

Outlook



The Nifty ended the week in red. Finishing off the week with a bearish shooting star candle is a sign of weakness. Hence, intraweek pullback towards 11,900 may again find sellers. Critical support placed around 11,680 is going to play a critical role in an extreme scenario. However, Bank Nifty critical support placed around 31,000 is still well intact and may prove to be a major trend determining factor in the coming week. Further, thorough technical study of the weekly as well as the daily chart patterns suggests; the Nifty broader trading range for the coming week is expected to be 11,680-12,000.

It kicked started the week on a stronger note followed by sustained rise towards 12,000 levels, weekly high was 11,981.80. However, aggressive sell off on the last day of the week led the benchmark index ending with a bearish shooting star candle on the weekly chart. Post budget vigorous sell offs across all the index heavy weights is a major concern. The Nifty failing to hold immediate pivotal support placed around 11,750 may instigate further downfall towards 11,680. A bearish shooting star candle on the weekly chart implies upside is limited as of now. 11,900 has to be taken out on the higher side towards unfolding further rise towards 12,000 levels, which looks unlikely at this juncture given the dismal performances of the index heavy weights on the last day of the week.

On daily chart, it ended 1.14% down at 11,811.15. It opened flat and remained on the positive side in the first hour of trade. However, post budget sell off led the Nifty closing below 11,850 mark. Ending the last session of the week with a huge bearish body candle implies the benchmark may start the very next week on a fragile note. However, pivotal support placed around 11,750 is still well intact and got the potential to prevent the severe downfall. Next critical support is placed around 11,680.

Nifty patterns on multiple time frames show; the benchmark index ended the week on a fragile note. Pivotal support placed around 11,750 is still well intact, which is likely to play a critical role in the coming week. Weekly candle pattern along with position of leading indicators implying intraweek pullback towards 11,900 may again find sellers. Broader trading range for the coming week is expected to be 11,680-12,000.

Nifty pivotal supports & resistances for the coming week-
Supports- 11750, 11680 Resistances- 11900, 12000

Domestic:- India Foreign Exchange Reserve for July 05, 2019., India Industrial Production for May 2019., India CPI Inflation for June 2019.

Global:- Japan Current Account Balance for May 2019., Japan Machine Tools Orders for June 2019., China Inflation Rate for June 2019., Euro Area Non-Monetary Policy Meeting., The U.S. FOMC Minutes., The U.S. MBA Mortgage Application for the week ended July 05, 2019., China Vehicle Sales for June 2019., The U.S. Initial Jobless Claims for July 06, 2019., The U.S. Inflation Rate for June 2019., China Balance of Trade for June 2019., China FDI for June 2019., Japan Industrial Production for May 2019., Euro Area Industrial Production for May 2019.

Open Positional Calls-

T+15 Positional Buy-

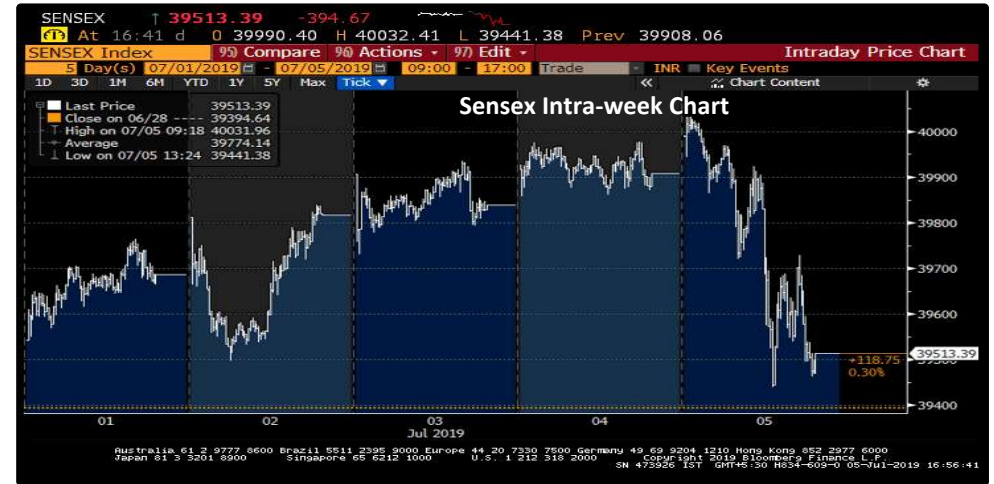
CASH Segment: JINDAL STEEL @ 138-135, TGT - 150 & 155, SL- below 132

T+5 Positional Buy-

CASH Segment: LUPIN @ 753-750, TGT- 780, SL- 735

Jaydeb Dey
Jaydeb.dey@smifs.com
Deepankar Saha
deepankar.saha@smifs.co.in

Contents	Page No.
Budget Highlights	4-8
Domestic news	9-13
Global news	14-17



Market Turnover (In Crore) 05-07-2019

Name	Last	Previous
NSE Cash	33368.41	28000.74
NSE F&O	1046886.87	1971511.37
BSE Cash	2,853.23	2,084.72
BSE F&O	0.54	0.55

FII Derivatives Flow (In Crore) 05-07-2019

Instrument	Purchase	Sale	Net
Index Future	3487.68	4160.55	-672.87
Index Option	199913.77	199982.02	-68.25
Stock Future	13401.05	13468.12	-67.06
Stock Option	7300.01	7431.70	-131.69

Institutional Flow (In Crore) 05-07-2019

Institution	Purchase	Sale	Net (Last Day)	Net Wk	Net Mnth
FII	3628.39	3717.77	-89.38	-593.98	-3935.28
DII	4178.9	3903.27	275.63	711.89	5173.31

NIFTY Top Gainers

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Indiabulls Finance	3.34	19.69	21867719	19133460
Indusind Bank	2.64	8.65	5145552	4164434
UPL	-4.66	6.53	12058104	6215728
Bharti Airtel	0.57	5.24	6751716	6490322
HDFC	-0.06	3.96	1901409	2284644

NIFTY Top Losers

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Tata Steel	-3.42	-5.16	7616348	7447576
BPCL	-2.62	-5.71	8951983	4245834
Vedanta	-4.33	-6.14	7559631	6857659
Sun Pharma	-4.30	-6.41	5446432	4213781
Yes Bank	-8.42	-18.94	220546903	96368490

Bulk and Block Deals

<https://www.nseindia.com/products/content/equities/equities/bulk.htm>
<http://www.bseindia.com/markets/equity/EQReports/BulknBlockDeals.aspx>

Market in Retrospect

Indian equity benchmarks ended lower after the Finance Minister's Nirmala Sitharaman Union Budget failed to impress investors.

The Nifty 50 closed at 11,811.15, up 0.19%. NIFTY Finance was the top gainer, gaining by 1.79% followed by NIFTY FMCG which gained by 1.45%. NIFTY Metal was the top loser, losing by 4.33%.

Indiabulls Housing Finance was the top gainer, gaining by 19.69%, followed by IndusInd Bank & UPL, which gained by 8.65% & 6.53% respectively. Yes Bank was the top loser, losing by 18.94%, followed by Sun Pharma, Vedanta, which fell by 6.41% & 6.14% respectively.

Market in Detailed (Updated after 4:00 PM)

MSCI Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est. PE	PB Ratio	Est PB
World	2215.168	0.08	1.69	5.69	3.04	5.68	18.57	16.54	2.47	2.34
ACWI	531.8182	0.13	1.60	5.73	2.46	5.14	17.86	16.05	2.32	2.20
Asia Pacific	162.253	0.35	1.38	5.39	-0.17	-0.21	14.60	13.78	1.45	1.38
EM	1064.626	0.47	0.93	5.97	-1.89	0.97	13.89	13.11	1.59	1.51

US European In	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est. PE	PB Ratio	Est PB
Dow Jones	26966	0.67	1.62	6.45	2.20	11.55	17.25	16.75	4.13	3.85
NASDAQ	8170.231	0.75	3.29	8.54	3.53	8.90	32.41	24.21	3.80	4.51
S&P500	2995.82	0.77	2.82	6.87	4.04	10.42	19.68	18.01	3.49	3.28
CBOE VIX	13.26	5.49	-16.18	-21.86	-2.36	-17.84	NA	NA	NA	NA
FTSE100	7587.25	-0.21	2.18	5.08	1.89	-0.21	17.94	13.14	1.77	1.73
CAC40	5602.04	-0.33	1.14	5.86	2.30	4.39	18.83	14.71	1.61	1.59
DAX	12600.43	-0.23	1.63	5.17	4.92	1.09	16.63	13.90	1.59	1.53

Asian Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est. PE	PB Ratio	Est PB
Nikkei225	21746.38	0.20	2.21	4.67	-0.28	0.93	16.18	15.47	1.65	1.55
Hang Seng	28774.83	-0.07	0.54	6.99	-3.88	2.10	11.27	11.34	1.27	1.25
STI	3366.81	-0.16	1.36	7.14	1.33	3.38	13.68	13.26	1.13	1.13
Taiwan	10785.73	0.09	0.51	3.10	0.76	1.64	16.18	15.94	1.59	1.69
KOSPI	2110.59	0.09	-0.94	2.00	-4.48	-6.51	11.96	12.77	0.85	0.89

BRIC Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est. PE	PB Ratio	Est PB
IBOVESPA	103636.2	1.56	2.89	7.96	6.72	39.01	18.80	12.99	2.19	1.99
Russian	1407.67	-0.27	1.97	8.00	14.83	20.15	5.65	6.04	0.95	0.87
SHANGHAI Com	3011.059	0.19	1.08	5.23	-7.25	10.14	14.57	11.71	1.49	1.36
SENSEX	39513.39	-0.99	0.30	-1.42	1.68	11.07	28.42	19.84	3.08	2.81
NIFTY	11811.15	-1.14	0.19	-1.75	1.24	9.87	25.66	19.13	3.00	2.72
NSE VIX	13.065	-3.44	-12.62	-16.40	-28.97	3.90	-	-	-	-

Among Asian indices, Nikkei gained 2.21%, Hang Seng gained 0.54%, STI gained 1.36%. Taiwan gained 0.51% & KOSPI fell 0.94%.

Indian Indices were impacted by Union Budget expectation & Budget declaration. NIFTY and SENSEX ended 0.19% & 0.3% up after volatility through out the week. India VIX fell 12.62%.

IBOVESPA gained 2.89% during this week, Russian index gained 1.97% & Shanghai gained 1.08% over the week.

The MSCI indices is on a positive note this week. World indices gained 1.69% & ACWI gained 1.6%. Asia Pacific gained 1.38% & EM index gained 0.93%.

The US indices are strong over the week. NASDAQ gained 3.29%, while Dow gained 1.62%. CBOE Vix fell 16.18%.

CAC gained 1.14% & DAX gained 1.63%.

Money Mkt	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
ICE LIBOR USD	2.2885	-1.06	-1.78	-7.67	-11.90	-2.09
MIBOR	-0.35	0.00	-2.94	-9.37	-12.90	-9.37
INCALL	4.5	-21.74	-18.92	-24.37	-26.23	-25.25

Agro Cmnty	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Coffee	114.75	0.97	7.54	12.78	16.85	-6.97
Cotton	67.21	-0.06	1.69	0.60	-12.59	-12.13
Sugar	12.57	0.24	-1.64	0.64	-4.63	0.40
Wheat	514	2.14	-5.95	-2.28	6.69	-5.77
Soybean	908.75	1.11	-1.03	0.28	-2.49	1.71

Forex	Rate	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
USD Index	96.928	0.17	0.76	-0.40	-0.48	2.68
EUR	1.1262	-0.20	-0.98	0.37	0.41	-3.67
GBP	0.7967	0.21	1.17	1.08	3.87	5.31
BRL	3.8021	0.72	0.46	1.44	1.49	2.94
JPY	108.06	-0.22	-0.19	0.37	3.40	2.39
INR	68.425	0.14	0.88	1.22	1.18	0.76
CNY	6.876	-0.06	-0.13	0.48	-2.31	-3.48
KRW	1170.4	-0.15	-1.34	0.70	-2.91	-4.43

Dollar Index gained 0.76% this week. EUR fell -0.98% so far this week, GBP & INR was marginally positive by 0.21% & 0.14% respectively. BRL gained 0.72%. KRW & JPY was bit soft by 0.15% & 0.22% respectively.

Energy	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
NYMEX Crude	56.85	-0.85	-4.34	10.00	-9.88	-22.06
Natural Gas	2.319	1.27	-0.22	-2.56	-16.91	-13.98

Precious Metals	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Gold(\$/Oz)	1415.24	-0.06	0.41	6.38	9.56	12.51
Silver(\$/Oz)	15.2335	-0.37	-0.53	2.88	0.82	-5.09

LME	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Copper	5920	0.03	-1.15	0.70	-8.23	-7.30
Aluminium	1807	0.95	0.95	1.18	-4.64	-13.50
Zinc	2425	-0.98	-2.02	-2.04	-16.29	-10.19
Lead	1878.5	0.03	-3.22	1.76	-5.79	-19.10
Nickel	12340	-0.08	-2.91	4.48	-6.23	-12.76

Polymer Mkt	Index	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
HDPE	990	0.00	-4.81	-7.91	-27.74
LDPE	960	1.05	-7.69	-13.51	-15.79
Injection Grade	1075	2.38	-7.33	-4.02	-16.67
General purpose	1100	3.29	-7.17	-4.35	-16.35
Polystyrene HIPS	1240	0.00	-3.13	-8.82	-25.30
Polystyrene GPPS	1190	0.00	-3.25	-8.46	-24.68

Shipping Ind	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Baltic Dry	1700	9.75	26.87	48.99	139.10	5.46
BWIRON	146.87	-1.14	-1.12	5.23	-10.16	-9.62
SG Dubai HY	6.23	2.64	46.93	104.26	91.10	51.58

Bond Yld 10Y	Yield	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
US	1.9598	0.51	-2.26	-8.20	-21.46	-30.73
UK	0.684	1.18	-17.89	-20.74	-38.71	-45.63
Brazil	4.638	-0.26	-1.88	-7.83	-12.77	-21.51
Japan	-0.155	0.00	1.90	-26.02	-434.48	-507.90
Aus	1.282	-0.77	-3.03	-13.50	-32.70	-50.58
India	6.7	-0.71	-2.60	-4.56	-8.89	-15.16

Gold gained 0.41% while Silver fell 0.53%.

Base metals were mostly soft, Copper fell 1.15%, Zinc fell 2.02%, Lead fell 3.22%, Nickel 2.91%. Aluminium managed to hold with a gain of 0.95%.

Among Energy, crude fell 4.34%, Natural gas was almost flat.

Budget Highlights

Taxes

- **No change in personal income tax rates**
- Additional **Rs 1.5 lakh tax relief** on home loan for purchase of a house up to Rs 45 lakh.
- **Custom duty hike on fuel** by 1 rupee, gold and precious items; Petrol & diesel to get costlier.
- **3% surcharge** on an income of Rs 2 crore; 7% on Rs 5 crore and above.
- **Corporate tax with turnover of up to Rs 400 crore slashed** to 25 per cent from a current rate of 30 per cent.
- **Interchangeability of PAN and Aadhaar for ITR** for those who don't have PAN cards.
- Advises GST Council to reduce tax rate on EVs from 12 per cent to 5 per cent.
- Duty has been raised on: tiles, cashew kernels, vinyl flooring, auto parts, some synthetic rubber, digital and video recorder and CCTV camera.

To promote digital payments

- **2% TDS on withdrawals of Rs 1 crore** in a year from your bank account for business payments.
- **No charge on digital payments:** MDR charges waived on cashless payment.

Ease of living

- **Aadhaar card for NRIs** on arrival in India.
- Rs 3,000 pension per month for workers from the informal sector.

Transportation

- **Inter-operable One Nation One transport card:** ATM-like Transport card for universal travel on various modes of transport (metro, road, railways etc).
- Govt plans to create MRO (Manufacturing, Repair and Operate) industry.
- PPP to be used to unleash faster development and the delivery of passenger freight services.
- Comprehensive restructuring of National Highways Programme for creation of National Highways Grid.
- Government envisions using rivers for cargo transport to decongest roads and railways.

Affordable housing

- **Rental laws to be reformed.** Modern tenancy laws will be shared with states to promote house renting.

Economy

- Fiscal deficit in FY 19 at 3.3% of the GDP.
- Govt will start raising part of borrowing in foreign currency.
- Govt external debt to GDP is among the lowest in the world.

Women empowerment

- Nari tu Narayani: Women SHG Interest Subvention Programme to be expanded to all districts in India.
- Rs 1 lakh loan to be provided for SHG women members.
- Every verified woman SHG member having a Jan Dhan account can avail Rs 5,000 rupees overdraft facility.

Banking reform

- On purchase of high-rate pooled assets of NBFC amounting of Rs 1 lakh core in this FY, govt will provide one-time 6 month credit guarantee.
- Propose to provide Rs 70,000 crore capital for PSU Banks.
- Regulation of HFCs (Housing Finance Cos) to move to RBI from National Housing Bank.

Divestment

- Govt to modify present policy of retaining 51% stake in PSUs.
- Govt to continue with strategic divestment of select CPSEs.
- Divestment target of Rs 1.05 lakh crore for FY 20.

Railways

- A new PPP model will usher in the a new dawn of Indian railways.
- Railways to be encouraged to invest more in suburban rail network via SPVs.
- Railway infrastructure will need an investment of Rs 50 lakh crore between 2018 and 2030.

MSME

- Propose easing angel tax for startups.
- Angel tax: Wont require scrutiny from I-T department for startup.
- 2% interest subvention for GST-registered MSME on fresh or incremental loans.
- 'Stand Up India' Scheme to continue till 2025.
- New television channel for start-ups.
- Pension benefit extended to retail traders with annual turnover less than Rs 1.5 crore.
- New payment platform for MSMEs to be created.

Education

- Govt to launch 'Study in India' programme to attract foreign students in higher education.
- Allocate Rs 400 crore for world-class higher education institutions in FY 20 .
- To unveil a new education policy.
- National research foundation to fund, coordinate and to promote research in the country.
- New Higher Education Commission with focus on higher autonomy.
- New national education policy to propose changes in school, higher education.

Tourism

- 17 iconic world-class tourist sites to be developed.

FDI

- Local sourcing norms will be relaxed for the single-brand retail sector.
- Govt to open FDI in aviation, insurance, animation AVGC and media.

Agriculture

- Govt to promote innovative zero Budget farming.
- 10,000 new farm produce organisations.
- 80 Livelihood business incubators and 20 technology business incubators to be set up in 2019-20 under ASPIRE to develop 75,000 skilled entrepreneurs in agro-rural industries.

Investment

- Existing KYC norms for FPIs to be rationalized and simplified to make it more investor-friendly.
- Long-term bonds for market.
- To allow FIIs & FPIs investment in debt securities issued by NBFCs.
- Credit Guarantee Enhancement Corporation to be set up long-term bonds with specific focus on infra sector
- Propose Social Stock Exchange under SEBI for listing social enterprises & voluntary organisations.
- To merge NRI portfolio route with FPI route.
- To hike statutory limit for foreign investment in some companies.
- To set up a credit guarantee enhancement corporation.
- Govt will take up measures to make RBI & SEBI depositories inter-operable.
- SEBI to mull increasing minimum public shareholding to 35% from 25%.
- User friendliness of trading platforms for corporate bonds will be reviewed, including issues arising out of capping of International Securities Identification Number.
- To deepen corporate tri-party repo market in corporate debt securities. Plan to enable stock exchanges to allow AA rated bonds as collateral.
- Annual Global Investors' Meet for attracting global players to come and invest in India.
- To allow FPIs to subscribe to listed debt papers of REITs.

For Rural India

- Gaon, Garib and Kisan are the focus of our government.
- New Jal Shakti ministry will work with states to ensure Har Ghar Jal for all rural houses by 2024.
- Pradhan Mantri Gram Sadak Yojana phase 3 is envisaged to upgrade 1,25,000 km of road length over the next 5 years.
- Govt will set up 100 new clusters for 50,000 artisans in FY 20.
- To invest Rs 80,250 cr for upgradation of roads under PM Gram Sadak Yojana.
- Every single rural family, except those unwilling, to have electricity by 2022.

Auto sector

- FAME II scheme aims to encourage faster adoption of electric vehicles through the right incentives and charging infrastructure.

Space

- India has emerged as a major space power. It is time to harness our ability commercially.
- A public sector enterprise, New Space India Limited (NSIL) has been incorporated to tap benefits of ISRO.

Sports

- To popularise sports at all levels, National Sports Education Board for development of sportspersons to be set up under 'Khelo India.'

State of the economy

- Railways will require investment of Rs 50 lakh crore from 2018-30.
- Schemes such as BharatMala, Sagarmala and UDAN are bridging rural urban divide and improving our transport infrastructure.
- 'Gandhipedia' is being developed to sensitize the youth about positive Gandhian values.
- The unambiguous mandate by the people in the recent election has set the ball rolling for the New India.
- NPAs recover Rs 4 lakh crore over the last four years, NPAs down by Rs 1 lakh crore in the last one year.
- Rashtriya Swachhta Kendra to be inaugurated at Rajghat on October 2.
- The people of India have validated their two goals for our country's future: National security and Economic growth.
- '*Yakeen ho to koi raasta niklata hai, hawa ki awt(Protection) bhi le kar chiragh jalta hai*'
- It took us over 55 years to reach \$1 trillion dollar economy, but we added \$1 trillion in just 5 years.
- We can very well reach \$5 trillion in the next few years.
- Last mile delivery stood out, citizens in every nook and corner of the country felt the difference; our objective was and continues to be *Mazbooth Desh Ke Liye Mazbooth Nagarik*.
- Government lays out 10-point vision for the New India.
- India will become \$3 trillion economy this year. We need to continue to take many structural reforms to achieve \$5 trillion economic goal.
- Connectivity is the lifeline of the economy.

Domestic News

India's June Manufacturing PMI sees moderate increases in factory orders, employment and production

The IHS Markit India Manufacturing Purchasing Managers' Index was at 52.1 in June, down from May's three-month high of 52.7 but still signalling an improvement in operating conditions across the sector. Consumer goods was the key source of growth, where robust increases in sales, output and employment were registered. Modest expansions in production and new work were noted in the intermediate goods category, but here jobs stagnated. Operating conditions in the capital goods sector were broadly unchanged. Aggregate manufacturing production increased in June. However, the overall pace of expansion eased from May and was moderate. Underpinning the slowdown in output growth was a softer rise in new work intakes. The upturn in total sales was the second slowest in nine months, ahead of that noted in April. Growth of new export orders showed signs of weakness, easing to the second slowest in over a year.

Delayed monsoon casts gloom over tractor industry

Tractor sales have shifted into the slow lane this year. The weak start to the monsoon may accentuate the decline in tractor sales. In April, brokerage firms had lowered tractor sales growth estimates for FY20 to about 5-6%, even with the assumption of a normal monsoon. Note that signs of rural distress and weakness in farm sector incomes were already visible in tractor sales, that reversed their upward movement in December. Mahindra and Mahindra Ltd, which has about a 40% share of the market, has been posting a year-on-year (yoy) decline in sales from December. Escorts Ltd, which has a 10-12% share of the market, has been reporting a decline in sales from March this year. True, price hikes helped to improve realisations compared to a year ago. But weak sales, lower operating leverage, the cost of high inventory and a rise in commodity prices took a toll on profit margins in the March quarter. Most firms reported a 100-150 basis points (bps) drop in Ebit margin yoy last quarter. Ebit is earnings before interest and tax.

India suffers driest June in five years, fears for crops

India had its driest June in five years due to a delay in monsoon rains, raising fears for crops and the broader economy. Overall, rains were a third below average, although in some states, including the sugar cane growing northern state of Uttar Pradesh, they were as much as 61%, data from the India Meteorological Department (IMD) showed. Over half of India's arable land relies on rainfall, while agriculture makes up about 15% of Asia's third-largest economy, which is already suffering a slowdown. The monsoon usually covers nearly the entire country by July 1, but has covered less than two-thirds so far this year.

Comparative Vehicle sales for the month of June' 19

Companies	Jun'19	Jun'18	YoY Chg	May'19	MoM Chg
Maruti Suzuki	124,708	144,981	-13.98%	134,641	-7.38%
Hyundai India	58,807	60,722	-3.15%	59,102	-0.50%
Toyota India	10,603	13,088	-18.99%	13,066	-18.85%
M&M	42,547	45,155	-5.78%	45,421	-6.33%
Tata Motors	51,775	62,019	-16.52%	41,718	24.11%
Ashok Leyland	12,085	14,091	-14.24%	13,172	-8.25%
Escorts	8,960	9,983	-10.25%	6,827	31.24%
Eicher Motors	58,339	74,477	-21.67%	62,371	-6.46%
TVS Motors	297,102	313,614	-5.27%	307,106	-3.26%
Hero MotoCorp	616,526	704,562	-12.50%	652,028	-5.44%
Bajaj Auto	404,624	404,429	0.05%	419,235	-3.49%
Mahindra Tractors	33,094	40,529	-18.34%	24,704	33.96%
SML Isuzu	1,214	1,564	-22.38%	1,689	-28.12%

Almost all the auto manufacturers in India recorded decline in sales owing to weak consumer sentiments across all segments in June 2019. Both rural and urban regions are going through demand distress. The primary reason behind the low consumer sentiment is the hike in vehicle prices amid strict safety regulations, lingering impact of increased axle norms, delay in monsoon, liquidity constraints and muted performance of core sectors such as infrastructure and mining. These factors have dialed down demand in both urban and rural areas. Because of dearth in demand, dealerships of the automakers are soaring with unsold cars and bikes that forced big OEMs to shutdown their plants for a minimum period of 7 days during May and June.

In terms of monthly performance, India's largest carmaker, Maruti Suzuki India Limited (MSIL) posted double-digit decline for the third consecutive time in the ongoing fiscal year. The maker of the popular models like Swift, Dzire, and Baleno has reported 16.7% drop in domestic sales at 113,031 units in June 2019 compared to 135,662 units in the same month last year. Only Mahindra & Mahindra's (M&M) passenger vehicle segment managed to show positive sales trends in the domestic market last month. The company recorded 4% growth in the month of June 2019 backed by the launch of compact SUV XUV300 and MPV Marazzo.

In the Commercial Vehicles segment, India's largest commercial vehicle manufacturer Tata Motors saw a drop of 7% at 35,722 units last month as against 38,560 units in June 2018. The market continues to exhibit subdued demand sentiment as customers are postponing purchases given the poor freight availability, the falling freight rates affecting their viability. Ashok Leyland has shown a similar trend. The company has reported 19% decline in total sales at 12,810 units in June 2019.

Owing to liquidity crunch and low demand in a rural area, Pune-based two-wheeler manufacturer, Bajaj Auto has reported a decline of 2% in its domestic sales to 229,225 units in June 2019. The sales stood at 234,576 units in June, 2018. TVS Motor saw a drop of 8 percent in the domestic market at 226,279 units last month as against sales of 246,176 units in June 2018.

SoftBank pumps in USD250 million in Ola Electric

Ola Electric Mobility has secured a funding of over INR1725 crore (about USD250 million) from SoftBank. With this latest infusion, Ola Electric Mobility (OEM) has joined the list of unicorns in India that includes names like Flipkart, Zomato, Paytm as well as its parent, Ola. Also as part of the series A, OEM had announced raising INR400 crore led by Tiger Global and Matrix India in March this year. Ola Electric is currently running several pilots involving charging solutions, battery swapping stations, and deploying vehicles across two, three and four-wheeler segments

HCL Technologies completes acquisition of select IBM products

HCL Technologies has completed the planned acquisition of select IBM products for security, marketing, commerce and digital solutions. Last December, HCL Technologies had announced that it will acquire select IBM software products for USD1.8 billion (about INR12700 crore) in an all-cash deal. As part of the deal's close, HCL takes full ownership of the research and development, sales, marketing, delivery, and support for AppScan, BigFix, Commerce, Connections, Digital Experience (Portal and Content Manager), Notes Domino, and Unica. HCL also mentioned the introduction of HCL Software, a new division that will operate this enterprise software product business and meet customer demands.

AI health tech start-up raises INR31 crores from Alteria Capital

NovoCura Tech Health Services Pvt Ltd, which owns the mfine health-tech app, has raised INR31 crore as venture debt from Alteria Capital. In April, the startup raised USD17.2 million in series B funding from SBI Investment, SBI Ven Capital, Stellaris Venture Partners and Prime Venture Partners. The AI-powered healthcare platform, which connects individuals to doctors online, plans to expand hospital network to Delhi NCR, Kolkata, Mumbai, Chennai in the coming six months.

Power Finance Corporation raises \$300 million loan from overseas

State-owned Power Finance Corporation it has raised USD 300 million loan from overseas. The loan has been jointly approved by State Bank of India Hong Kong and MUFG Bank Ltd, Singapore. This is PFC's second foreign currency borrowing in the current fiscal. Earlier, PFC raised USD 1 billion through issuance of Reg-S bonds. This was the biggest bond issuance overseas by a government-owned non-banking finance company. By concluding the USD 300 million deal PFC has already mobilised USD 1.3 billion, indicating investor's confidence in the company post acquisition of government shareholding of 52.63 per cent in REC.

Indian Hotels Company plans 10 more Taj-branded luxury hotels by 2020

IHCL Chief Executive Officer (CEO) Puneet Chhatwal said by 2020, the company would open 10 new luxury hotels in Ahmedabad, Chennai, Darjeeling, Gangtok, Goa, Alwar (Rajasthan), Tirupati, Wayanad (Kerala), and two locations in Dubai (The Palm and Jumeirah Lake Towers).

A year after floods, Kerala will waive off farm loans up to INR2 lakh

The Kerala government on Wednesday approved a decision to increase the ceiling of farm loan debt eligible for waivers from INR1 lakh to INR2 lakh, in continuation of states offering budgetary support to farmers in distress, and culminating a long-pending demand from the public and the Opposition after the 2018 floods resulted in wide-scale damage on crops. The waivers will be offered through the state's arm, the Agricultural Debt Relief Commission, a unique committee comprising bureaucrats and experts, who go from village to village, take petitions from debt-ridden farmers and grant them relief. The commission caters only to small farmers, whose annual income is less than INR2 lakh, and has availed agricultural loans from cooperative banks.

Auto dealers shut shop as sales slow

The ongoing slowdown in the automobile industry along with the liquidity crisis in the market has had a crippling effect on the dealer network. Data from the Federation of Automobile Dealers Associations (FADA), the apex body of vehicle sellers, shows that the city count of dealership closures in the last 18 months is a staggering 271 with 245 passenger vehicle dealership shutdowns. In Mumbai 34 have shut, followed by New Delhi (27), Pune (24) and Chennai (15). The data shows that, in the same 18 months, Nissan saw the most dealer shutdowns at 44, followed by Hyundai (39), Renault (21) and M&M and Tata Motors (20 each).

Supreme Court green light to end Adani-Gujarat power purchase agreement

The Supreme Court decided Adani Power Mundra was right in terminating the power purchase agreement (PPA) it had signed with Gujarat Urja Vikas Nigam (GUVNL), as it could not get coal supply on time from the Naini block of Gujarat Mineral Development Corporation (GMDC). This could set a precedent for power companies that become unable to commission their capacity or suffer losses due to insufficient coal supply. The apex court has also allowed Adani to seek a compensatory rate for the electricity it had alternatively supplied to Gujarat from its Korba power project in Chhattisgarh. The compensatory rate for Adani Power will have to be decided by the Central Electricity Regulatory Commission (CERC) within three months from the date the company approaches it.

India to launch marketing site for MSMEs on the lines of Alibaba and Amazon

Nitin Gadkari, Union minister for micro small and medium enterprises (MSME), announced that the Centre was in the process of launching a marketing website on the lines of Alibaba and Amazon to help popularize products by MSMEs and Khadi. In 5 years It is expected to contribute 50% to India's GDP and may give employment to 15 crore people.

Sikka group raises INR130 crore from NBFC to complete Noida housing project

Sikka group has raised INR130 crore from a NBFC to complete its ongoing housing project in Noida. The company announced that the NBFC is a Reserve Bank of India registered Alternative Investment Fund (AIF) but did not disclose the name. The fund has been raised in the form of debt and the same will be utilised to complete its housing project Sikka Kaamna Greens, comprising 13 towers and 1850 units, in Noida, Uttar Pradesh.

Reliance Jio Infratel plans to raise INR25000 crore for CapEx, retiring debt

Reliance Jio Infratel Private Limited, which is owned 51% by Tower Infrastructure Trust, an Infrastructure Investment Trust, and rest by Reliance Industries, plans to raise INR25000 crore to fund its capital expenditure and retire old loans. This fund raising exercise is separate from Reliance Jio, which is raising funds on its own from both domestic and overseas markets. The fund raising will be completed by the end of September quarter. Of the INR25000 crore, almost INR10000 crore will be raised as commercial paper while the rest will be long-term debt. The move will help Reliance Jio to deleverage its own balance sheet and at the same allow the two InvITs to lease the tower and fibre assets to third parties to earn revenues.

NCLAT clears decks for takeover of Essar Steel by ArcelorMittal

The National Company Law Tribunal (NCLAT) has cleared the deck for ArcelorMittal's takeover of Essar Steel, rejecting plea of the current promoters, the Ruias, and said lenders and operational creditors to the steelmaker will share the sale proceeds proportionately. The judgment has huge implications on the status of operational creditors since this class of creditors has now been placed on a par with financial creditors or lenders who form the committee of creditors (CoC). The operational creditors are, however, not part of CoC. As per Bloomberg Essar Steel's financial creditors will get 60.7% of their claims, while operational creditors will get around 60% of their claims. This means financial creditors will get around INR30030 crore (total claims INR49473 crore) and operational creditors will get INR3055 crore.

Global News

Stocks See Muted Trading in Asia as Jobs Data Loom

Asian stocks saw a muted start to trading Friday with no direction from their U.S. counterparts thanks to the American holiday. Treasury yields ticked lower as investors awaited the key U.S. jobs report. Shares across the region were little changed, as were U.S. futures. The dollar was flat along with gold. Oil fell, even amid further Middle East tensions, with the British seizure of an Iranian vessel. European shares drifted Thursday in a lackluster session marked by thin trading volumes. Core bonds in the region climbed, with German 10-year yields dipping below the European Central Bank's deposit rate for the first time.

Oil Set for Weekly Decline as Economic Woes Eclipse OPEC Curbs

Oil is set for the biggest weekly decline since May as global demand concerns outweighed an OPEC+ pact to extend supply curbs into 2020 and worries that a renewed confrontation with Iran may threaten supplies. Futures are down in New York from Wednesday's close as anxieties over demand resurfaced this week following sluggish economic numbers from the U.S. to China. The bleak figures overshadowed OPEC's agreement to roll over supply curbs, while the seizure of a tanker carrying Iranian crude to Syria by British special forces on Thursday failed to spur prices.

Land Rover Keeps Wraps on New Defender in Goodwood Hill Climb

Jaguar Land Rover sought to crank up the drama surrounding the first public outing of its revamped Defender sport utility vehicle, keeping the car in disguise on a hill climb at the Goodwood Festival of Speed. The successor to the iconic model, produced almost unchanged through seven decades, will go on sale next year with an official unveil planned in the coming months. On Thursday it remained in heavy camouflage to hide its design and help maximize the impact of a vehicle that will be more closely pored over than any other in JLR's range.

RUBBER: Futures Heading for Weekly Decline as Car Sales Soften

Most-active rubber futures in Singapore are heading for their fourth weekly decline, which would be the longest losing streak since November, after car sales in markets outside China slumped. Reports from Europe and the U.S. this week showed truck and car sales falling. The exception was China, where the Commerce Ministry reported an unexpected jump in auto sales on Tuesday. Car sales are important for rubber producers because natural rubber is mainly used to make tires.

Giant Solar Project Gets Green Light From South Australia

EPS Energy's 500-megawatt Robertstown Solar project, strategically located close to a proposed interstate transmission line, has been approved for development by the South Australia government. The A\$1.2 billion (\$845 million) solar project, located 115 kilometers (71 miles) northeast of the state capital Adelaide, would be one of Australia's biggest and will be supported by 250 megawatts of battery storage. The project will generate energy sufficient to power the equivalent of 144,000 homes and displace 815,000 tons of greenhouse gas emissions annually, EPS Energy said in a statement.

Top Copper Producer's Smelter Restart in Chile Delayed Again

Top copper producer Codelco is again delaying the return to normal operations at its Chuquicamata smelter. Some parts of the smelter are operating normally, including the flash oven and one acid plant, a Codelco official said in an email in reply to questions from Bloomberg. A second acid plant will start ramping up within the next six days and the whole facility is expected to be up and running in the third quarter, the company said. In April, Codelco Chairman Juan Benavides said the plant would be fully operational by mid-year at the latest. The facility has remained shut for more than seven months, as Codelco failed to complete the works necessary to comply with tougher environmental standards that were implemented in December.

Oil Holds Gain as U.S. Crude Supplies Extend Drop From 2017 High

Oil held gains as U.S. crude stockpiles extended declines from the highest level in almost two years, easing a glut. Futures crept lower in New York after increasing 1.9% on Wednesday. U.S. crude inventories fell for a third week, extending a drop from the highest level since July 2017 for the longest run of losses since December. While gasoline supplies decreased less than forecast in a Bloomberg survey, the draw was almost double that reported by the American Petroleum Institute.

Biden Returns to Campaign Trail With Strong Defense of Obamacare

Joe Biden returned to the campaign trail Wednesday with a defense of the Affordable Care Act, consciously drawing a contrast with other Democratic presidential hopefuls after spending weeks focused almost exclusively on President Donald Trump. "I fundamentally disagree with anyone who says scrap Obamacare," the former vice president told voters in Waterloo, Iowa, at his first public appearance since last Thursday's primary debate. "I'm against any Republican who wants to scrap it, I'm against any Democrat who wants to scrap it."

Tesla Soars as Model 3 Paces Record Quarter of Deliveries

Tesla Inc. shares surged in late trading as a record quarter of deliveries alleviated the worst fears about demand for the Elon Musk-led company's electric vehicles. The Model 3 maker handed over 95,200 cars to customers in the three months that ended in June, exceeding the previous best mark set in the last quarter of 2018. Tesla's delivery count exceeded all but one analyst's estimate in a Bloomberg News survey.

Chinese Electric Car Startup WM Seeks Up to \$1 Billion in Funds

Chinese electric-car startup WM Motor Technology Co. is seeking as much as \$1 billion in its next round of fundraising, said Chief Executive Officer Freeman Shen. The company is talking to global institutional investors, Shen said in an interview with Bloomberg TV in the city of Dalian.

World Rubber Production Drops 5.1% in January-April: ANRPC

World production of natural rubber fell 5.1% to 3.954 million tons in the first four months of 2019 from 4.165 million tons in the same period last year, trailing demand, the Association of Natural Rubber Producing Countries said Sunday in a report.

- World consumption of natural rubber +1% to 4.59m tons.
- Sentiment in physical prices remain strong amid export curtailment under the Agreed Exports Tonnage Scheme and seasonal shortages of raw material during wintering.
- Prices also supported by possibility of interest-rate cut this year signaled by U.S. Federal Reserve.

F.D.A. Names 16 Brands of Dog Food That May Be Linked to Canine Heart Disease

The Food and Drug Administration identified 16 brands of dog food that had been linked to heart disease in dogs, according to a report the agency published on Thursday. In the report, the F.D.A. named for the first time the pet food brands most frequently associated with adverse events. In descending order of most incidents of heart disease, the brands are Acana, Zignature, Taste of the Wild, 4Health, Earthborn Holistic, Blue Buffalo, Nature's Domain, Fromm, Merrick, California Natural, Natural Balance, Orijen, Nature's Variety, NutriSource, Nutro and Rachael Ray Nutrish. The heart condition examined in the report, canine dilated cardiomyopathy, often results in heart failure and is believed to have a genetic component, according to the report. The disease usually affects large breeds, but the F.D.A. said it knew of smaller dogs that had also been afflicted.

PMI Update

China's Manufacturing PMI in June shows lowest reading since January

China's Caixin/Markit factory Purchasing Managers' Index for June came in at 49.4 — the lowest since January when the indicator came in at 48.3. The lackluster reading was due to new orders falling into contractionary territory, pointing to shrinking domestic demand. The index measuring new export orders was also in negative territory.

Japan's Manufacturing PMI for June hits a 3 month low

Japan Manufacturing Purchasing Managers' Index (PMI) dropped to a seasonally adjusted 49.3 from 49.8 in May, and also down from a preliminary reading of 49.5. The index was at its lowest since March. The final reading for new export orders was 46.1, the worst slump since January, and underlining that frail global demand remains a major pressure point for the world's third-largest economy.

Events

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

Company	Record Date	Ex-Date	Details
Mindtree Ltd			Cash Dividend of INR20 effective 08/07/2019
Supreme Petrochem Ltd			Cash Dividend of INR2 effective 08/07/2019
JSW Steel Ltd			Cash Dividend of INR4.1 effective 08/07/2019
Can Fin Homes Ltd			Cash Dividend of INR2 effective 09/07/2019
GRUH Finance Ltd			Cash Dividend of INR2 effective 09/07/2019
UltraTech Cement Ltd			Cash Dividend of INR11.5 effective 10/07/2019
Swaraj Engines Ltd			Cash Dividend of INR25 effective 11/07/2019
Atul Ltd			Cash Dividend of INR15 effective 11/07/2019
Larsen & Toubro Infotech Ltd			Cash Dividend of INR15.2 effective 11/07/2019
Mphasis Ltd			Cash Dividend of INR27 effective 11/07/2019
DCM Shriram Ltd			Cash Dividend of INR1.6 effective 12/07/2019
Jyothy Laboratories Ltd			Cash Dividend of INR3 effective 12/07/2019
Cera Sanitaryware Ltd			Cash Dividend of INR13 effective 12/07/2019

Domestic Events

- **July 12, 2019:-** India Foreign Exchange Reserve for July 05, 2019., India Industrial Production for May 2019., India CPI Inflation for June 2019.

Global Events

- **July 08, 2019:-** Japan Current Account Balance for May 2019.
- **July 09, 2019:-** Japan Machine Tools Orders for June 2019.
- **July 10, 2019:-** China Inflation Rate for June 2019., Euro Area Non-Monetary Police Meeting., The U.S. FOMC Minutes., The U.S. MBA Mortgage Application for the week ended July 05, 2019.
- **July 11, 2019:-** China Vehicle Sales for June 2019., The U.S. Initial Jobless Claims for July 06, 2019., The U.S. Inflation Rate for June 2019.
- **July 12, 2019:-** China Balance of Trade for June 2019., China FDI for June 2019., Japan Industrial Production for May 2019., Euro Area Industrial Production for May 2019.

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.

Disclaimer

Analyst Certification:

We /I, Jaydeb Dey, and Deepankar Saha, Research Analyst(s) of Stewart & Mackertich Wealth Management Limited (in short “Stewart & Mackertich/ the Company”), authors and the names subscribed to this Research Report, hereby certify that all of the views expressed in this Research Report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this Research Report. It is also confirmed that We/I the above mentioned Research Analyst(s) of this Research Report have not received any compensation from the subject companies mentioned in the Research Report in the preceding twelve months and do not serve as an officer, director or employee of the subject companies mentioned in the Research Report.

Terms & Conditions and Other Disclosures:

Stewart & Mackertich Wealth Management Ltd is engaged in the business of Stock Broking, Depository Services, Portfolio Management and Distribution of Financial Products. Stewart & Mackertich Wealth Management Ltd Limited is a registered as Research Analyst Entity with Security & Exchange Board of India (SEBI) with Registration Number – INH300001474.

Stewart & Mackertich and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. Stewart & Mackertich generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this Research Report have been prepared by Stewart & Mackertich and are subject to change without any notice. The Research Report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Stewart & Mackertich Wealth Management Ltd. While we would endeavor to update the information herein on a reasonable basis, Stewart & Mackertich is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Stewart & Mackertich from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or policies of Stewart & Mackertich Wealth, in circumstances where Stewart & Mackertich might be acting in an advisory capacity to this company, or in certain other circumstances.

Disclaimer

This Research Report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This Research Report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this Research Report at the same time. Stewart & Mackertich will not treat recipients as customers by virtue of their receiving this Research Report.

Nothing in this Research Report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this Research Report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Stewart & Mackertich accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this Research Report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

Since associates of Stewart & Mackertich are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this Research Report.

Stewart & Mackertich or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the Research Report as of the last day of the month preceding the publication of the Research Report.

Stewart & Mackertich encourages independence in Research Report preparation and strives to minimize conflict in preparation of Research Report. Accordingly, neither Stewart & Mackertich and their Associates nor the Research Analysts and their relatives have any material conflict of interest at the time of publication of this Research Report or at the time of the Public Appearance, if any.

Stewart & Mackertich or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

Stewart & Mackertich or its associates might have received any compensation from the companies mentioned in the Research Report during the period preceding twelve months from the date of this Research Report for services in respect of managing or co-managing public offerings, corporate finance, investment banking, brokerage services or other advisory service in a merger or specific transaction from the subject company.

Disclaimer

Stewart & Mackertich or its associates might have received any compensation for products or services other than investment banking or brokerage services from the subject companies mentioned in the Research Report in the past twelve months.

Stewart & Mackertich or its associates or its Research Analysts did not receive any compensation or other benefits whatsoever from the subject companies mentioned in the Research Report or third party in connection with preparation of the Research Report.

Compensation of Research Analysts is not based on any specific Investment Banking or Brokerage Service Transactions.

The Research Analysts might have served as an officer, director or employee of the subject company.

Neither the Research Analysts nor Stewart & Mackertich have been engaged in market making activity for the companies mentioned in the Research Report.

Stewart & Mackertich may have issued other Research Reports that are inconsistent with and reach different conclusion from the information presented in this Research Report.

Stewart & Mackertich submit' s that no material disciplinary action has been taken on the Company by any Regulatory Authority impacting Equity Research Analysis activities.

This Research Report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Stewart & Mackertich and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

For queries related to compliance of the report, please contact: -

Sudipto Datta, Compliance Officer

Stewart & Mackertich Wealth Management Ltd.

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 /91 33 6634 5414

Email Id.: compliance@smifs.com / sudipta@smifs.com

Website: www.smifs.com