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Market wrap

June 11, 2018

Benchmark indices end flat; all eyes on landmark meeting between US President and North Korean leader...

The markets pared their day's gains to end flat on Monday amid trade tensions ahead of a landmark meeting between US President Donald Trump and North Korean leader Kim Jong Un scheduled tomorrow.

The S&P BSE Sensex ended at 35,483, up 40 points while the broader Nifty50 index settled at 10,787, up 19 points.

Among individual stocks, Bharti Airtel gained 3.5% on the BSE today, while Sun Pharma rose 1.1%. Tata Steel lost 2.1%.

A weekend G7 summit fanned trade conflict fears after US President Donald Trump backed out of a joint communique in a blow to the group's efforts to show a united front. Trump's reversal, announced while he was en route to Singapore for a meeting with North Korean leader Kim Jong Un, sent his Group of Seven partners scrambling.

Meanwhile, the Federal Reserve will hold a two-day meeting starting on Tuesday, June 12, and it is widely expected to raise interest rates for the second time this year. The focus is on whether the central bank will hint at raising rates a total of four times in 2018.

Back home, the near term market trend will be dictated by domestic macro data like IIP, CPI and WPI, movement of crude oil prices and currency (INR vs USD) and progress of monsoon.

Global Markets

Asia stocks shook off initial modest losses and edged up on Monday ahead of a US-North Korea summit that might ease regional tensions, while investors also started to focus on key central bank meetings later this week.

Stocks dipped after US President Donald Trump backed out of a joint Group of Seven communique over the weekend, in a blow to the group's efforts to show a united front.

MSCI's broadest index of Asia-Pacific shares outside Japan slipped early but was last up 0.3 per cent. Hong Kong's Hang Seng also gained 0.3 per cent while the Shanghai Composite Index fell 0.5 per cent.

South Korea's KOSPI added 0.4 per cent, and Japan's Nikkei climbed 0.3 per cent.

Sectors and stocks

Shares of public sector undertaking (PSU) banks were quoting higher. State Bank of India (SBI), Punjab National Bank (PNB), Bank of India, Bank of Baroda, Oriental Bank of Commerce, Canara Bank, Corporation Bank, Uco Bank, Dena Bank and Vijaya Bank were up 2% to 6% on the National Stock Exchange (NSE). PNB was up 5% to Rs 94.65 on the NSE in intra-day trade, extending its 9% surge in past three trading sessions, on back of heavy volumes. As many as a combined 20.87 million equity shares have changed hands on the counter in first two hours of trading on the NSE and BSE. Enthused by the successful resolution of Bhushan

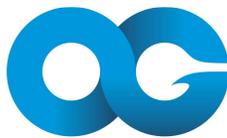


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Steel, Nirav Modi fraud-hit PNB is hopeful of Rs 80 billion recovery from bad loans in the first quarter of the current fiscal. The bank, with its focus on recovery of dues from defaulters, has managed to surpass the total amount recovered in the last fiscal in the first two months of this financial year, a senior PNB official told PTI. Finance Minister Piyush Goyal on Friday after market hours said a committee will come out with its recommendations on setting up an asset reconstruction or an asset management company for faster resolution of bad loans. "A panel headed by Sunil Mehta, non-executive chairman, Punjab National Bank, would give recommendations in two weeks on forming asset reconstruction companies/asset management companies (ARCs/AMCs) to resolve the problem, Union Finance Minister Piyush Goyal told reporters after discussions with public sector bank heads in Mumbai.

Shares of Avenue Supermarts, which owns and operates D-Mart stores, have crossed Rs 1-trillion market capitalisation (market-cap) on Monday after the stock price of the company hit new high on the BSE. The stock hit a new high of Rs 1,620 on the BSE in early morning trade today, surpassing its previous high of Rs 1,606 recorded on May 31, 2018. On the same day, the company had briefly breached Rs 1 lakh crore in market-cap for the first time ever. Avenue Supermarts has witnessed a rise of 19% from its recent low of Rs 1,359 on May 23, after the company announced that its promoter would pare his stake to comply with the shareholding norms. On May 24, the company said Radhakishan Damani completed sale of 6.24 million shares, or 1%, of total equity of the company for achieving minimum public share holding. The name of the buyers not ascertained immediately. Shares of D-Mart have been on an upswing since after the company debuted on the exchanges. The stock has risen 153% since listing on March 21, 2017 as compared to 21% rise in the S&P BSE Sensex. It zoomed as much as 441% from the issue price of Rs 299 offered at the time of its initial share sale.

Shares of Alembic Pharmaceuticals were locked in upper circuit of 20% at Rs 522 per share on the BSE after the company said that it has received approval from the US drug health regulator for anti-depression drug. "The company has received approval from the US Food & Drug Administration (USFDA) for its Abbreviated New Drug Application (ANDA) Bupropion hydrochloride tablets USP, 75 mg and 100 mg," Alembic Pharma said in a press release. The approved ANDA is therapeutically equivalent to the reference listed drug product (RLD), Wellbutrin tablets, 75 mg and 100 mg, of GlaxoSmithKline LLC. Bupropion hydrochloride tablets are indicated for the treatment of major depressive disorder. According to IMS, Bupropion hydrochloride tablets USP, 75 mg and 100 mg, have an estimated market size of US\$ 37 million for twelve months ending December 2017. Alembic Pharma said it has now a total of 72 ANDA approvals (64 final approvals and 8 tentative approvals) from USFDA.



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