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Market Wrap

Oct. 23, 2017

Telecom stocks rise after hike in Jio tariffs; volatility would be witnessed ahead of F&O expiry..

Benchmark indices end higher with Nifty above 10,150, and Sensex up over 100 points ahead of F&O expiry and Infosys earnings due later this week.

Markets hit fresh highs last week and analysts think upcoming corporate earnings will have an impact on the short-term trend. Infosys Ltd and Hindustan Unilever Ltd will report results on Tuesday and Wednesday, respectively.

Telecom stocks were in focus after Reliance Jio raised data tariffs last week, signalling more pricing discipline in the sector, while strong global markets also boosted sentiment.

Japanese shares jumped on a weaker yen as an election win for Shinzo Abe's ruling bloc gave a green light for more policy stimulus

We expect volatility to continue ahead of expiry of October futures & options contracts on Thursday. Stock specific action is likely to be seen as lot of earnings will be announced during the week.

Sectors and stocks

Bharti Airtel was up 5 percent, hitting a fresh 8-year high on hopes of likely stabilisation in pricing war after Reliance Jio hiked tariff rates. Idea Cellular also gained 7.6 percent.

Consumer electrical goods maker Havells India today reported a standalone net profit of Rs 171.02 crore for the quarter ended on September 30, 2017, on account of higher income. The company had posted a net profit of Rs 145.79 crore during the same period previous fiscal, Havells India said in a regulatory filing.

Zuari Agro rallies 20% on healthy earnings - Profit grew multi-fold to Rs 53.5 crore in Q2, compared with Rs 0.3 crore in same quarter last fiscal, driven by sharp rise in revenue and operational income. Revenue shot up 87 percent year-on-year to Rs 1,315 crore while operating profit jumped to Rs 127.5 crore from Rs 33.1 crore and margin expanded by 500 basis points to 9.7% from 4.7% YoY.

SBI, Maruti Suzuki, Adani Ports, HCL Technologies, Ambuja Cements, Hero Motocorp and Wipro, among others, gained 1-3 percent while HDFC, IOC, ITC, Bharti Infratel, Kotak Mahindra Bank, Tata Motors and Yes Bank were up 1-2 percent.

Bhushal Steel was up 20 percent as a media report indicated that global steel giant ArcelorMittal is in race to buy the company.

Among others, GVK Power, DCB Bank, Future Retail, India Cements, Sobha, Kolte Patil, IGL and Petronet LNG were up 2-10 percent.

Global markets

Globally, markets largely traded in the green after passing of the budget measure by US Senate last week and Japanese Prime Minister Shinzo Abe's ruling coalition secured a two-thirds majority at an election over the weekend. Japan's Nikkei gained 1.11 percent. France's CAC, Germany's DAX and Britain's FTSE were up 0.1-0.5 percent.



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