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Market Wrap

Feb. 23, 2018

Positive global cues lifts market sentiments; midcaps and smallcaps regain strength..

The domestic indices ended 1% higher on Friday taking cues from the global markets. The S&P BSE Sensex ended at 34,142, up 323 points while the broader Nifty50 index settled at 10,491, up 108 points. Among sectoral indices, the Nifty Metal index ended nearly 3% higher on Friday led by a rise in the shares of Jindal Steel & Power, Tata Steel and National Aluminium Company. The Nifty Pharma index also ended over 2.5% higher led by surge in the stocks of Sun Pharmaceutical Industries and Divi's Laboratories.

Sectors and stocks

Dynamatic Technologies has surged 16% to Rs 1,875 on the BSE in intra-day trade after the company announced that its board will meet on Wednesday, February 28, 2018 to consider and approve de-merger of auto division. "An interim Board meeting is being called on Wednesday, 28th February 2018 to consider, deliberate and approve the comprehensive de-merger plan of auto divisions of Dynamatic Technologies Limited," the company said in a regulatory filing. The move to de-merge the auto divisions of the Company is in further to the direction of the board at its meeting held on 9th August 2017, it added. Dynamatic Technologies designs and builds highly engineered products for automotive, aeronautic, hydraulic and security applications. The company's automotive business accounted 59% of FY2017 revenues. Dynamatic Technologies produces high quality Ferrous and Non-Ferrous Automotive Components for Highway, Off-Highway and Technology oriented applications for leading Global Automotive OEMs.

Avenue Supermarts hit a new high extending its past four days 6% gain on the BSE. The stock is quoting at its highest level since listed on March 21, 2017. As compared to the stock's issue price of Rs 299 per share, the stock is currently trading at the gains of around 322%. Avenue Supermarts earlier this month had acquired majority stake in Avenue E-Commerce, which becomes a wholly-owned subsidiary of the Company. According to Crisil, going by the 2016-17 data, the e-retail market represents about 1.5% (Rs 700 billion) of the overall Rs 49 trillion retail sector in the country, indicating enormous growth potential.

Venky's (India) has surged 10% to Rs 3,230, extending its past two days 10% rally, on back of heavy volumes. The trading volumes on the counter jumped more than five-fold with a combined 377,910 shares changed hands on the BSE and NSE so far. The company diversified its activities to include SPF eggs, chicken and eggs processing, broiler and layer breeding, genetic research and Poultry diseases diagnostic, Poultry vaccines and feed supplements, vaccine production, bio-security products, Poultry feed & equipments, nutritional health products, soya bean extract and many more. The company also supplies meat directly and indirectly to fast food chains in India such as KFC, McDonald's, Pizza Hut and Dominos. Venky's is in a good spot with benign raw material prices and robust poultry prices. "We will be rolling forward our earnings estimates to FY20 from the next quarter. The Company has continued to witness good performance across all verticals, improved ROCE at 26% for FY17.

Sun Pharmaceutical Industries has turned volatile, after the company said the US Food and Drug Administration (USFDA) issued Form 483, with three observations, for its Halol facility in Gujarat. The stock rallied nearly 6% to Rs 572 in intra-day trade, has fallen to Rs 550 at 02:23 pm post announcements. The company informed the stock exchanges at around 02:19 pm. In past two trading day, the stock more than 7% from Rs 525 on February 21, 2018, after falling 6% on Wednesday. The trading volumes on the counter more than doubled with a combined 27.53 million shares changed hands on the BSE and NSE so far. "The US FDA conducted a Good Manufacturing Practices (GMP) inspection of Sun Pharmaceutical Industries' Halol facility (Gujarat, India) from February 12-23, 2018. At the conclusion of the inspection, the agency issued a Form 483, with three observations," the company said in a regulatory filing. The company is preparing the response to the observations, which will be submitted to the US FDA within 15 business days, it added. Sun Pharma said it is committed to addressing these observations promptly. The company remains committed to working closely with the US FDA and continues to enhance its GMP compliance on an ongoing basis.

Jubilant Life Sciences has slipped 11% to Rs 883 on the National Stock Exchange (NSE) in intra-day trade on Friday after more than 7% of the total equity of pharmaceutical company changed hands on the NSE and BSE till noon deal. The exchanges data showing that a multiple block deals executed on the counter in early trade. As of December 31, 2017, the



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promoters were holding 54.02% stake in the company. Jubilant Life Sciences had a strong run-up by gaining 26% thus far in the current calendar year 2018, against 0.7% decline in the benchmark Sensex till Thursday.

Binani Industries was locked in upper circuit of 5% at Rs 109 on BSE in early morning trade after the media report suggested that UltraTech Cement sought permission from the Competition Commission of India (CCI) for the takeover of Binani Cement. Binani Cement is the subsidiary company of Binani Industries. UltraTech Cement, the Aditya Birla Group Company, is leading the race to take over Binani Cement by offering around Rs 62 billion and a 20% stake in the company to unsecured financial creditors. On Thursday, UltraTech Cement sought permission from the CCI for the takeover and said its merger proposal for Binani Cement was being submitted in relation to the resolution plan filed by UltraTech on February 12 under the Insolvency and Bankruptcy Code.

Global Markets

In the global markets, Asian shares rebounded on Friday as comments from a Federal Reserve official eased worries about faster rate rises in the United States, while the dollar ticked higher as investors dipped their toes back into riskier assets.

MSCI's broadest index of Asia-Pacific shares outside Japan climbed 0.9 per cent on Friday to add on to the previous week's 3.9 per cent gain. Japan's Nikkei rose 0.7 per cent. On Wall Street, the Dow added 0.7 per cent, the S&P 500 ended a tad firmer while the Nasdaq lost 0.11 per cent.



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