Indices trades weak as RBI policy on expected lines, oil rebounds lifting energy

Indian Markets

Indian benchmark indices remained weak today as investors turned cautious ahead of the annual budget for FY16. RBI policy was in focus which lifted the index during the session as RBI cut SLR to let banks expand credit. SLR cut of 50 basis points helped markets enter positive territory but soon lost momentum. The index was dragged by banking and auto stocks. Weak Jan auto sales disappointed markets while banking stocks saw profit booking ahead of budget. Rise in global oil prices supported energy stocks with ONGC and Reliance supporting the index. Metal stocks were also up taking positive cues from Chinese markets. On global front, major indices rallied taking positive cues from Wall Street RBA cut rates by 25 basis points supporting equity markets. Greek plan on its debt was closely watched.

Name	Close	Open	Change (%)
SENSEX	29000.14	29217.4	-0.42
NIFTY	8756.55	8823.15	-0.46
BANK NIFTY	19382.95	19941.7	-2.43
CNX AUTO	8919.7	9030.9	-0.63
CNX ENERGY	9037.15	8939.05	1.68
CNX INFRA	3292.95	3318.55	-0.35
CNX IT	11963.9	11963.75	0.17
CNX METALS	2521.8	2515.4	0.79
CNX PHARMA	11520	11647.75	-0.93

Sectors Snapshot

Bank Nifty: Banking Nifty saw sharp profit taking today, RBI cut on SLR could not provide substantial relief to banking stocks as investors were cautious ahead of the Union Budget for FY16. PNB was trigger for sell off in banks today after it posted weak Q3 results. PSBs were major losers on the index as a result.

CNX IT: IT stocks took a breather today as major move was seen yesterday. Major stocks remained subdued and weak momentum across sectors in equity markets kept up move limited on IT stocks. The index closed marginally up. Stable Rupee also could not provide any boost to IT stocks today.

CNX Energy: Energy sector gained over 100 points in the session today despite the weakness in other sectors as crude oil Prices rose for second day. Reliance, ONGC and Cairn India boosted the sector gaining around 3% each while OMCs dipped on profit taking as sentiment turned weak.

CNX Pharma: Index opened higher and continued to slip down to close near 1% fall from previous close. All the stocks saw profit booking accept Sun pharma as the company got US trade body OKs the merger with Ranbaxy. Cadila Healthcare was down by over 4%, fell for the fourth consecutive session.

Market Movers

Gainers

SSLT: Shares of the company surged over 7% on talk that a Hong-Kong based leading institutional brokerage is accumulating the stock.

Axis Bank: Shares of the company rose by 4.97% on the expectation of rate cut by the RBI at the monetary policy which is due tomorrow.

Losers

PNB: Shares were top losers after the bank said its asset quality worsened during the third quarter while RBI maintained status quo weighed pressure.

Axis Bank: Banking sector was seen down over 2% due to no major rate changes by RBI. Profit booking triggered due to weak results posted by PNB and ICICI bank.

Top Gainers

Stock	Open	Close	Change (%)
SESA STERLITE	201	210.7	6.31
CAIRN INDIA	240.05	245.35	4.09
BHARTI AIRTEL	360.15	371.55	3.41
RELAINCE	913.2	937.6	3.25
ONGC	352.6	359.45	2.74

Top Losers

Stock	Open	Close	Change (%)
PNB	193	176.85	-7.79
AXIS BANK	623	586.6	-4.97
TATA POWER	91.45	87.35	-4.17
BAJAJ AUTO	2350.05	2260.75	-3.77
KOTAK MAH BANK	1360.9	1306.3	-3.41

Currency:

Rupee opened high with the expectation of further reduction in interest rate by RBI, but RBI unchanged decision kept rupee under pressure. Australian dollar depreciated against the US dollar after the RBA cut interest rate. USD index witnessed strength taking cues from positive close on Wall Street. US ADP employment change data is eyed.

Other Asian Markets

Asian market was seen trading mix taking cues from rebound in oil price and interest rate by RBA. S&P ASX indices rose 1.5% due to rate cut by RBA. Gain in energy and financial sectors kept mainland indices up

Index	Close	Open	Previous Close	Change (%)
Hang Seng Index	24554.78	24542.49	24484.74	0.29
NIKKEI 225 Day	17335.85	17654.6	17558.04	-1.27
KOSPI Composite	1951.96	1960.11	1952.68	-0.04
SSE Composite	3204.907	3156.086	3128.3	2.45

Commodity Outlook:

Commodity Market was very volatile and strong in the morning session; Gold and Silver surged in the morning session as Equity Markets fumbled as RBI held interest rates constant in its policy decision; Crude Oil continued its rally for second day in a row while Natural Gas also looked positive in the morning session due to snowfall in parts of USA; Base Metals rallied in the morning session as strong Equity Markets in Europe and US provided them support.

Outlook for Evening Session: Gold and Silver are expected to look weak in the Evening session on strong Equities; Crude Oil, Natural Gas and Base Metals are expected to remain strong in the Evening session.

Stock Recommendations:

Aurobindo Pharma - Sell at Rs.1224.20(CMP); Target -Rs.1210.00; Stop Loss –Rs.1238.00

Petronet LNG - Buy at Rs.181.55(CMP); Target -Rs.184.00; Stop Loss –Rs.179.00

BPCL – Sell at Rs.725.00(CMP); Target -Rs.717.00; Stop Loss –Rs.733.00

Yesterday's Recommendations Results:

DLF
Recommended Sell Price: 172.95
TARGET: 171.00
Today's High: 174.40
Today's Closing: 168.85

SBI
Recommended Sell Price: 307.50
TARGET: 304.00
Today's Low: 299.05
Today's Closing: 299.65

ONGC
Recommended Buy Price: 351.90
TARGET: 356.00
Today's High: 361.00
Today's Closing: 359.45

Research Desk
WealthRays Securities Pvt. Ltd

Regd. Office: WealthRays Securities Private Limited, 1654, 1st floor, HAL 3rd Stage, Jeevanbimanagar, Bangalore-560075
Enquires: 08049203300 I URL – www.wealthrays.com

Follow Kiran Kumar Kavikondala, CEO, WealthRays (also known as MoneyAutomator) -
https://www.facebook.com/moneyautomator

Disclaimer

The information and views presented in this report are prepared by WealthRays Securities Private Limited (hereinafter called WealthRays). The information contained herein is based on our analysis and upon sources that we consider reliable. We, however, do not vouch for the accuracy or the completeness thereof. This material is for personal information and we are not responsible for any loss incurred based upon it. The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither WealthRays nor any person connected with any associate companies of WealthRays accepts any liability arising from the use of this information and views mentioned in this document. For any queries write to research@wealthrays.com.WealthRays Securities Private Limited, Trading member of Madras Stock Exchange, NSE Cash Segment - SEBI Regn No. INB041423139 | NSE F&O Segment - SEBI Regn No. INF041423139 | WealthRays Commodities Trading Private Limited, Trading member of National Spot Exchange, Membership No. 57780 |