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**Market wrap**

**June 05, 2018**

### **Smallcaps and midcaps hammered; all eyes on RBI policy tomorrow...**

The markets ended lower on Tuesday ahead of the outcome of Reserve Bank of India's (RBI's) second monetary policy review of 2018-19, which is due on Wednesday, June 6. The S&P BSE Sensex ended at 34,903, down 109 points while the broader Nifty50 index settled at 10,593, down 35 points.

Among individual stocks, Bharti Airtel and Larsen & Toubro were among the top losers in BSE Sensex today, while Tata Steel was the top gainer, which rose around 1%.

Among macro data released earlier today, activity in India's service industry shrank in May for the first time in three months as new orders stagnated, but business optimism was the highest since 2015 on expectations that demand will turn around, a business survey showed.

The Nikkei/IHS Markit Services Purchasing Managers' Index fell to 49.6 in May from April's 51.4, sinking below the 50-mark that separates growth from contraction.

### **Sectors and stocks**

Shares of Adani Power, Housing Development and Infrastructure (HDIL), Housing and Urban Development Corporation (HUDCO) and IDFC Bank were among 9 stocks from the S&P BSE 500 index that hit their respective all-time low on the BSE in intra-day trade on Tuesday.

Advanced Enzyme Technologies, IL&FS Transportation Networks (ITNL), Inox Wind, Narayana Hrudayalaya and Navkar Corporation too touched new lows today after reported a weak set of numbers for the quarter ended March 2018 (Q4FY18).

Total 14 stocks which include Adlabs Entertainment, Arston Paper, Flexituff International, Jaiprakash Power Ventures, KSK Energy Ventures, Lovable Lingerie, MBL Infrastructure and Snowman Logistics from the BSE Smallcap index hit all-time lows.

HDIL has tanked 11% to Rs 21.70, extending its 13% decline in past four trading days on the BSE. In past three months, the stock of Mumbai-based real estate Company slipped 53% against 3.7% rise in the S&P BSE Sensex. The company had reported a sharp 86% year on year (YoY) decline in its consolidated net profit at Rs 83 million in Q4FY18, due to nearly 70% fall in its operational revenue. It had profit of Rs 609 million in year ago quarter. Operational revenue of the company during the quarter under review down 69% to Rs 413 million from Rs 1,321 million in previous year quarter. Guruashish Construction Private limited a wholly owned subsidiary Company has been admitted under Insolvency and Bankruptcy Code, 2016 on the application filed by Union Bank of India, an Interim Resolution Professional has been appointed by the NCLT, meanwhile MHADA has terminated the Development Agreement with the Company, HDIL said in a note.

Adani Power too hit a new low of Rs 17.55, down 5%, falling 30% in past one month after the company said that average plant load factor (PLF) or capacity utilisation of power plants was 37% in Q4FY18, down from 73% in Q4FY17. The company said it continue to be in discussion with key stakeholders to identify a solution for the Mundra power plant, which has been impacted financially due to under-recovery of fuel costs.



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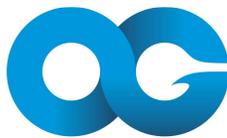
Shares of Biocon hit a record high of Rs 695 per share, up 6% on the BSE in opening deal in otherwise weak market, after the company and its partner Mylan have received nod for their first biosimilar of cancer medicine Pegfilgrastim from the US drug regulator for selling in the American market. "The United States Food and Drug Administration (USFDA) has approved Mylan's Fulphila (pegfilgrastim-jmbd), a biosimilar to Neulasta (pegfilgrastim), co-developed with Biocon," the company said in a press release. Fulphila has been approved to reduce the duration of febrile neutropenia (fever or other signs of infection with a low count of neutrophils, a type of white blood cells) in patients treated with chemotherapy in certain types of cancer, it added. Fulphila is the first FDA-approved biosimilar to Neulasta and the second biosimilar from Mylan and Biocon's joint portfolio approved in the U.S. Mylan anticipates launching Fulphila in the coming weeks, representing the first alternative, more affordable treatment option to Neulasta for oncology patients. A suite of patient services also will be available at launch to further support patients and caregivers with treatment, the company said.

### **Global Markets**

Globally, Asian stocks dipped on Tuesday as the markets took a breather after the previous day's rally, although tech-inspired Wall Street gains helped limit the losses, with investor focus moving away from trade concerns and back to benign economic fundamentals.

MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.1 per cent after surging 1.4 per cent the previous day.

Japan's Nikkei gained 0.2 per cent and South Korea's KOSPI lost 0.3 per cent.



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