equity shares to the Government of India (GoI) on preferential basis.

Corporate News

- Bharti Airtel's subsidiary -- Airtel Networks Kenya has signed an agreement with Telkom Kenya for merging their respective Mobile, Enterprise and Carrier Services businesses in Kenya to operate as - 'Airtel-Telkom'. The finalization and closure of the transaction is subject to approval by the relevant authorities.
- **J B Chemicals & Pharmaceuticals** has reported growth of 22.60% in its export to Russia-CIS market during third quarter of fiscal year 2018-19 (Q3FY19). The company has recently received a new product registration for Pantoprazole 20 mg in Russia and expects to launch the product in Q1 next year. Besides, The year-to-date (April-December) growth of the company in the market stood at 33.80%.
- **Bharat Heavy Electricals (BHEL)** has successfully developed a state-of-the-art Regeneration System through in-house R&D efforts, for Indian Railways' fleet of conventional electric locomotives.
- **Max Ventures and Industries'** wholly owned subsidiary -- Max Estates has received Occupational Certificate from Noida Authority. The certificate is for its first commercial offering, Max Towers, in December 2018.
- **IIFL Holdings'** subsidiary -- IIFL Asset Management (IIFL AMC) has launched its first Luxembourg domiciled UCITS Fund, IIFL India Equity Opportunities Fund (IIFL Fund) by virtue of merger of Ashburton India Equity Opportunities Fund into IIFL Fund.
- **Zydus Cadila** has received the final approval from the United States Food and Drug Administration (USFDA) to market Carbamazepine Extended-Release Tablets USP (US RLD - Tegretol XR), 100 mg, 200 mg, and 400 mg. It will be manufactured at the group's formulations manufacturing facility at Moraiya, Ahmedabad in the state of Gujarat.
- **Coal India** is fast tracking the process of procuring 360 high capacity mining equipment valued at over Rs 7,000 crore to boost production after reviving the 1 billion tonne production target.
- **Cerebra Integrated Technologies** has signed up with Samsung Electronics as its client for Producer Responsibility Organization (PRO) business for which it had obtained authorization from Central Pollution Control Board dated on January 28, 2019.
- The Consortium led by of **Datamatics Global Services (DGSL)** and AEP Ticketing solutions S.R.L, Italy (AEP), have been issued the letter of acceptance (LoA) for implementing Automatic Fare Collection (AFC) system for 52 stations of Mumbai Metro Line 2A (Dahisar to DN Nagar Metro), 2B (DN Nagar to Mankhurd Metro) and 7 (Andheri (E) to Dahisar) of the Mumbai Metro Rail project.
- **CEAT** has commissioned the commercial production of the Truck Bus Radial (TBR) Tyres at the expansion phase

Corporate News

of the Halol plant on February 07, 2019.

- **Fomento Resorts & Hotels** has received an amount of Rs 15 crore from IndusInd Bank of the sanctioned term loan for Rs 85 crore as per the loan agreements/credit arrangement executed on September 14, 2018 between the company and IndusInd Bank.
- **Healthcare Global Enterprises (HCG)** will acquire the remaining 46,695 equity shares, constituting 49.9% of the share capital of BACC Healthcare (BACC) from Dr. Rao. The company currently holds 50.1% of the share capital of BACC, which it acquired in March, 2013.
- **Allsec Technologies** is going to provide customised software service to Korean electronic major Samsung across 28 countries. The company would be providing payroll, reimbursements, payroll related taxation, compliance with Samsung's extant ERP (enterprise resource planning) systems. This venture marks yet another milestone in Allsec's successful track record of equipping businesses to embrace advanced technologies in HR operations.
- **Shriram EPC** has received three orders worth Rs 291.57 crore from Drinking Water and Sanitation Department (DWSD), Government of Jharkhand. The Scope of work of EPC order involves detailed survey, design and drawing, Construction of RCC Intake well cum Pump House, supplying and laying Raw Water Rising main, supplying and installation of Centrifugal Pump Motor, VT Pump Motor, Construction of staff quarters and connections to rural houses in Alta, Purana Chaibasa, Tantanagar, Madhupur towns on turnkey basis.
- **Dr Lalchandani Labs** has entered into Memorandum of Understanding (MoU) with a few corporates and various health centres from whom the company expecting to generate a monthly revenue of Rs 11.5 lakh per month collectively.
- **Goa Carbon** has reported production of 17,750.30 million tonnes (MT) of Calcined Petroleum Coke for the month of January 2019. Of the total production achieved for the month, Goa plant produced 6,385.30 MT and Pradeep plant produced 10,012.00 MT of Calcined Petroleum Coke. Besides, Bilaspur Plant produced 1,353.00 MT of Calcined Petroleum Coke.
- **Tech Mahindra** and Scandinavian IT firm KMD have extended their business partnership for another four years. Under the partnership, Tech Mahindra's services to KMD will include application outsourcing - SAP, Microsoft, testing, application development, application modernisation, ERP implementation, amongst others in a comprehensive new age delivery portfolio.
- **Future Supply Chain Solutions** has received approval to sell/transfer business divisions of First Mile Delivery

Corporate News

Business and Last Mile Delivery Business of the company on a Slump Sale basis to Leanbox Logistics Solutions, an Associate company in which the company is already holding 50% equity capital, engaged in providing technology driven delivery solutions for general retailers/ retail stores.

- **Varun Beverages** has received board's approval to enter into a binding agreement to acquire franchise rights from SMV Group in the State of Karnataka (13 districts), Maharashtra (14 districts) and Madhya Pradesh (3 districts), subject to the satisfactory completion of due diligence and other approvals including final approval of PepsiCo.
- Softbank is investing Rs 2,800 crore of equity capital in **Indiabulls Housing Finance's** associate OakNorth bank, a commercial bank in UK. OakNorth bank is the fastest growing new bank in Europe leveraging technology tools for fast and efficient disbursements to the SME sector wherein the entire deposits for the bank come by way of digital channels.

Economy

- **RBI increases limit of collateral-free agricultural loans to Rs 1.6 lakh**

With an aim to help small and marginal farmers, the Reserve Bank of India (RBI) has increased the limit of collateral-free agricultural loans to Rs 1.6 lakh from the current limit of Rs 1 lakh. Earlier, in 2010, the collateral-free limit for crop loans and term loans was hiked to Rs 1 lakh from Rs 50,000.

Keeping in view the overall inflation and rise in agriculture input costs since then, the RBI has decided to raise the limit for collateral-free agriculture loans to Rs 1.6 lakh. The central bank in its 'Statement on Developmental and Regulatory Policies' said this will enhance coverage of small and marginal farmers in the formal credit system. It added that a circular in this regard will be issued shortly. The apex bank further said agricultural credit growth has been significant over the years. In spite of this, there remain issues related to agricultural credit such as regional disparity and the extent of coverage, among others.

In order to review agricultural credit and arrive at a workable policy solution, the central bank also decided to set up an internal working group (IWG). The IWG will examine issues related to agricultural credit and arrive at workable solutions and policy initiatives. Besides, the Union Budget had also announced measures to boost the farming sector in addition to annual payment of Rs 6,000 to small and marginal farmers.

- **RBI's rate cut move to encourage banks to lower lending rates: India Inc**

Cheering the Reserve Bank of India's (RBI) move to bring down key interest rate by 25 basis points (bps), India Inc has expressed hopes that the move would encourage banks to lower lending rates, thereby stimulating

Economy

consumption and investment demand to boost the country's Gross Domestic Product (GDP) growth.

CII President Rakesh Bharti Mittal has stated that the 25 bps reduction in repo rate taken together with the shift in RBI's stance to 'neutral' from the earlier 'calibrated tightening, would go a long way in lifting sentiment among businesses. He noted that the rate cut is in the right direction, given that the inflation footprint has been benign for some time. According to him, the resumption of rate easing cycle, which is anticipated to bring down banks' lending rates, will provide a fillip to both consumption and investment demand.

As per Federation of Indian Chambers of Commerce and Industry (FICCI), which had hoped for a larger cut in repo rate, the 25 bps reduction will be followed up with more such measures in the subsequent months. FICCI President Sandip Somany stated that the monetary policy should complement the fiscal policy and strengthen the growth impulses slowly building in the economy. He also said "this is important as we do not foresee much impetus coming from external sources of growth as the global economy continues to show signs of moderation. In such a scenario, all levers must be used to strengthen India's domestic economy through greater consumption demand and investments."

- **Construction of 65,000 km national highways to be completed by 2020: Gadkari**

Road Transport Minister Nitin Gadkari has said the construction of 65,000 km of national highways will be completed across India at a cost of over Rs 5.35 lakh crore by the year 2022. He noted that the Bharatmala Pariyojana comprises of about 65000 km of Highways / Roads, out of which 24,800 km highways fall along economic corridors, inter corridors, feeder routes and border roads.

The minister has stated that all these highways, along with 10,000 km residual National Highway Development Projects stretches have been envisaged for construction under Phase-I of the Pariyojana over a period of five years from 2017-18 to 2021-22 for which Rs 5,35,000 crore have been earmarked. He also said that the mode of implementation for construction of road stretches under this scheme has been planned in such a manner so as to ensure expeditious implementation.

Gadkari further said that in order to achieve completion within the time-frame, the progress of projects under Bharatmala Pariyojana is monitored regularly to ensure timely completion of Detailed Project Report or feasibility study and civil works for the projects. He also informed that already, 137 road projects having an aggregate length of about 6,530 kms have been awarded and are in various stages of implementation.

- **RBI to assign risk weights for rated exposures of banks to NBFCs**

With an aim to facilitating flow of credit to well-rated non-banking financial companies (NBFCs), the Reserve

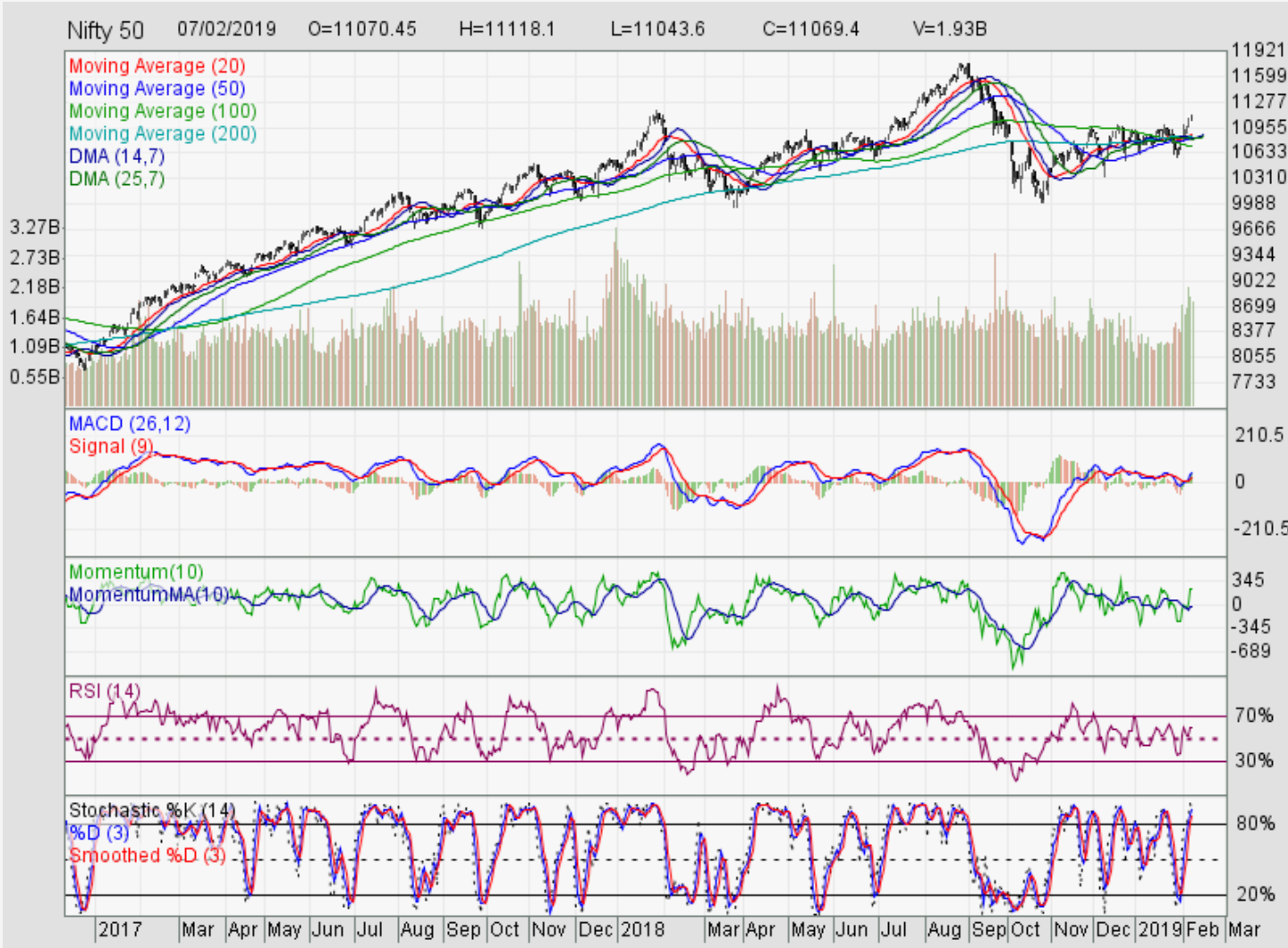
Economy

Bank of India (RBI) has decided to reduce risk weights for bank lending to NBFCs. The RBI has decided that rated exposures of banks to all NBFCs, excluding Core Investment Companies (CICs), would be risk-weighted as per the ratings assigned by the accredited rating agencies, in a manner similar to that for corporates. Exposures to CICs will continue to be risk-weighted at 100%. Guidelines in this regard will be issued by the end of February 2019.

RBI stated that under extant guidelines on Basel III Capital Regulations, exposures/claims of banks on rated as well as unrated Non-deposit Taking Systemically Important Non-Banking Financial Companies (NBFC-ND-SIs), other than Asset Finance Companies (AFCs), Non-Banking Financial Companies - Infrastructure Finance Companies (NBFCs-IFC) and Non-Banking Financial Companies - Infrastructure Development Fund (NBFCs-IDF), have to be uniformly risk-weighted at 100%.

Besides, the RBI has decided to harmonise major categories of NBFCs engaged in credit intermediation, Asset Finance Companies (AFC), Loan Companies, and Investment Companies, into a single category. Meanwhile, it added that the proposed merger of existing categories would reduce to a large extent the complexities arising from multiple categories and also provide the NBFCs greater flexibility in their operations. It will cover 99% of the NBFCs by number.

CNX Nifty Intraday chart



Technical View

Index closed a week at 10943 with gains of 50 points and formed inverted hammer candle on weekly chart. Index has formed evening star candle pattern on daily chart which is bearish reversal by nature so below 10920 we may see some pressure in index. Index has immediate support near 10900-10850 zone and resistance is coming near 10990-11045 zone. Nifty bank has support near 27200-27060 zone and resistance is coming near 27400-27550 zone.

Source: LKP Research, BSE, NSE & Ace Equity

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