

Daily Dossier

14th November 2018

Outlook



The Nifty ended 0.06% down at 10,576.30. It opened on a stronger note, however, failing to breakout 10,650 followed by day long consolidation in tiny price band led to a bearish candle on daily chart. The Nifty has to breakout 10,650 towards unfolding next up move towards 200 EMA placed around 10,700 levels. Broader chart pattern along with position of leading indicators suggests, the bench mark may continue oscillating in the price band of 10,520-10,650. Next support below 10,520 is placed around 10,470.

On the Nifty hourly chart; uptrend in RSI is still intact. Hence, the benchmark index may again see buying on dips around 10,520 and 10,470 levels.

Nifty patterns on multiple time frames show; it failed to breakout the resistance placed around 10,650 levels towards ending the day on a subdued note. However, we still recommend buy on dips as long as critical support of 10,470 is intact.

Nifty Crucial Supports & Resistances for the day-
Supports- 10520, 10470 Resistances- 10650, 10700

Open positional calls-

Positional T+2 Sell-

Future Segment- DCB Fut on rise @ 159, TGT- 151, SL- above 163

Positional T+3 Buy-

Future Segment- LIC HOUSING Fut on dips around @ 450, TGT- 464, SL- below 443

Positional T+3 Buy-

Future Segment- AMBUJA Fut on dips around @ 212, TGT- 220, SL- below 208

Top Stock Drivers For The Day

Name	CMP	News/Views	Impact
Indian Hotels Company Ltd.	131.05	Following news came after market hours and are likely to react tomorrow: Indian Hotels Q2FY19 revenue stood at INR965 Crore., Net loss stood at INR5. 21 Crore. This quarter there were an exceptional loss of INR45. 27 Crore as against gain of INR2. 43 Crore in the same quarter last year. Other Income stood at INR16. 62 Crore.	Positive

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Market Turnover (Rs. Crore) 14-11-2018

Name	Last	Previous
NSE Cash	35973.53	27331.01
NSE F&O	1000274.55	736361.70
BSE Cash	3,415.09	2,526.50
BSE F&O	0.13	0.13

NIFTY Top Gainers

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
HPCL	4.68	7.69	29,774,003	7,904,118
BPCL	4.22	10.82	14,830,631	4,814,858
UPL	3.22	5.31	2,952,089	1,337,570
Maruti Suzuki	3.06	4.16	1,112,945	608,150
ONGC	2.88	3.17	15,008,061	4,981,231

NIFTY Top Losers

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Kotak Bank	3.09	0.41	2,706,898	1,662,341
HCL	3.49	3.09	1,516,816	1,792,463
Gail India	3.50	6.02	5,758,948	3,951,473
Tech Mahindra	3.82	0.82	3,367,710	2,707,011
Sun Pharma	7.41	10.23	25,499,010	4,821,807

Bulk and Block Deals

<https://www.nseindia.com/products/content/equities/equities/bulk.htm>

<http://www.bseindia.com/markets/equity/EQReports/BulknBlockDeals.aspx>

FII Derivatives Flow (In Crore) 14-11-2018

Instrument	Purchase	Sale	Net
Index Future	4364.32	4272.53	91.79
Index Option	128135.38	127533.33	602.05
Stock Future	15212.25	16427.35	-1215.10
Stock Option	10099.96	10033.10	66.86

Institutional Flow (In Crore) 14-11-2018

Institution	Purchase	Sale	Net
FII	5516.81	5239.43	277.38
DII	4795.18	5067.42	-272.24

Market in Retrospect

Indian equity benchmarks were little changed as gains in oil & gas, banking and FMCG shares were offset by losses in IT and pharma stocks. Sensex ended flat at 35,142 and the Nifty declined 0.06% or 6 points to 10,576.

Nifty PSU Banks were the top gainer, gaining by 2.04%, followed by Nifty FMCG which was up by 0.92%. Nifty IT was the top loser, losing by 2.45% followed by Nifty Pharma, which was down by 2.19%.

HPCL was the top gainer, gaining by 4.68%, followed by BPCL & UPL, which were up by 4.22% & 3.22% respectively. Sun Pharma was the top loser, losing by 7.41%, followed by Tech Mahindra & GAIL, which were down by 3.82% & 3.50% respectively.

The Advance Decline ratio stood at 737 : 979.



Indian Indices

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Sensex	35141.99	2.50	0.01	0.43	1.18	7.16	6.68
Nifty	10576.30	6.20	0.06	0.44	0.99	7.51	3.83
BSE M Cap	14881.95	28.41	0.19	1.04	4.17	8.37	9.78
BSE S Cap	14547.74	30.55	0.21	0.92	2.74	13.11	17.06
Nifty MC 100	17483.90	5.70	0.03	1.26	4.41	9.12	10.08
BSE Auto	20416.35	136.55	0.66	0.45	0.02	15.64	17.92
BSE Capgoods	18309.29	85.29	0.46	1.40	8.64	2.07	0.68
BSE FMCG	11310.16	104.81	0.94	1.81	3.07	7.87	10.59
BSE Metal	12685.61	104.00	0.81	1.65	3.08	2.01	11.13
BSE Oil&Gas	13719.04	159.37	1.18	2.47	3.33	7.68	12.45
BSE Healthcare	14231.10	238.59	1.65	1.46	1.55	3.10	3.67
BSE Power	1962.91	7.71	0.39	0.43	0.79	0.16	13.17
BSE Realty	1698.03	26.28	1.52	3.17	4.80	20.21	25.85
BSE ConsDur	19760.20	13.23	0.07	0.83	5.48	10.45	2.62
BSE Bank	29298.70	152.72	0.52	1.35	3.06	7.49	2.07
BSE IT	13986.21	319.94	2.24	1.70	2.19	6.32	30.82

LME

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Gold(\$/Ounce)	1199.95	2.27	0.19	2.17	1.48	0.49	6.28
Silver(\$/Ounce)	13.94	0.06	0.41	4.35	4.55	7.42	18.09
Aluminium	1921.50	8.25	0.43	0.70	5.52	6.88	8.02
Copper	6088.50	14.75	0.24	1.54	3.65	0.57	11.26
Zinc	2545.50	17.50	0.68	0.16	4.87	3.08	21.48
Lead	1928.50	20.75	1.09	2.23	6.77	8.62	23.29

Currency

Name	Rate	Net Chng	%1D	%5D	%1M	%3M	%1Y
INR	72.31	0.37	0.51	0.96	2.10	3.33	9.52
USD Index	97.35	0.04	0.04	1.40	2.23	0.63	3.75
YUAN	6.95	0.00	0.03	0.49	0.53	1.00	4.57
GBP	1.29	0.01	0.45	1.70	1.75	1.69	1.90
EUR	1.13	0.00	0.06	1.67	2.69	0.62	4.33
YEN	113.94	0.01	0.01	0.54	1.88	2.50	0.47

Agro Commodities

Name	Price	Net Chng	%1D	%5D	%1M	%3M	%1Y
Coffee	113.00	0.25	0.22	5.40	5.91	1.12	21.58
Cotton	78.32	0.66	0.85	2.79	1.55	5.80	13.16
Sugar	12.61	0.00	0.00	3.07	3.52	11.79	19.58
Wheat	517.00	0.75	0.14	1.05	3.81	11.28	0.24
Soybean	881.00	2.75	0.31	0.17	0.09	1.21	10.76

Global Indices (Updated at 4:30 pm)

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Dow Jones	25286.49	100.69	0.40	1.36	0.21	0.05	8.02
Nasdaq	7200.88	0.01	0.00	2.37	3.95	8.51	6.87
S&P 500	2722.18	4.04	0.15	1.21	1.62	4.15	5.56
FTSE100	7042.77	15.81	0.22	1.11	0.60	7.54	5.08
CAC40	5073.11	30.66	0.60	1.30	0.49	6.15	4.60
DAX	11415.29	59.68	0.52	1.44	0.97	7.66	12.44
Mexico IPC	42421.33	888.68	2.05	8.43	10.59	13.60	11.39
Brazil Bovespa	84914.13	610.59	0.71	4.23	2.40	8.03	19.89
Russian RTS	1102.00	1.58	0.14	5.38	3.48	1.86	3.10
Japan Nikkei	21846.48	35.96	0.16	1.08	3.74	2.28	2.38
Hang Seng	25654.43	138.44	0.54	1.89	0.57	7.56	12.00
Taiwan Index	9791.88	16.04	0.16	1.18	2.53	9.54	8.38
Shanghai Comp	2632.24	22.64	0.85	0.34	0.97	5.35	23.25
KOSPI	2068.05	3.18	0.15	0.51	4.34	8.45	18.15
Malaysia KLCI	1688.41	0.84	0.05	1.54	2.45	5.35	2.61
Jakarta Comp	5858.29	23.10	0.40	1.37	1.77	1.53	2.17
Philippine SE	6923.08	79.25	1.16	1.58	1.17	8.03	17.38
Thai Exch	1652.30	7.48	0.45	1.37	2.59	2.54	2.96

Freight

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Baltic Dry	1064.00	61.00	5.42	23.73	32.62	38.32	24.27
Baltic Dirty	1082.00	4.00	0.37	1.99	17.48	49.65	36.96

Energy Markets

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
NYMEX Crude	55.88	0.21	0.38	9.36	21.64	16.62	0.36
BRENT Crude	66.04	0.61	0.93	8.31	17.47	9.47	10.72
Natural Gas	4.20	0.09	2.29	18.00	30.04	35.67	31.79

Bond Markets

Name	Yield	Net Chng	%1D	%5D	%1M	%3M	%1Y
US	3.14	0.00	0.06	3.02	0.74	8.26	32.30
UK	1.49	0.03	2.04	2.81	8.76	17.97	12.79
Brazil	5.53	0.02	0.33	1.54	0.44	4.25	15.51
Japan	0.11	0.00	2.63	9.76	26.00	0.89	122.00
Australia	2.70	0.03	1.10	0.99	1.82	4.33	1.62
India	7.73	0.03	0.36	0.37	3.12	1.07	9.67
Switzerland	0.00	0.01	180	123.53	105.00	95.70	95.35
Germany	0.39	0.02	3.91	12.08	21.08	20.18	1.01

News Impact

Quarterly Results

Mahanagar Gas Ltd

- Q2FY19 beat the estimates. The company's net revenue grew 30.5% yoy to INR696.5 cr against INR533.76 cr in Q2FY18, beating the estimates of INR649 cr. EBITDA for the quarter grew 10.7% yoy to INR221.47 cr against INR200.06 cr.
- EBITDA margin declined 568 bps yoy to 31.8%. Net profit for the quarter grew 9.2% yoy to INR136.3 cr against INR124.79 cr in the corresponding quarter last year, beating the estimates of INR130 cr.
- CNG sales volume grew 3.8% qoq to 200.47 SCM million in Q2FY19.
- Domestic PNG volumes grew 0.65% qoq to 33.51 SCM million and industrial/commercial PNG volumes grew 9.3% qoq to 38.32 SCM million in Q2FY19.
- CNG (net of excise duty) revenue grew 12.14% qoq to INR466.68 cr and PNG revenue grew 13.3% qoq to INR223.84 cr in Q2FY19.

Siyaram Silk Mills Ltd

- Revenue grew by 8.5% yoy and 42.4% qoq to INR459 cr. EBITDA came in at INR67 cr, up 3.5% yoy and 96% qoq.
- EBITDA margin contracted by 71 bps yoy and expanded by 397 bps qoq to 14.5%. Adjusted PAT stood at INR28 cr, down 10.2% yoy and up 178.5% qoq.
- Cost of goods sold stood at 42.91% of sales vs. 43.13% yoy. Other expenses stood at 22.5% of sales vs. 20.2% yoy, impacting the EBITDA margin.
- Finance cost grew by 80.8% yoy to INR12 cr, which led to profitability decline.

Glenmark Pharma

- The company beats Bloomberg estimate on the fronts of Revenue, EBITDA & PAT. Top line of the company grew 14% YoY at NR2581.6 crore.
- EBITDA grew 13% YoY at INR440 crore. EBITDA margin stood at 17%.
- Net Profit jumped 94% at INR414.6 crore which includes an exceptional item of INR167.8 crore which is a gain from selling of Orthopedic & Pain Management India business INR345.8 cr. & effect of de-prioritization of certain intangibles aggregating to INR178 crore.
- India business of the company grew 9.5% YoY, US grew 11.4% YoY, RoW grew 21% YoY, API business grew 6% YoY where Latin America witnessed close to 6% de-growth. Contribution from India business stood at 31%, US at 32%, RoW at 12%, Europe at 10%, Latin America at 4% & API business contribution stood at 10%.

News Impact

Lemon Tree Hotels Ltd

- Lemon Tree Hotels Ltd's consolidated revenue from operations for the quarter came in at INR128.7cr, up by 15.3% y-o-y. The operating profit for the quarter went up by 26.4% y-o-y to INR36cr. EBITDA margin increased by 244bps y-o-y to 28% in Q2FY19. The PAT stood at INR6.54cr in Q2FY19 vs. net loss of INR4.43cr in Q2FY18. The revenue and EBITDA are in-line with consensus estimates. However, net profit beat the consensus estimate of Rs4.1cr by 38%.
- Rise in revenue is on account of increase in average room rent (ARR) by 9% y-o-y and incremental occupancy growth of 230bps. This has resulted into revenue per available room (RevPAR) growth of 12% y-o-y.
- The available room inventory has increased to 4,999 rooms as on September 30, 2018 as against 4,871 rooms as on March 31, 2018. The inventory addition during the quarter is under managed rooms segment.
- Cash profit during the quarter increased by 132% y-o-y to INR19.7cr.

Ipca Lab

- Ipca lab beats Bloomberg estimate from all fonts of Revenue, EBITDA & Net Profit. Top line of the company grew 15.4% yoY & 17% sequentially at INR997.8 crore.
- EBITDA grew 16% YoY at INR172.8 crore. It is a sequential jump of 52% backed by lower Total expenditure which has improved to 82.7% of the total revenue against 86.6% previous quarter. Cost of raw material remained flat sequentially at 29.7% of total revenue. EBITDA Margin stood at 17.3%..
- Net Profit jumped 24% YoY & 83% QoQ at INR119.7 crore. Net Profit Margin expanded 80 bps YoY & 430 basis point sequentially at 12%.
- Domestic formulation business grew 10.3% YoY & 17% QoQ at INR468.6 crore. Foreign formulation business grew 23% YoY at INR288.3 crore. Total API business grew 16% YoY at INR225 crore. Revenue contribution of Domestic business stood at 53% and export business stood at 47%.

IHCL

- Standalone Revenue went up by 11.8% to INR570.11 crores. EBITDA went up by 33% to INR89.12 crores, however the Co. posted a net loss of INR22 crores due to exceptional item of INR77 crores.
- Exceptional item was attributed to Loss on change in fair value of Cross Currency Swap derivative and Loss on change in fair value of Cross Currency Swap derivative.
- Consolidated Revenue went up by 13% to INR964.53 crores and reported a Net Loss of INR5.57 crores as against a loss of INR59.95 crores same period PY.

News Impact

IDBI Bank

- NII is INR1300 Cr, down 22% YoY & 20% QoQ. Cost of Deposits and cost of funds both reduced by 24 bps and 16 bps YoY respectively.
- Provisions stood at INR5481 Cr, up 92% YoY & 19% QoQ. Provision Coverage ratio stood at 68.72% vs 54.56% YoY.
- PAT is INR(-3602) Cr vs INR(-197) Cr YoY & INR(-2409) Cr QoQ.
- Net NPA is 17.30% vs 16.06% YoY & 18.76% QoQ. Slippages during the quarter were INR3489 Cr, which was the lowest in the last 6 quarters.

SpiceJet Ltd

- SpiceJet has posted Revenue from Operations at INR1910 crores up by 3.7%. EBITDA for the company was at INR (321.49) crores as against a positive EBITDA of INR149.46 crores. The company has posted a Net Loss of INR389.37 crores as against a profit of INR105 crores same period PY.
- Fuel expenses for the company went up by 55.8% to INR845 crores. Other expenses has also went up by 53%. Aircraft Lease rentals, Air-port charges and Aircraft maintenance has gone up by 14.9%, 15.1% and 17.3% respectively.
- The Company's interest expense has gone up by 87.7% y-o-y to INR32.49 crores.
- Expenses per ASKM increased by 25% on account of 48% increase in ATF and 10% increase in exchange rate.
- Company paid an amount of INR272 crore on account of increase in cost of Aviation Turbine Fuel, INR 78 crore on account of depreciation of INR and an amount of INR 46 crore on account of forex losses on its obligations as compared to Q2 2017.
- Fleet size grows to 65 with the addition of 4 Boeing 737 MAX 8 & 2 90-seater Q400s operating 445 daily flights.
- The company is all set to take deliveries of 10 more Boeing 737 MAX aircraft in Q3 and up to 8 MAX aircraft have been planned for inductions in Q4 of FY2019. Further 4 Q400 aircraft shall be inducted during Q3FY 2019 and up to 4 Q400s are planned for inductions in Q4 of FY 2019. With the crude prices taking a fall in this quarter, the profitable performance is expected to pick up during the next 2-3 quarters.

CESC Ltd

- Revenue at INR2220 crore, up by 6.32% YoY.
- EBITDA at INR511 crore, up by 1.2% YoY.
- EBITDA margins reported at 23% versus 24.2% YoY.
- PAT is up by 9% at INR271 crore

News Impact

Page Industries Ltd

- Revenue grew by 10.4% yoy and declined 15.3% qoq to INR691 cr. EBITDA came in at INR143cr, up 11.2% yoy and down 24.5% qoq, failed to meet the Bloomberg estimates.
- EBITDA margin expanded by 15 bps yoy and contracted by 254 bps qoq to 20.68%. Adjusted PAT increased by 10.2% yoy and declined 25.6% qoq to INR93 cr. Adjusted PAT came below estimate of INR111 cr.
- Cost of goods sold stood at 42.2% of sales vs. 42.3%.
- Other income for the quarter stood at INR11 cr vs. INR5 cr yoy, however on the other hand tax rate for the quarter stood at 34.8% vs. 31.6% yoy.

Abbott India

- The top line of the company grew 5% YoY & 16% sequentially at INR979.7 crore.
- EBITDA witnessed 4% de-growth YoY but jumped 74% QoQ at INR193.9 crore. EBITDA Margin stood at 19.8%.
- Net Profit remained flat YoY but jumped 67% QoQ basis at INR137.6 crore. Net Profit Margin stood at 14%.
- Long term Debt of the company remained lower at INR15 crore. Cash & cash Equivalent jumped to INR139.6 crore at the end of Sept, 2018 versus INR37.6 crore in the previous quarter.

Mahindra & Mahindra Limited

- Standalone Revenue grew 6.6% YoY to INR12988.6 crore and surpassed the Bloomberg consensus estimate of INR12835.5 crore. Rising raw material prices dented the gross margin by 223bps YoY to 28.7%.
- Absolute EBITDA reported at INR1605 crore, down 7.2% YoY and it is also significantly lower than the Bloomberg estimate of INR1729.26. Despite optimizing operating, manufacturing and employee benefit expenses, EBITDA margin dipped by 184bps YoY to 12.4% owing to increasing raw material expenses.
- Adjusted PAT reported at INR1543.9 crore, up 15.9% YoY and managed to beat the Bloomberg estimate of INR1293.5 crore due to higher other income and lower effective tax rate.
- Revenue for the automotive segment was up 9% YoY (5% QoQ) at INR8446 crore. This composed almost entirely of volume growth. At INR561,038 per unit, realization was flat YoY (down 2% QoQ). EBIT margin came in at 7.9%, down 270 bps YoY majorly due to launch expenses related to Mahindra Marazzo.

News Impact

Ujjivan Financial Services Ltd

- NII is INR239 Cr, up 45% YoY & 7.6% QoQ. The Net Interest margin stood at 12% vs 10.6% YoY & 11.6% QoQ. The increase in margins was led by increase in Retail deposits, which stood at 31% vs 9.5% YoY.
- Gross NPA stood at 1.9% vs 2.7% QoQ. The Net NPA stood at 0.3%. the Provision Coverage Ratio stood at 85%.
- PAT is INR44 Cr vs INR(-12) Cr YoY & INR45 Cr QoQ. Cost to Income ratio stood at 77% vs 68% YoY & 72% QoQ.
- The Net Loan Book stood at INR8167 Cr, up 28% YoY & 5% QoQ.

Motherson Sumi Systems Limited

- Consolidated revenue grew 12.6% YoY to INR15105 crore and surpassed the Bloomberg consensus estimate of INR14809 crore. Despite rising raw material prices Co. managed to expand its gross margin by 273bps, indicating better product mix and ability to pass on the rising input prices to the customers.
- Absolute EBITDA reported at INR1300 crore, up 5.8% YoY but failed to meet the Bloomberg estimate of INR1419.7 crore. Despite lower raw material expense (as a % of sales), EBITDA margin dipped 55bps YoY to 8.6% owing to higher operating, manufacturing and employee expenses.
- Adjusted PAT dropped by 17% YoY to INR495.5 crore and marginally missed the Bloomberg estimate of INR508.7 crore. PAT margin contracted by 117bps YoY to 3.3% due to higher interest cost and higher effective tax rate.
- Co's recent (August 2018) acquisition of Reydel Automotive Management B.V. was consolidated for the first time during Q2FY19.
- Debt on consolidated books of the company jumped 49% in comparison to March 31, 2018 to INR14,127 crore. D/E ratio moved up from 0.96x to 1.33x.

Apollo Hospitals Enterprise

- Apollo Hospitals Enterprise reported a 11.39% rise in its standalone net profit to INR78.98 crore for the quarter ended September 30, 2018, mainly on account of rise in revenue from operations.
- The company had posted a net profit of INR70.90 crore for the corresponding period of the previous fiscal.
- Revenue from operations stood at INR2,090.12 crore during the second quarter. It was INR1,813.12 crore for the same period a year ago.
- The company's board approved a scheme of arrangement between Apollo Hospitals Enterprise and Apollo Pharmacies Ltd (APL) and their respective shareholders for the transfer of the front-end retail pharmacy business carried out in the standalone pharmacy segment to APL by way of slump sale.

News Impact

Concall Highlights

Tata Steel

- Tata Steel reported a net profit quadruple times of Rs 3,604.2 crore for the September quarter. The company had posted a profit of Rs 975.87 crore during the same quarter of last year.
- The revenue grew to Rs 43,544.1 crore during the quarter under review, up from Rs 32,464.14 crore posted last year. This implies a jump of 34% year on year.
- The EBITDA was reported at Rs 8,919.5 crore. It implies a jump of 89% from Rs 4,720 crore reported last year.
- The operating margin has been reported at 20.5%, up from 14.5% reported last year.
- This has been one of the best ever quarter for Tata Steel India on the back of strong operating and market performance with the EBITDA margin of 34% and in excess of Rs.19,000 per ton.
- The liquidity position of the group remains at Rs 26,470 crore, comprising of Rs 14,478 crore in cash and cash equivalents and Rs 11,992 crore in undrawn bank lines, the company said in an exchange filing.
- Gross debt during the quarter increased by Rs 2,065 crore, primarily due to adverse forex impact of Rs 3,528 crore. Net debt was flat at around Rs 1,04,202 crore.

Sales volumes

- The company's India business sales volume was reported at 3.18 million tonnes, up 7% QoQ.
- Its Europe operations were down 7% QoQ to 2.27 million tonnes.
- On EU commission investigation into Tata Steel Europe and thyssenkrupp JV, said they are in discussions with the European Commission for the phase two review which typically takes 90 days.
- The company is already looking to divest its electrical steel portfolio, including assets in Canada and UK.

Lumax Auto Technologies

- Lighting segment which majorly caters to Bajaj Auto has achieved a revenue of INR168 crore during H1FY19 and registered a growth of 27% excluding the impact accounting changes.
- EBITDA for Q2FY19 stood at 11.4% excluding forex losses. Management is confident about maintaining its double-digit margin going forward.
- Co. is focusing on increasing its legacy products business by adding more customers and by increasing its penetration to the existing customers. Recent regulatory changes is expected to create opportunity and Management is confident about grabbing this opportunity by venturing into business and expanding its product offerings.
- Double-digit growth in gear shift business despite subdued PV sales. Better product mix and strong sales in the CV segment are likely to drive margins going forward.

News Impact

Alkyl Amines Chemicals Ltd

- The company is expecting revenue of around INR900 Crore in FY19 with a capacity utilization of around 80%. It is planning for INR80-100 Crore of incremental CapEx each year. Asset turnover is expected to be 1.5x, so for every INR100 crore of incremental CapEx, they are expecting an incremental turnover of INR100-150 crore in the next 2-3 years.
- Margins at EBITDA level are expected to sustain at around 19-22% levels.
- Revenue mix of the company: 40% is contributed by amines, 30-40% of the revenue comes from derivatives and 15-20% is contributed by the speciality segment.
- Raw material prices have gone up due to the surge in crude oil prices, however, the price rise is passed on completely. It is passed on with a 1 months lag.
- The power and fuel cost has gone down from 14% to 10% of revenue over the last couple of years and the company is planning to reduce it further.

Glenmark Pharma

- In Germany GSK was able to get a preliminary injunction for generic inhaler launched by Glenmark. The company is trying to roll out new launch in other countries. Europe business grew handsome excluding this new launch.
- India Business is likely to witness very strong growth next year due to some major launches. The company is focusing Cardio vascular, Respiratory, Metabolic, Diabetic therapeutic areas. Fixed Dose Combination does not have any impact.
- Q3 is likely to be better than Q2. Generic business is likely to grow quarter over quarter due to low base effect. Next year expected generic business growth will be single digit. Full year revenue growth guidance is 12%.
- Decided to discontinue certain products like Suboxone, Nuvaring which were under development due to change in the competitive landscape, pricing environment.
- Bringing minority investor in API business, Parent will be selling small part of its stake in the API business.
- Gross Debt stood at INR4807 crore & Net Debt stood at INR3491 crore as of 30th Sept.2018. Net Debt has increased due to rupee depreciation. Debt will keep sliding from end of the year. Net Debt is not an issue for the company. If Rupee stays above 72, the company will be able to realize full quarter benefit of rupee depreciation.
- Tangible capex so far is INR310 crore. Next year overall Capex guidance is around INR700 crore.

News Impact

Jindal Steel & Power Limited

- JSPL reported consolidated sales of INR9995 Cr (up 63% YoY), EBITDA of INR2207 Cr (up 60% YoY) and PAT of INR279 Cr (up 156% YoY from loss of INR497 Cr).
- The cost of raw material increased by a staggering 78% YoY. JSPL produced 1.67 million MT increasing by 27% from 1.32 million MT and sold 1.75 million MT increasing by 38% from 1.27 million MT over last year Q2.
- Jindal Power Limited (JPL) posted revenue of INR911 Cr, EBITDA of INR302 Cr and Profits of INR150 Cr, while maintaining an EBITDA margin of 33% over Q1 FY19's EBITDA margin of 32% despite the rise in Cost of Coal by 10% QoQ.
- The EBITDA per tonne stood at above INR11400 per tonne for steel on consolidated basis. JSPL however is undergoing major ramp-up at their Angul facility as the standalone production for the H1 FY19 stood at 3.32 million MT and has an annual capacity of 8.6 million MT, i.e. way behind what would be optimum capacity utilization.
- The Management attributed decline in steel prices during Q2 FY19, more so for long steel prices as the reason of subdued realizations in addition to the increased prices of Raw Materials like Iron Ore and Coal (both increased by more than 15% & 10% respectively YoY).
- JSPL's Net Debt stood at around INR41,600 Cr, which includes INR27,400 Cr and USD2 billion of overseas debt.

DFM Foods Ltd

- Witnessed 10% volume growth in H1FY19 (FY18: 28% vol. growth). Gross margins improved on gram-mage rationalization and cost saving measure offsetting high input prices & depreciating rupee.
- Production capacity was constrained due to Ghaziabad plant upgradation in the 2nd half of Q2FY19. The new line commissioned on Sep 27, 2018, and shall add 3800 MT per annum of capacity with INR65 cr revenue generation potential. Overall capacity is at 33800 MT per annum in Extrusion & 4000 MT in Namkeen.
- Geographical contribution: North-75%, East-10%, West-10%, South-5%. Freight cost and CapEx requirement high in west zone. Continued to work on: a) Deepening penetration using hub & spoke model in the upcoming quarters, b) Launching 2 products every year, but depends on 1st launch, c) Counter internal cannibalization in distribution & retail channels.
- 95% of revenue comes from INR5/- packets. Crax Fritts received encouraging feedback from the customer and trade levels. Additional capacity will help in launching Fritts in Q3FY19 and will be available in both INR5 & INR10 packs. Namkeen contributes 5% to total revenue and is available in both INR5 & INR10 packs.

News Impact

Dhanuka Agritech

- This quarter, price growth of 4% and volume growth of 6% led to a topline growth of 10%. The contribution by new products in this 10% growth was 3%. The company expects this topline growth of 10% to continue in the second half of FY19 as well as for the next 2-3 years.
- Zone-wise, North contributed 24.21%, West contributed 40.19%, East contributed 10.63% and South contributed 24.97% this quarter.
- Product category-wise insecticides contributed 47.19%, fungicides contributed 17.53% and herbicides contributed 22.78% and 12.5% was contributed by others.
- Contribution by the top 5 brands this quarter was 24%.
- The company expects to maintain the margin of around 19-20% at EBITDA level for the full year.

VA Tech Wabag

- The Order Inflow till date is INR3000 crore and 2/3 of the orders secured from Middle East and Africa region. The company is very optimistic on the business in Middle East and Africa region Order book of the company stood at INR9250 crore.
- The net working days of company has been increased to 122 days due to higher mix of projects in construction phase and company is expecting to reduce it in next few quarters
- The Company also wanted to be debt free company in the near future because of their asset light model.
- The company has recently commissioned 140 litre per day sewage water treatment plant at Varanasi which is the largest plant commissioned under Namami Gange scheme. This plant will take out 50% of the sewage from river Ganga.

Max Financial Services

- The company has set a target for 25% sales growth, 25% margin growth and 25% ROE till 2021-2022. Growth of 25% is expected from investment in new channels.
- Exposure of INR40 Cr in IL&FS. INR30 Cr, through ULIPs & rest through policies. 25% provision has been made but till now no default has been made by IL&FS.
- The company is not planning to raise any capital in the near future. Solvency will be maintained by internal accruals.
- Operating variance of 42 Cr. Large part of operating variance comes from demographic variance and persistency assumption changes etc.
- Growth in non Axis Bank partnership is slow as there are few banks like, Yes Bank, Laxmi Villas Bank. Growth has been picking up but is slow, the company expects it to pick up in H2.

News Impact

Ujjivan Financial Services Ltd

- The company expects the AUM growth to be around 30% – 35%. The growth in Micro Banking is expected around 20%. The company does not expect any fall in NIMs going forward. The NIMs are expected to remain in the current level of 10.8%.
- Cost to income ratio is expected to continue in the present range. Going forward the company expects it to fall to 55% in the next 3 – 4 years.
- 14% of the total funding is from Commercial Papers. The company is more aligned towards long term sources of finance. For personal loans the target would be Tier 1 & 2 cities where the company has significant presence.
- A committee has been formed to look after the new guidelines issued by RBI, to list the Small Finance Bank. The company is in process to bring its promoter holding down to 40% by January 2022.

Mahanagar Gas Ltd

- Co.'s CNG sales volume grew by 10.86% to 393.6 SCM and PNG sales volume grew by 10.16% to 140.1 SCM YoY backed by strong domestic growth of alternative fuel & environmental safety norms.
- Mgmt is hopeful that the rupee may appreciate in near term which will help them to reduce their input cost, however falling crude oil price could impact their topline as they are acting as an alternative source of fuel in the market.
- The Co will incur INR300 Cr every year as Capex to open 20+ new CNG station and will upgrade 20 existing CNG station annual basis to maintain the growth momentum and balance the surging demand in the market.
- MGL used to follow the pricing mechanism guided by the Govt and any change in the input cost can be passed to the customer.
- The mgmt. has guided 10% volume growth in the coming two quarter however for a long term perspective they maintained their earlier guideline of 6-7% with margin of INR8/SCM.

Events

CORPORATE ACTION BONUS / RIGHTS / STOCK SPLIT / DIVIDEND / FCCB / M&A / WARRANTS ETC.

Company	Record Date	Ex-Date	Details
Graphite India Ltd			Cash dividend of INR20 effective 15/11/2018
Oriental Carbon & Chemicals Ltd			Cash dividend of INR4 effective 15/11/2018
Apollo Micro System Ltd			Cash dividend of INR1 effective 15/11/2018
Bharat Forge Ltd			Cash dividend of INR2.50 effective 15/11/2018
Petronet LNG Ltd			Cash dividend of INR5.50 effective 15/11/2018
VRL Logistics Ltd			Cash dividend of INR5 effective 15/11/2018
Exide Industries Ltd			Cash dividend of INR1.60 effective 15/11/2018

Domestic Events

- **Quarterly Results:** DCW
- India Balance of Trade for October 2018.

Global Events

- The U.S. Retail Sales for October 2018.
- The U.S. Initial Jobless Claims for November 10, 2018.
- Euro Area Balance of Trade for September 2018.

Source of News : The content may have been taken from The Economic Times, Business Standard, Business Line, Mint and other leading financial newspapers and financial portals BSE,NSE, Bloomberg, Moneycontrol & others.

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Stock Recommendation	Expected absolute returns (%) over 12 months
Strong Buy	>20%
Buy	between 12% and 20%
Accumulate	between 6% and 12%
Hold	between 0% and 6%
Sell	0 to <-10%
Neutral	No Rating
Stock Recommendation	Expected absolute returns (%) over 12 months

Bloomberg Ticker for Stewart & Mackertich Research: SMIF<Enter>

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