

Market Wrap

Indian shares fell sharply on Wednesday, tracking weak cues from Asia and Europe as the U.S. government shutdown entered its 12th day and manufacturing data from China disappointed investors.

Weak December sales data from automakers also weighed on markets. The benchmark 30-share BSE Sensex ended the session down 363.05 points or 1.0 percent at 35,891.52 while the broader Nifty index tumbled 117.60 points or 1.08 percent to 10,792.50.

Automakers Tata Motors, Hero Moto Corp and Mahindra & Mahindra fell 3-4 percent after unveiling their December sales figures.

Eicher Motors slumped as much as 9.4 percent after total sales of its Royal Enfield two-wheeler division declined 13 percent in December.

Commodity-related Hindalco, Vedanta, Tata Steel and JSW Steel dropped 4-5 percent as weak manufacturing data stirred concerns over growth in top metals consumer China.

A private survey showed that China's manufacturing sector contracted for the first time in 19 months in December, due to ongoing trade frictions between the world's two largest economies. The Caixin/Markit manufacturing PMI dropped to 49.7 from 50.2 in November.

Technical View



The Nifty after opening lower at 10,868.85 followed by range bound trade extended losses in the afternoon and hit an intraday low of 10,735.05. It managed to show some recovery from day's low but still ended sharply lower by 117.60 points at 10,792.50 and formed bearish candle on the daily charts.

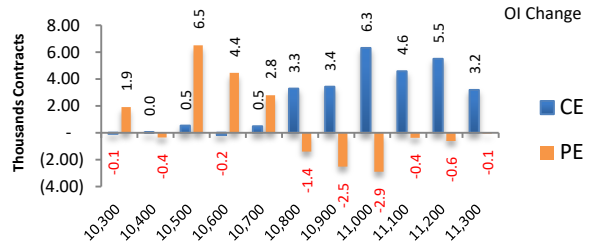
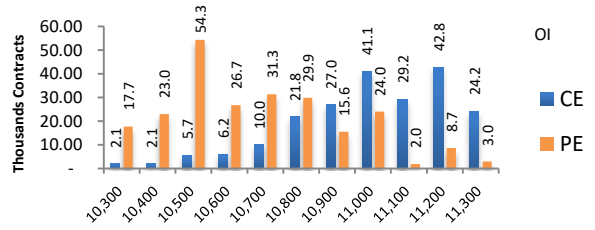
Index was making higher highs for last five sessions but in yesterday's session it broke previous day low and closed below that. In this process nifty formed strong bearish candle on daily chart. Nifty managed to close above 200 DMA levels which was placed at 10784. any fall below this level nifty can try to test 50 DMA which is at 10626.

Nifty failed to cross decisively 100 DMA levels which continues to remain short term resistance zone. Expect market to remain volatile with negative bias and may find some short term resistance near 10850 and 10930 levels. Whereas on down side 10760 and 10630 levels can act as short term support.

Nifty Derivative Activity

Index	NIFTY	Change
Fut Closing	10830.85	-1.2%
Prem /Disc	38.35	-12.10
OI Qty	2.49 cr.	3.7%
Nifty PCR	1.15	
Highest OI	11200 CE	10500 PE

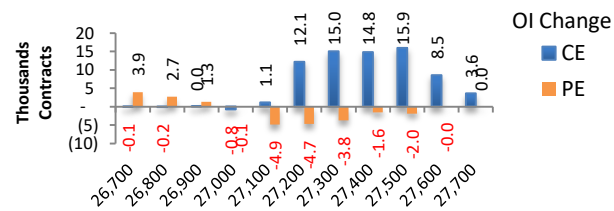
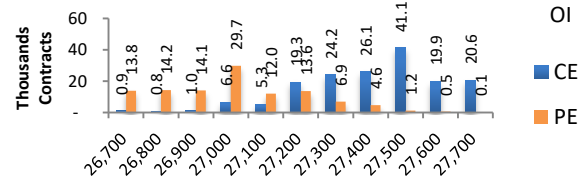
- Yesterday NIFTY future was down -1.18% with increase in OI by 3.67%.
- Put OI addition was seen at 10500 followed by 10600 and Call OI addition was seen at 11000 followed by 11200.
- As per current option data Immediate Resistance is around 11000 & Major Resistance is around 11200.
- As per current option data Immediate Support is around 10700 & Major Support is around 10500.



Bank Nifty Derivative Activity

Index	BANKNIFTY	Change
Fut Closing	27268.5	-0.9%
Prem/Disc	93.80	-19.45
OI Qty	0.58 cr.	6.9%
Highest OI	27500 CE	27000 PE

- Yesterday BANKNIFTY future was down -0.86% with increase in OI by 6.92%.
- Put OI Reduction was seen at 27200 followed by 27100.
- Call OI addition was seen at 27500 followed by 27300 which can act as short term resistance.

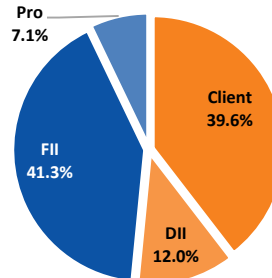


Participants wise OI Activity

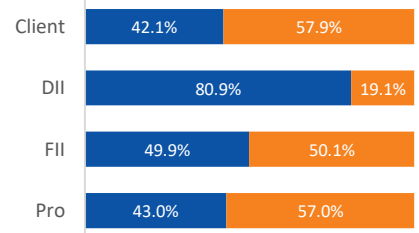
Participant wise OI Activity (Fig in '000 Contracts)

Participant Type	Index Fut Activity	Call Activity	Put Activity
Client	-7.1	4.0	0.0
DII	4.1	-1.0	0.0
FII	6.6	4.4	19.8
Pro	-3.6	-7.4	-19.8

Index Future OI %



Future Index Long Future Index Short



- Yesterday, FII had added Long 6.6K Contracts in Index Futures and Clients had added Short 7.1K Contracts.
- FII had added Call Long by 4.4K Contracts and added Put Long by 19.8K Contracts.
- Clients had added Call Long by 4K Contracts and added Put Long by 0K Contracts.

Market Buzz

- **Manufacturing PMI Dips** India's manufacturing sector activity slowed down in December from the previous month but remained the second highest in 2018 as companies continued to scale up production and employment in response to strong inflows of new business. The Nikkei India Manufacturing Purchasing Managers' Index fell to 53.2 in December from 54 in November, the highest in 11 months. This was, however, the 17th consecutive month that the manufacturing PMI remained above the 50-point mark.
- **Gold** futures rose, extending their best quarterly rally in more than a year as concern over China's economic outlook weighed on global equities and industrial metals. Bullion hit a six-month high, nearing \$1,300 an ounce, after a report showing a contraction in China manufacturing renewed wild gyrations across equity markets, with Europe and Asia's slumping, boosting demand for haven assets. Factory gauges in Italy and Poland also sank. The dimming demand picture in China, the world's largest base-metals user, pushed copper to its biggest loss in two weeks while an index of 70 mining companies slid.
- **Swap Ratio For Three-Way Merger** :The merger between Bank of Baroda, Dena Bank and Vijaya Bank moved a step closer to completion with the Union Cabinet approving the deal and banks announcing share swap ratio for the transaction. For every 1,000 shares of Dena Bank worth Rs 10 each, Bank of Baroda will issue 110 shares of Rs 2 each, the lender said in a stock exchange notice. Also, Vijaya Bank's shareholders will get Bank of Baroda's 402 shares of Rs 2 each for every 1,000 shares of Rs 10. According to BloombergQuint calculations, the swap ratios imply that: Dena Bank has been valued at a discount of 27 percent to the current market price. Vijaya Bank has been valued at a discount of 6 percent to the current market price.
- **Reliance Jio Adds Over 1 Crore Customers In October Even As Airtel, Vodafone Idea Shed Users.** Only two operators, Reliance Jio Infocomm Ltd. and state-run Bharat Sanchar Nigam Ltd., added new subscribers in October, leading to a marginal growth in overall telecom user base to 119.2 crore, according to the Telecom Regulatory Authority of India. Reliance Jio and BSNL jointly added over 1.08 crore new mobile phone customers, while rest of the operators -- Vodafone Idea Ltd., Bharti Airtel Ltd., Tata Teleservices Ltd., Mahanagar Telephone Nigam Ltd. and Reliance Communications Ltd. -- lost more than 1.01 crore customers. Reliance Jio alone added over 1 crore users, while BSNL added 3.66 lakh customers.
- **Jet Airways Defaults:** Jet Airways India Ltd. has failed to repay its lenders amid ongoing cash crunch and financial stress. The company said in an exchange filing that it missed payment of interest and principal installment due on Dec. 31, 2018 to a consortium of Indian banks led by India's largest lender State Bank of India due to "temporary cashflow mismatch." Jet Airways had earlier mentioned that its liquidity position is stretched, and it has been delaying some payment to vendors and employees. It is the first time that the private carrier has defaulted on a loan repayment. The Naresh Goyal-led airline owed as much as Rs 3,364 crore to Indian banks as on Sept. 30 and needs to meet a debt repayment obligation of over Rs 1,500 crore in the current financial year.
- **Tata Power:** Maharashtra Electricity Regulatory Commission gave the green signal to Mumbai Transport Undertaking 'BEST' to extend its existing 667MW power purchase agreement with the company for five years till March 2024. This power will be supplied from Tata's Trombay Thermal and Hydro Plants.
- **Asian Granito** clarified that it has already paid Rs 3.5 crore differential duty under protest based on the findings of Directorate of Revenue Intelligence and cannot assess the impact of such default at this stage.
- **Advanced Enzymes Technologies:** Piyush Rathi resigned from Chief Business Officer's post with effect from Jan. 2.
- **Equitas Holdings:** Equitas Small Finance Bank hiked its interest rate across various tenors with effect from January 1. For deposits from Rs 30-50 crore the rate stands at 7.5 percent.
- **Bank of India's** board approved increasing authorized capital from Rs 3,000 crore to Rs 6,000 crore and capital raising plans via equity shares and tier-I and tier-II capital bonds, while the shareholders have given their nod in respect issue of preferential shares to the government for Rs 10,086 crores.
- Autoline Industries entered into an investment contract with IndiaNivesh Renaissance Fund wherein the fund will invest Rs 35 crore in the company.
- **Jindal Steel and Power** named Sudanshu Saraf as CEO of steel operations with effect from Jan. 1.
- **S Chand and Company** extended its first tranche investment from Dec. 31 to Jan. 31 due to certain precedent conditions not yet completed by its target company Chetna Publications LLP.
- **Indian Oil Corporation** said it did not plan to recover the losses incurred due the government's decision in October asking the fuel retailers to cut gasoline and diesel prices by Rs 1 per liter says Chairman Sanjiv Singh.

Nifty 50 Daily Volatility Levels

Symbol	Futures Close	O I Activity	Trend	Highest Call OI	Highest Put OI	R3	R2	R1	Mid Point	S1	S2	S3
BANKNIFTY	27268.5	Short Built-up	Down	27500	27000	27868.3	27627.3	27464.8	27387.1	27309.3	27146.8	26905.8
NIFTY	10830.85	Short Built-up	Down	11200	10500	11089.6	10992.5	10927.0	10895.7	10864.4	10798.9	10701.8
ADANIPTS	383.2	Neutral	Down	400	360	402.9	395.2	390.0	387.5	385.0	379.8	372.1
ASIANPAINT	1390.9	Long Built-up	Neutral	1400	1300	1429.3	1407.6	1393.0	1386.0	1379.0	1364.4	1342.7
AXISBANK	622.55	Neutral	Down	660	600	645.2	635.9	629.7	626.7	623.7	617.5	608.2
BAJAJ-AUTO	2700.3	Short Built-up	Down	2800	3000	2800.1	2760.3	2733.5	2720.6	2707.8	2681.0	2641.2
BAJAJFINSV	6428.1	Short Built-up	Down	6500	6000	6736.7	6615.3	6533.4	6494.2	6455.1	6373.2	6251.7
BAJFINANCE	2628.2	Long Unwinding	Down	2700	2400	2743.0	2696.4	2665.1	2650.1	2635.1	2603.7	2557.2
BHARTIARTL	314.75	Short Built-up	Down	320	310	332.7	325.5	320.7	318.3	316.0	311.1	303.9
BPCL	355.15	Neutral	Down	360	350	373.1	365.7	360.6	358.3	355.9	350.8	343.4
CIPLA	517.6	Short Built-up	Down	530	500	535.6	528.4	523.6	521.2	518.9	514.0	506.8
COALINDIA	236.65	Neutral	Down	250	220	245.6	242.0	239.6	238.5	237.3	234.9	231.4
DRREDDY	2618.35	Neutral	Neutral	2750	3000	2701.0	2661.5	2634.9	2622.2	2609.4	2582.8	2543.4
EICHERMOT	21271.45	Short Built-up	Down	23000	20000	23495.0	22902.7	22503.4	22312.3	22121.2	21721.9	21129.6
GAIL	349.35	Short Built-up	Down	370	370	366.2	360.2	356.2	354.3	352.3	348.3	342.3
GRASIM	820.65	Neutral	Down	840	780	858.7	844.1	834.2	829.4	824.7	814.8	800.1
HCLTECH	951.15	Short Built-up	Down	1000	920	990.2	973.9	962.9	957.7	952.5	941.5	925.2
HDFC	1990.85	Neutral	Down	2000	1900	2064.2	2034.4	2014.2	2004.6	1994.9	1974.8	1944.9
HDFCBANK	2136.45	Neutral	Down	2200	2100	2190.5	2168.8	2154.1	2147.2	2140.2	2125.5	2103.8
HEROMOTOCO	3062.95	Short Built-up	Down	3300	3000	3225.8	3164.6	3123.3	3103.6	3083.8	3042.5	2981.3
HINDALCO	215.1	Short Built-up	Down	230	210	228.4	224.1	221.1	219.7	218.3	215.4	211.1
HINDPETRO	253.15	Neutral	Neutral	260	240	264.6	258.7	254.7	252.8	250.9	246.9	241.0
HINDUNILVR	1794.95	Short Built-up	Down	1900	1800	1849.5	1827.0	1811.8	1804.6	1797.3	1782.1	1759.6
IBULHSGFIN	838.5	Neutral	Neutral	900	800	896.8	869.3	850.7	841.8	832.9	814.4	786.8
ICICIBANK	365.2	Neutral	Neutral	370	350	374.7	369.8	366.6	365.1	363.5	360.3	355.4
INDUSINDBK	1585.6	Short Built-up	Down	1600	1560	1640.6	1617.6	1602.2	1594.8	1587.4	1571.9	1549.0
INFRADEL	265.55	Neutral	Neutral	280	250	271.6	268.2	265.9	264.9	263.8	261.5	258.1
INFY	670.9	Neutral	Neutral	700	620	689.7	679.5	672.5	669.2	665.9	659.0	648.7
IOC	137.8	Neutral	Neutral	140	140	143.4	140.6	138.7	137.9	137.0	135.1	132.3
ITC	281.35	Short Built-up	Down	310	260	288.9	285.9	283.8	282.9	281.9	279.8	276.8
JSWSTEEL	290.05	Short Built-up	Down	310	280	310.6	304.1	299.7	297.7	295.6	291.2	284.7
KOTAKBANK	1244.6	Neutral	Neutral	1260	1200	1297.6	1273.9	1257.8	1250.2	1242.5	1226.5	1202.7
LT	1433	Neutral	Down	1460	1400	1476.1	1458.7	1447.0	1441.5	1435.9	1424.2	1406.8
M&M	746.25	Short Built-up	Down	800	700	793.1	777.8	767.5	762.6	757.7	747.4	732.1
MARUTI	7314.35	Short Built-up	Down	8000	7000	7666.8	7543.9	7461.1	7421.5	7381.8	7299.0	7176.2
NTPC	145.5	Neutral	Down	150	142.5	150.1	148.2	146.9	146.3	145.7	144.4	142.6
ONGC	146.1	Neutral	Neutral	150	140	150.6	148.4	147.0	146.3	145.6	144.2	142.0
POWERGRID	195.3	Long Unwinding	Down	200	180	203.0	200.3	198.5	197.7	196.8	195.0	192.4
RELIANCE	1111.05	Short Built-up	Down	1140	1100	1152.7	1136.4	1125.4	1120.2	1114.9	1104.0	1087.7
SBIN	295.45	Short Built-up	Down	300	280	306.9	302.6	299.7	298.4	297.0	294.1	289.8
SUNPHARMA	441.2	Short Covering	Neutral	450	400	459.3	448.8	441.7	438.3	434.9	427.8	417.3
TATAMOTORS	169.05	Short Built-up	Down	180	170	178.8	175.3	173.0	171.9	170.7	168.4	164.9
TATASTEEL	496	Short Built-up	Down	520	490	524.9	515.9	509.9	507.0	504.1	498.0	489.1
TCS	1926.9	Long Built-up	Neutral	2200	1700	1970.9	1945.4	1928.1	1919.9	1911.7	1894.4	1868.9
TECHM	716.15	Long Unwinding	Down	740	680	741.0	730.4	723.3	719.9	716.5	709.3	698.7
TITAN	936.65	Long Built-up	Neutral	1000	880	964.7	950.0	940.1	935.3	930.6	920.7	906.0
ULTRACEMCO	4013.7	Long Unwinding	Neutral	4200	3800	4136.4	4079.5	4041.1	4022.8	4004.4	3966.0	3909.1
UPL	759.4	Short Covering	Neutral	780	740	787.0	772.6	762.9	758.3	753.6	744.0	729.6
VEDL	194.2	Short Built-up	Down	200	180	206.7	202.7	200.0	198.8	197.5	194.8	190.8
WIPRO	325.35	Long Unwinding	Neutral	340	320	336.3	331.4	328.1	326.5	324.9	321.6	316.7
YESBANK	185.75	Long Built-up	Neutral	200	180	198.2	191.9	187.7	185.7	183.6	179.4	173.1
ZEEL	472.95	Short Built-up	Down	500	440	499.9	488.6	481.0	477.3	473.7	466.1	454.8

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