

WEEK THAT WENT BY

Finally, some New Year cheer on Dalal Street, as the Indian equity markets hit fresh lifetime highs, in-line with its US and Asian peers. The pre-budget rally also seems to have begun after consolidating for over eight weeks.

Indian Market			
	Weekly Close	Points	%
Sensex	34,154	97	0.28
Nifty	10,559	28	0.27
NiftyBank	25,602	62	0.24

Core sector growth at its fastest pace, monthly auto sales numbers and December month manufacturing data signaling revival, were some of the key factors that triggered indices to surpass previous peak.

Nifty Gainers		%	Nifty Losers		%
RPOWER	16.8		RCOM	(5.9)	
JINDALSTEL	16.6		BPCL	(5.8)	
ADANIENIT	16.1		GMRINFRA	(5.6)	
RNAVAL	16.0		PAGEIND	(4.3)	

India's core infrastructure sectors during November grew 6.7% (yoy), the fastest pace of expansion in 13 months. Cumulative growth for eight core sectors during first eight months of this fiscal year (FY18) was reported at 5.3%, much higher than the reading of 3.9% during the same period last year.

Developed Markets (Weekly)			
	Close	Points	%
Dow Jones	25,075	301	1.21
Nasdaq	7,078	139	2.00
S&P 500	2,724	41	1.54
Nikkei	23,715	931	4.08

For the week, Nifty and Sensex both marginally gained by 0.2% each.

Sector Gainers		%	Sector Losers		%
Metal	4.8		Oil & Gas	(0.8)	
Consumer Durables	4.7		Auto	(0.8)	
Capital Goods	3.9		IT	(0.7)	
Basic Materials	3.8		Teck	(0.2)	

Manufacturing activity expanded at the fastest pace in 5 years in the month of December. The Nikkei India Manufacturing PMI rose to 54.7 in December from November's 52.6.

Date	FII (Cr)	DII (Cr)
4-Jan-18	212	325
3-Jan-18	96	(269)
2-Jan-18	523	65
1-Jan-18	326	(1300)

Hexaware - Buy between ₹357-361 Target Price ₹385, Stop Loss ₹349

The stock has been consolidating for the past eight weeks and has finally broken out from a Flag Pattern on the weekly charts. The price breakout has been accompanied with smart uptick in traded volumes.

Relative strength and other momentum oscillators are also indicating that the current move is likely to extend further. We expect Hexaware to rally by another 7.2% in the near term.

Hexaware Daily Chart:



Technical View...

Nifty extended winning streak and hit fresh life time highs for the 2nd consecutive week. Nifty has broken out from another consolidation pattern. Projection suggests that Nifty is all set to move higher towards the 10,620-10,640 zone.

Bank Nifty too has broken out from a declining channel pattern indicating the index is likely to move towards the 25,780 levels, which is the immediate resistance for Bank Nifty. Crucial support zone is set at 25,320 levels.

The quarterly results season kicks off next week with heavyweights like TCS, Infy and IndusInd Bank scheduled to release their earnings. Dec CPI and Nov IIP data would be released on Jan 12. Further, currency and crude oil moves will also be closely tracked for further direction.

Nifty Daily Chart



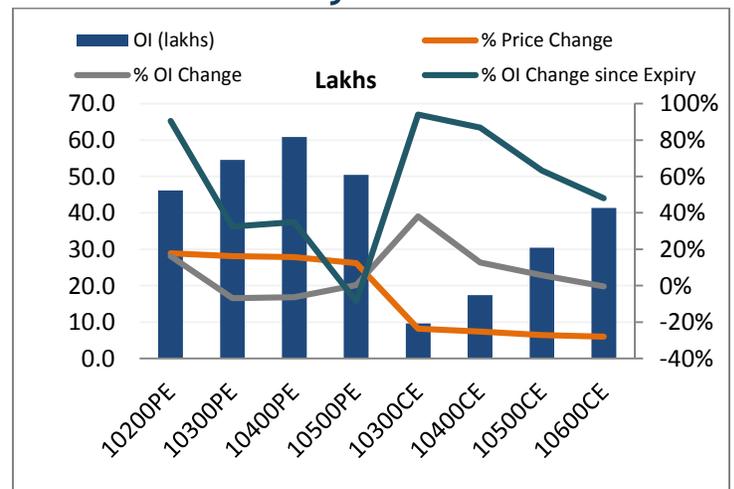
Derivative Indicators...

Markets continued the uptrend, in-line with global peers, with Nifty futures closing at lifetime highs. Nifty futures ended the week up 0.20% at 10,578. Markets traded in a narrow range during the initial part of the week before finally witnessing a breakout above its resistance level of 10,550.

Bank Nifty futures ended the week up 0.36% at 25,661. Heavy put writing was witnessed in 10,400 and 10,500 strikes, which would act as the main support for Nifty futures in the coming week. Highest O.I for Nifty in the current series is placed at 11000CE and 10400PE, while for Bank Nifty, the highest O.I is placed at 26000CE and 25000PE (11th Jan Expiry)

India VIX ended at 13.11, up 3.49% WOW.

Most Active Nifty Strikes



Gold technical forecast

Gold prices edged higher this week after closing above the resistance levels of ₹29,050 last week due to a weak dollar index. Last year was known for strong equity market and a massive rally in cryptocurrencies. Gold still managed to deliver double digit returns last year even though a large sum of money went into equities and cryptocurrencies.

This year, we can expect the same performance from equities like last year, which will benefit gold prices in the long run. This week, gold prices struggled to sustain above ₹29,280 levels. On the daily chart, RSI is above 60 levels, which indicates strong momentum in prices. Daily close above ₹29,280 levels can push prices higher towards ₹29,400/29,450 levels.



Crude oil prices rally to continue

Crude oil prices have been trading in a sideways range, unable to break the high of 3,900 for the past three years. However, we can see from the weekly charts that prices have finally given a breakout and are sustaining above the same. Momentum indicator, RSI has moved above 60 mark on weekly charts suggesting high momentum in prices.

Sustaining above the horizontal resistance level of 3,900 could be the key factor for crude oil prices to reach towards 5,000 mark as it had taken three years to form a base like structure.

Further, geopolitical tensions arising due to protests in Iran, US President Donald Trump's statements, North Korea's frequent missile tests support crude oil prices to head higher.

Positive inventories from last two weeks are giving the final lift to the prices to achieve its milestone of 5,000 levels. Based on these factors, we expect crude oil prices to remain strong for the coming few months.

Crude Daily Chart



New Fund Offers (NFO) - December 2017

Scheme Name	Category	Type	Open Date	Close Date
UTI LT Adv Fund-VI(G)	Equity - ELSS	Close-ended	5-Oct-17	12-Jan-18
BOI AXA Midcap Tax Fund-Sr 1-Reg(G)	Equity - ELSS	Close-ended	10-Nov-17	9-Feb-18
SBI LT Advantage Fund-V-Reg(G)	Equity - ELSS	Close-ended	21-Dec-17	20-Mar-18
UTI LT Adv Fund-VII(G)	Equity - ELSS	Close-ended	21-Dec-17	21-Mar-18
ICICI Pru LT Wealth Enhancement Fund(G)	Equity - ELSS	Open-ended	22-Dec-17	21-Mar-18
Sundaram LT Tax Adv Fund-Sr III-Reg(G)	Equity - ELSS	Close-ended	27-Dec-17	27-Mar-18
Reliance Capital Builder Fund-IV-D(G)	Equity - Mid-cap	Close-ended	29-Dec-17	12-Jan-18

Fixed Maturity Plans (FMP) - December 2017

Scheme Name	Tenure	Open Date	Close Date
Franklin India FMP-2-C-1205D(G)	1205	26-Dec-17	9-Jan-18
L&T FMP-XVI-C-1217D(G)	1217	26-Dec-17	9-Jan-18
L&T FMP-XVI-D-1255D(G)	1255	26-Dec-17	9-Jan-18
UTI FTIF-XXVIII-V(1190D)(G)	1190	1-Jan-18	10-Jan-18
Reliance FHF-XXXV-14-1214D(G)	1214	3-Jan-18	10-Jan-18
Reliance FHF-XXXV-15-1207D(G)	1207	5-Jan-18	17-Jan-18
Reliance FHF-XXXV-16-1330D(G)	1330	5-Jan-18	19-Jan-18
ICICI Pru FMP-82-1219D-D(G)	1219	6-Jan-18	10-Jan-18
Aditya Birla SL FTP-PA-1177D-Reg(G)	1177	15-Jan-18	15-Jan-18

- ✧ Gold prices remained strong despite the release of robust US economic numbers, warranting tighter Fed monetary policy.
- ✧ The bullion markets are pricing in the uncertainty around the Iranian unrest and not too much focused on US macro numbers. Stable global economic backdrop and buoyant equities will eventually dent the safe haven appeal of the yellow metal.
- ✧ According to official data, US private employers during December created 250,000 jobs, the highest level since March this year.
- ✧ Market participants now look forward to the official non-farm payroll numbers, where expectations are calling for an addition of around 200,000 jobs.
- ✧ Federal Reserve Bank of Atlanta expects US Q4 GDP to have expanded by 3.2%, up from the earlier estimate of 2.8%.
- ✧ Oil futures traded on a firm note, helped by inventory drawdown in US and supply side concerns pertinent to Iran. In US, frigid weather conditions have led to an increase in oil demand, as a result refining activity is on surge.
- ✧ Euro hovered around three year high, as strong macroeconomic fundamentals in the Euro region has given birth to the perception that the ECB will end the monetary stimulus this year and probably embark on monetary policy tightening early next year.
- ✧ US dollar has surprisingly failed to capitalize on the recent tax reforms and prospects of two-three policy rate hikes this year. There is certainly an element of mis-pricing in the currency markets and US dollar will eventually gain ground in the wake of strengthening economy and resilient consumer spending and business investments.

- ✧ **Varun Beverages** enters into a strategic partnership with PepsiCo India for Tropicana.
- ✧ **HCL Tech** terminates pact with GAIC for India joint venture.
- ✧ **JSW Energy** incorporates JSW Solar to pursue business opportunities in renewable energy space.
- ✧ **Take Solutions** incorporated subsidiary Navitas Life Sciences in Columbia.
- ✧ **Indian Overseas Bank** to utilise ₹7,650.1cr in share premium account to write off ₹6,978.94cr losses.
- ✧ Government seeks bids from advisors for sale of **Dredging Corp, HLL**.
- ✧ **Samvardhana Motherson Int.** acquires MS Global India
- ✧ **Idea Cellular** to raise ₹3,250cr from promoter group via pref. issue
- ✧ **Tata Motors**, Canada's Westport ink pact for BS-VI compliant engines
- ✧ **HDFC Ltd** said its third quarter profit on the sale of investments stood at ₹5,270cr compared to ₹3cr a year ago.
- ✧ **Coal India** examining feasibility of producing methanol
- ✧ **SJVN** to consider share buyback on January 8, 2018
- ✧ **Bank of Maharashtra** to raise ₹650cr via equity
- ✧ **NBCC** secured total business of ₹315cr in December
- ✧ **Kridhan Infra's** ₹128cr institutional share sale closes. Investors include Singapore government, DSP Blackrock and HDFC AMC
- ✧ **KM Sugar Mills** sold 7.30 lakh shares (73%) in subsidiary KM Energy
- ✧ **Tata Motors:** JLR US sales down 9% yoy to 11,394 units in Decembers 2017. For the full year 2017, JLR US sales reached 114,333 units, up 9% yoy
- ✧ **HPCL** says **ONGC** may pay ₹45,000cr (45% premium to market cap) for company's stake
- ✧ **Greaves Cotton** to make new BS-VI engines for Piaggio
- ✧ **ONGC** to start gas production from five fields in Assam's Jorhat
- ✧ **Reliance Industries** commissions a refinery off-gas cracker at Jamnagar with a capacity of 1.5 MMTPA.
- ✧ **Titan** says Q3 jewellery retail growth is in-line with the company's expectation
- ✧ **Punjab and Sind Bank** to raise ₹1,000cr via equity
- ✧ SEBI revoked the shell company status of **Gallantt Ispat**.
- ✧ **Dixon Technologies** commences manufacturing of CCTVs and DVRs at its Tirupati facility.

- ✧ **VST Tillers** December sales up 79% to 3,615 units.
- ✧ **Dr Reddy's** gets USFDA nod for guaifenesin pseudoephedrine tablets
- ✧ **SBI** keeps marginal cost loan rates unchanged, cuts Base Rate by 30bps
- ✧ Salil Parekh to take over as **Infosys** CEO, MD.
- ✧ **Prestige Estates** to buy Capitaland's stake in various entities for ₹342cr.
- ✧ **Bajaj Hindusthan** successfully implements S4A scheme.
- ✧ **GAIL** commissions India's second largest rooftop solar plant.
- ✧ **SRF** commissions 40,000 tonnes per annum chloromethanes plant at Dahej.
- ✧ **Thermax** wins ₹327cr order for a co-generation power plant.
- ✧ **JM Financial** seeks shareholders' approval to raise ₹650cr.
- ✧ **Coal India** December output stands at 5.46cr tonne vs. 5.88cr tonne target.
- ✧ **Axis Bank** to sell ₹2,000cr Bhushan Steel loan.
- ✧ **Adani Power, Neyveli Lignite** and Sembcorp Vie to buy stake in GMR's power projects.
- ✧ **ITC, JK Paper** among potential suitor for Sirpur Paper.
- ✧ **Bharti Airtel** is set to enter into a deal to distribute Amazon's content through Airtel TV app.
- ✧ **Cadila Health** gets USFDA final nod for Herpes Drug Valacyclovir USP.
- ✧ **Spice Mobility** to invest ₹12.5cr in 0.1% CCPS of Luharia Technologies.
- ✧ **Infosys** to divest investment in ANSR Consulting for \$1 million.
- ✧ Government to infuse ₹1,375cr in **UCO Bank** through preferential allotment.
- ✧ **Axis Bank** says report of bids for GMR Chhattisgarh are factually incorrect.
- ✧ **Oil India** makes 2 new hydrocarbon discoveries in Dumduma PL in the Upper Assam Basin.
- ✧ **NTPC** says unit 2 of Kudgi project to start operation from Dec. 31.
- ✧ **IDBI Bank** sells 2.6 cr shares or 4.89 equity in SIDBI.
- ✧ **GAIL** awards major contracts for Pradhan Mantri Urja Ganga
- ✧ **Canara Bank** decides not to sell its stake in Canara Robeco AMC.
- ✧ **Patel Integrated Logistics** to acquire 3 acres of land in Chennai for the construction of warehouse and transshipment facility.

- ✧ International Finance Corp sold 75 lakh shares or 1.5% equity at ₹125.52 each of **Jain Irrigation**.
- ✧ Afrin Dia sold 34.88 lakh shares or 2% equity at ₹220.4 each of **Gayatri Projects**.
- ✧ Macquarie Finance (India) pvt ltd sold 25 lakh shares or 2.1% equity at ₹73.5 each of **Gitanjali Gems**.
- ✧ MV Mauritius sold 4.30 lakh shares or 1% equity at ₹427.01 each of **Satin Credit Care**.
- ✧ LTS Investment Fund bought 2.45 lakh shares or 0.5% equity at ₹163.5 each of **Nandan Denims**.
- ✧ Amrit India Value Fund sold 1.40 lakh shares or 0.9% equity at ₹97.2 each of **Aro Granite**.
- ✧ Promoter Divyabala Shah sold 4.14 lakh shares or 6% equity at ₹22.35 each of **Veer Health**.
- ✧ Kotak Mahindra MF bought 2.75 lakh shares or 5.5% equity at ₹655.61 each of **Apollo Pipes**.
- ✧ UNO Metals bought 47.25 lakh shares or 0.8% equity at ₹10.87 each of **Subex**. QVT Mauritius West Fund – FCCB A/c sold 70.72 lakh shares or 1.3% equity at ₹10.9 each.
- ✧ Aspire Emerging Fund sold 2.65 lakh shares at ₹8.07 each of **Euro Ceramics**.
- ✧ IL&FS Financial Services sold 94 lakh shares or 1.3% equity at ₹63.02 each of **Reliance Naval**.
- ✧ Eriska Investment Fund sold 8.50 lakh shares or 0.6% equity at ₹21.83 each of **Uttam Galva Steel**.
- ✧ Sunglow Capital sold 3.10 lakh shares or 1.6% equity at an average of ₹453.3 each of **Ashapura Intimates Fashion**.
- ✧ Garnet International bought 17.62 lakh shares or 7% equity at an average of ₹127.7 each of **Websol Energy System**.
- ✧ QVT Mauritius West Fund – FCCB A/C sold 34.76 lakh shares or 0.6% at ₹10.42 each of **Subex**.
- ✧ Orange Mauritius Investment sold 5 lakh shares or 1% at ₹1.8 each of **Gujarat NRE Coke**.
- ✧ SmallCap World Fund sold 8.30 lakh shares at ₹932.78 each of **BSE**.
- ✧ Promoter Neelu Gupta sold 1 lakh shares at ₹420 each of **PG Electroplast**.
- ✧ IA Diversified Fund bought 50.65 lakh shares at ₹92.98 each of **IRB Invit**.
- ✧ Oswal Greentech sold 13.09 lakh shares at ₹35.52 each of **Monnet Ispat**.

Recommendation Parameters for Fundamental/Technical Reports:

- Buy – Absolute return of over +10%
- Accumulate – Absolute return between 0% to +10%
- Reduce – Absolute return between 0% to -10%
- Sell – Absolute return below -10%

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