

MARKET OVERVIEW
Addressing India's Banking Stresses (Excerpt)

One aspect of recent US dollar weakness has clearly been the oil-led commodity bounce. But another has been continuing weak US data where about the only data point coming out stronger than expected in recent months has been US payroll data.

US private sector capex growth continues to deteriorate. GREED & fear's view remains that it is extremely unlikely that private sector investment recovers in a significant manner since ultra-loose monetary policy in the US has continued to incentivize financial engineering over capex.

With the economy lacking cyclical momentum, the presidential campaign is likely to be dominated by growing discussion of the need for fiscal stimulus, most likely with a focus on infrastructure.

Investment spending is happening in India right now financed by the government, with clear evidence of accelerating spending on roads, railways and defense. Still GREED & fear and fund managers are still waiting for evidence of a private sector-led investment cycle, which remains conspicuous by its absence.

There is still no reason to assume that an accelerating investment cycle will kick off this year. The first reason why is the continuing low capacity utilization of the corporate sector. The second and more important reason is the continuing legacy of non-performing assets in the banking system.

Most of the problem loans in India relate to corporate exposure by state-owned banks, though the problem also extends to private sector banks who have lent to corporates.

INDIAN INDICES	CLOSE	PTS	% CHG
SENSEX	25262.21	160.48	0.64
NIFTY 50	7735.50	28.95	0.38
BANKNIFTY	16281.00	6.75	0.04
SMALL CAP	10920.66	-3.8	-0.03
MIDCAP	10924.50	-9.43	-0.09
BANDEX	18509.99	4.76	0.03
IT	11125.61	20.85	0.19
AUTO	18161.57	102.39	0.57
FMCG	7605.84	62.7	0.83
POWER	1825.28	11.06	0.61
REALTY	1331.71	9.63	0.73
OIL & GAS	9173.53	-15.08	-0.16
METAL	7680.39	24.99	0.33
CAPITAL GOODS	13223.29	208.57	1.60
INDVIX	17.17	-0.28	-1.58
COMMODITY PRICE	CLOSE	PTS	% CHG
GOLD	29897.00	-94	-0.31
SILVER	40809.00	70	0.17
CRUDEOIL	2949.00	48	1.63
COPPER	318.90	-6.45	-2.02
ZINC	123.90	-1.85	-1.49
LEAD	115.30	-2.1	-1.82
GLOBAL INDICES*	CLOSE	PTS	% CHG
DOW JONES	17660.00	9.45	0.05
NASDAQ	4717.00	-8.55	-0.18
FTSE 100	6117.00	5.23	0.09
ASIAN INDICES*	CLOSE	PTS	% CHG
HANG SANG	20185.00	-267.94	-1.31
NIKKEI	16031.00	-115.66	-0.72
SHANGHAI	2942.00	-55.38	-1.85
CURRENCY FUTURE	4-May	5-May	NET%
USDINR	66.8850	66.8075	-0.11
EURINT	76.8650	76.3225	-0.70
GBPINR	96.9250	96.5475	-0.38
JPYINR	62.6225	62.2550	-0.58
FII/DII CAPITAL MKT*	BUY	SELL	NET
FII	3721.95	4110.46	-388.51
DII	1900.64	1940.09	251.79
FII/DII DERIVATIVES	BUY	SELL	NET
INDEX FUTURES	1358.17	2351.27	-993.10
INDEX OPTIONS	22015.29	21009.22	1006.07
STOCK FUTURES	4588.12	4485.86	102.26
STOCK OPTIONS	2323.89	2346.83	-22.94

IMPORTANT MARKET HIGHLIGHTS

Capital goods stocks and index heavyweights HDFC and ITC led gains for key benchmark indices. The barometer index, the S&P BSE Sensex, rose 149.78 points or 0.6% at 25,251.51, as per the provisional closing data. The gains for the Nifty 50 index were lower than the Sensex's gains in percentage terms. The Nifty rose 28.95 points or 0.38% at 7,735.50, as per the provisional closing data. The market witnessed intraday volatility. After extending gains in mid-afternoon trade after the passage of Finance Bill 2016 in the Lok Sabha, the two key benchmark indices pared gains later.

The Sensex and the Nifty snapped a three-day losing streak.

Shares of Reliance Communications were down 1.55% at Rs 54.15.

Shares of telecom towers company Bharti Infratel were down 1.32% at Rs 396.65.

Capital goods stocks edged higher on renewed buying. Crompton Greaves (up 4.13%), Siemens (up 3.84%), L&T (up 2.24%), Bharat Heavy Electricals (up 2.71%), ABB India (up 0.76%), Thermax (up 0.84%) and Havells India (up 0.78%) edged higher. Bharat Electronics (down 0.13%), BEML (down 0.26%) and Alstom T&D India (down 0.9%) edged lower.

VE Commercial Vehicles, which is a joint venture of Eicher Motors with the Volvo group, intends to invest Rs 400 crore towards product development and capacity expansion in FY 2017. VE Commercial Vehicles makes trucks and buses.

MARKET TURNOVER	4-May	5-May	NET%
NSE CASH	16019.07	16298.68	1.72
BSE CASH	2486.87	2336.37	-6.44
NSE FUTURES	41871.68	43985.93	4.81
NSE OPTIONS	151493.88	153421.69	1.26
ADVANCE / DECLINE	ADV	DEC	UNCH
NSE	737	804	83
BSE	1229	1320	155
NIFTY GAINER	4-May	5-May	% CHG
HDFC	1129.90	1162.65	2.90
TECHM	466.95	479.35	2.66
BHEL	119.75	122.75	2.51
TATAMOTORS	381.80	391.15	2.45
LT	1246.80	1273.85	2.17
NIFTY LOSER	4-May	5-May	% CHG
IDEA	113.50	119.85	-5.30
ADANI PORTS	198.00	208.25	-4.92
ULTRACEMCO	3119.00	3183.65	-2.03
BHARTIARTL	354.40	361.45	-1.95
INFRATEL	369.10	374.20	-1.36
CASH SEGMENT VOLUME TOPPERS	4-May	5-May	VALUE (In crore)
YESBANK	917.60	912.15	621.19
HDFC	1129.90	1162.65	541.85
ICICIBANK	214.45	214.65	540.32
RELIANCE	978.10	975.25	483.74
AXISBANK	462.45	461.05	403.40
TOP TRADED STOCK FUTURE	EXP. DATE	TRADE VALUE (Rs.)	NO. OF CONTRACTS
HDFC	26/05/2016	8902394280	19095
SBIN	26/05/2016	6867904500	19016
ICICIBANK	26/05/2016	6485904260	17542
YESBANK	26/05/2016	10818602655	16758
AXISBANK	26/05/2016	6633058750	14305
TOP TRADED STOCK OPTION	STRIKE PRICE	OPTION TYPE	NO. OF CONTRACTS
SBIN	190	CE	2837
ICICIBANK	250	CE	2766
HEROMOTOCO	3000	CE	2717
HDFC	1160	CE	2697
TATASTEEL	350	CE	2604

CORPORATE NEWS

- Eicher Motors slips in volatile trade after declaring quarterly result
- Gillette India gains after reporting robust Q3 results
- Godrej Properties drops after reporting dismal Q4 results
- Eicher Motors gains after declaring good quarterly result
- Castrol India gains after reporting decent Q1 results
- Century Enka extends gains after blockbuster Q4 result
- Volumes jump at Radico Khaitan counter
- Telecom stocks slide on capital expenditure worries
- Camlin Fine Sciences gains after subsidiary acquires 65% stake in Mexican company
- Indiabulls Housing Finance advances after large bulk deal
- Hexaware Technologies drops after reporting weak Q1 results
- APSEZ extends slide after foreign brokerage cuts price target
- MOIL gains after Maharashtra govt grants mining lease for new mine
- PSU OMCs slide as crude oil prices gain
- V-Guard Industries gallops to 52-week high after stellar Q4 result
- HDFC extends recent gains on fund raising plans
- Sun Pharma advances after announcing positive clinical trial result for psoriasis drug
- JSPL moves up after declaring improved Q4 earnings

MOST ACTIVE CALLS	EXP. DATE	STRIKE PRICE	LTP
NIFTY	26-May-16	7800	100.75
NIFTY	26-May-16	7900	59.70
NIFTY	26-May-16	8000	33.05
NIFTY	26-May-16	8100	17.10
NIFTY	26-May-16	8200	9.45
MOST ACTIVE PUTS	EXP. DATE	STRIKE PRICE	LTP
NIFTY	26-May-16	7700	87.50
NIFTY	26-May-16	7600	57.70
NIFTY	26-May-16	7500	37.50
NIFTY	26-May-16	7800	129.00
NIFTY	26-May-16	7400	24.20
INDICES LEVEL	NIFTY 50	SENSEX	NIFTY IT
CLOSE	7735.50	25262.21	10973.85
R3	7881.37	25735.40	11198.30
R2	7810.67	25504.24	11083.75
R1	7773.08	25383.23	11028.80
PIVOT	7739.97	25273.08	10969.20
S1	7702.38	25152.07	10914.25
S2	7669.27	25041.92	10854.65
S3	7598.57	24810.76	10740.10
ADR PRICE	LTP	VOLUME	%CHG
Dr. Reddy's Lab	43.39	248473	-2.95
H D F C Bank	62.73	519373	0.10
I C I C I Bank	6.38	12189257	-1.39
Infosys Technologies	18.44	3702356	-0.38
MakeMy Trip Ltd.	17.37	155065	-2.53
REDIFF.COM	0.41	146916	13.89
SATYAM INFOWAY	1.14	22232	3.64
Tata Motors	28.38	1840061	-5.71
Wipro	11.82	464288	-0.59
BULK DEALS	BUY/SELL	QUANTITY	TRADE PRICE
EVERESTIND	BUY	130000	288.08
MOHITIND	BUY	92421	40.27
PRAKASHCON	BUY	782300	6.85
RUSHIL	BUY	100032	312.29

MARKET OUTLOOK

NIFTY 50	0.38% ▲
NET CHG	28.95
OPEN	7731.00
HIGH	7777.55
LOW	7706.85
CLOSE	7735.50

SENSEX	0.64% ▲
NET CHG	160.48
OPEN	25187.66
HIGH	25394.10
LOW	25162.94
CLOSE	25262.21

NIFTY IT	0.23% ▲
NET CHG	25.25
OPEN	10966.75
HIGH	11024.15
LOW	10909.60
CLOSE	10973.85



Nifty View 6th May 2016 (Previous Close 7735.50):

Yesterday, Post flat to negative opening, Index met with resistance @ higher levels of 7780 after a test of support zone of 7706, finally closing 0.35% positive for the day, however 3rd consecutive close below 7775 i.e. 200 EMA.

Going Forward,

Post Negative Opening in line with Global Markets, there may be small bounces as we are opening near to crucial supports.

However, on rises, Index will face resistance @ 7770 & Till 7770 does not cross, expect a retest of 7660-7640.

Only on a cross-over above 7770, Short-Covering up to 7820-7830 will be witnessed.

On the Derivatives Front, Yesterday, Highest OI is witnessed in 8000-8100-8200 calls (54 Lakhs) with significant additions to the tune of 2.7 & 8.5 Lakhs in 7800 - 7900 Calls. On the Put side, Highest OI is witnessed in 7700 Strike (44.67 Lakhs) with additions of 4 & 5.5 Lakhs in 7700 - 7600 Puts implies that on a broader time-frame, 7620-7640 would be a stronger support for the series & 7820 - 7840 is a strong resistance and this will act as a support zone.

PIVOT TABLE

SCRIP	HIGH	LOW	CLOSE	S3	S2	S1	PIVOT	R1	R2	R3
ACC	1407.80	1379.30	1394.85	1336.98	1365.48	1380.17	1393.98	1408.67	1422.48	1450.98
ADANIPTS	210.70	196.70	198.00	173.80	187.80	192.90	201.80	206.90	215.80	229.80
AMBUJACEM	217.40	212.75	215.85	206.03	210.68	213.27	215.33	217.92	219.98	224.63
ASIANPAINT	875.45	862.45	867.05	842.32	855.32	861.18	868.32	874.18	881.32	894.32
AXISBANK	467.30	458.45	461.05	444.57	453.42	457.23	462.27	466.08	471.12	479.97
BAJAJ-AUTO	2488.30	2446.35	2453.30	2378.75	2420.70	2437.00	2462.65	2478.95	2504.60	2546.55
BANKBARODA	150.95	146.80	148.70	140.52	144.67	146.68	148.82	150.83	152.97	157.12
BHARTIARTL	366.00	351.65	354.40	328.65	343.00	348.70	357.35	363.05	371.70	386.05
BHEL	123.50	119.50	122.75	113.92	117.92	120.33	121.92	124.33	125.92	129.92
BOSCHLTD	19474.00	19037.40	19094.45	18328.75	18765.35	18929.90	19201.95	19366.50	19638.55	20075.15
BPCL	951.20	929.15	938.80	895.62	917.67	928.23	939.72	950.28	961.77	983.82
CAIRN	138.80	134.95	136.55	129.07	132.92	134.73	136.77	138.58	140.62	144.47
CIPLA	544.00	533.50	541.80	518.77	529.27	535.53	539.77	546.03	550.27	560.77
COALINDIA	283.15	280.00	281.80	275.35	278.50	280.15	281.65	283.30	284.80	287.95
DRREDDY	2952.00	2911.00	2929.55	2848.85	2889.85	2909.70	2930.85	2950.70	2971.85	3012.85
GAIL	370.00	363.00	365.75	352.25	359.25	362.50	366.25	369.50	373.25	380.25
GRASIM	4164.00	4095.90	4115.25	3988.85	4056.95	4086.10	4125.05	4154.20	4193.15	4261.25
HCLTECH	739.80	725.50	732.90	704.13	718.43	725.67	732.73	739.97	747.03	761.33
HDFC	1176.20	1135.00	1162.65	1075.55	1116.75	1139.70	1157.95	1180.90	1199.15	1240.35
HDFCBANK	1134.75	1122.70	1132.30	1105.82	1117.87	1125.08	1129.92	1137.13	1141.97	1154.02
HEROMOTOCO	2950.00	2876.35	2893.75	2759.40	2833.05	2863.40	2906.70	2937.05	2980.35	3054.00
HINDALCO	93.20	88.90	90.45	82.25	86.55	88.50	90.85	92.80	95.15	99.45
HINDUNILVR	861.90	846.80	850.15	822.75	837.85	844.00	852.95	859.10	868.05	883.15
ICICIBANK	219.90	213.75	214.65	203.80	209.95	212.30	216.10	218.45	222.25	228.40
IDEA	120.95	111.60	113.50	96.65	106.00	109.75	115.35	119.10	124.70	134.05
INDUSINDBK	1044.30	1026.25	1037.55	999.93	1017.98	1027.77	1036.03	1045.82	1054.08	1072.13
INFY	1199.00	1181.10	1192.45	1155.05	1172.95	1182.70	1190.85	1200.60	1208.75	1226.65
ITC	320.30	311.60	317.65	299.12	307.82	312.73	316.52	321.43	325.22	333.92
KOTAKBANK	715.25	704.05	709.15	687.08	698.28	703.72	709.48	714.92	720.68	731.88
LT	1282.50	1244.20	1273.85	1190.25	1228.55	1251.20	1266.85	1289.50	1305.15	1343.45
LUPIN	1613.50	1586.25	1603.60	1546.62	1573.87	1588.73	1601.12	1615.98	1628.37	1655.62
M&M	1331.00	1306.25	1320.85	1269.87	1294.62	1307.73	1319.37	1332.48	1344.12	1368.87
MARUTI	3850.00	3802.00	3836.85	3733.62	3781.62	3809.23	3829.62	3857.23	3877.62	3925.62
NTPC	140.75	138.85	139.70	135.97	137.87	138.78	139.77	140.68	141.67	143.57
ONGC	213.25	210.00	210.50	204.75	208.00	209.25	211.25	212.50	214.50	217.75
PNB	82.50	80.80	81.45	78.18	79.88	80.67	81.58	82.37	83.28	84.98
POWERGRID	144.30	142.10	143.25	138.82	141.02	142.13	143.22	144.33	145.42	147.62
RELIANCE	983.45	970.90	975.25	951.43	963.98	969.62	976.53	982.17	989.08	1001.63
SBIN	182.70	178.50	180.35	172.12	176.32	178.33	180.52	182.53	184.72	188.92
SUNPHARMA	828.00	806.50	810.45	771.98	793.48	801.97	814.98	823.47	836.48	857.98
TATAMOTORS	396.05	383.15	391.15	364.32	377.22	384.18	390.12	397.08	403.02	415.92
TATAPOWER	71.25	69.90	70.30	67.78	69.13	69.72	70.48	71.07	71.83	73.18
TATASTEEL	334.80	324.15	331.80	308.95	319.60	325.70	330.25	336.35	340.90	351.55
TCS	2489.95	2463.55	2470.30	2421.80	2448.20	2459.25	2474.60	2485.65	2501.00	2527.40
TECHM	482.00	465.00	479.35	441.45	458.45	468.90	475.45	485.90	492.45	509.45
ULTRACEMCO	3199.70	3108.00	3119.00	2958.83	3050.53	3084.77	3142.23	3176.47	3233.93	3325.63
VEDL	105.80	101.50	104.70	95.40	99.70	102.20	104.00	106.50	108.30	112.60
WIPRO	545.30	537.00	543.10	525.20	533.50	538.30	541.80	546.60	550.10	558.40
YESBANK	933.20	905.65	912.15	861.90	889.45	900.80	917.00	928.35	944.55	972.10
ZEEL	404.90	396.30	400.45	383.35	391.95	396.20	400.55	404.80	409.15	417.75
ZEEL	404.90	396.30	400.45	383.35	391.95	396.20	400.55	404.80	409.15	417.75

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