

Nifty Notes

The domestic equity market headed nowhere for the entire session on Tuesday and continued to face resistance at its previous high of 10,114. But a sharp upward move in the last 30 minutes of trade saw the benchmark Nifty50 test a new high once again.

The benchmark index ended the day with net gains of 37.55 points or 0.37 per cent. Though we expect a quiet opening on Wednesday, some uptick still cannot be ruled out.

However, two major points warrant our attention.

First, the Nifty has been rising along with a decline in market breadth and secondly, the upward moves have come with rising VIX, which has grown over 8 per cent in last two sessions.

On Wednesday, the Nifty could see the 10,150 and 10,210 levels play out as immediate resistance, while supports will come in lower at 10,025 and 9,960 levels.

Overall, the market is also expected to show volatile reaction to the credit policy outcome. A 25 bps rate cut is likely but the market will just need a reason to react in a volatile manner. Also, pattern analysis read along with F&O data suggests some corrective action is long overdue. In the case of a continuous uptrend, an extremely high degree of caution is advised for the day. .

SUPPORT : 10025/9960

RESISTANCE 10150/10210

Corporate News

- ◆ Lupin receives USFDA approval for generic anti-inflammatory ointment. Lupin shares on Tuesday ended 1.36 per cent down at Rs 1,018 apiece on BSE.
- ◆ NTPC plans to add 20 charging stations for electric vehicles soon. NTPC is planning to add 25,000 MW of solar capacity by 2025.
- ◆ Royal Enfield July sales up 21% at 64,459 units. The company had sold 53,378 units in the same month last year.
- ◆ Honda Cars India domestic sales up 22% at 17,085 units in July. HCIL President, CEO Yoichiro Ueno said good growth with strong sales numbers was seen.
- ◆ TVS Motor reports 10% growth in two-wheeler sales in July 2017. The company sold 7,835 units of three-wheelers during the month.
- ◆ Piramal Enterprises Q1 net profit up 43% to Rs 247.46 crore. The firm had posted a net profit of Rs 172.93 crore during the April-June quarter of FY17. Tata Steel completes sale of Submerged Arc Weld in UK. Tata Steel said it would retain its 20-inch tube mill at the same Hartlepool site.

Economic News

- ◆ Govt to sell 4% in Hind Copper at Rs 64.75 a share tomorrow. The share sale can together fetch up to Rs 480 crore to the exchequer.
- ◆ Direct tax collection up 21% to Rs 1,80,000 crore till mid-Jul FY18. The govt aims to collect Rs 9.8 lakh cr through direct taxes in 2017-18.
- ◆ Centre financed 60% of J & K govt expenditure in FY16: CAG. CAG also highlighted the state's increasing dependence on transfer of resources from the Centre.
- ◆ RBI policy: Economists expect a 25 basis points cut tomorrow. Even as IIP forecast for June remains dim and retail inflation remains sluggish, calls for long term.

Global News

- ◆ Eurozone economy grows twice as fast as UK's for second straight quarter. GDP increased 0.6% on the quarter, after slightly downwardly revised 0.5% in Q1.
- ◆ Trump removes Anthony Scaramucci as White House communications director. • Trump was annoyed about Scaramucci's lewd comments to The New Yorker magazine.

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