



Market Wrap

Sep. 18, 2017

Buoyancy witnessed in midcaps and smallcaps; debutant Dixon Technologies performs handsomely..

It was a historic day for the market as the Nifty50 ended at fresh record closing high on Monday, tracking positive global cues on easing of geopolitical tensions. All eyes are on two-day Federal Reserve monetary policy meeting that will begin on Tuesday.

The 50-share NSE Nifty rallied 67.70 points to 10,153.10 while the 30-share BSE Sensex was up 151.15 points at 32,423.76, which is 263 points away from its record high of 32,686.48.

We expect the rally to continue for a while despite rich valuations owing to strong domestic liquidity. However, if September quarter earnings disappoint then sharp correction is likely.

For markets, the main event will be the US Federal Reserve's meeting on Tuesday and Wednesday, where it is likely to take another step toward policy normalization amid what is rapidly becoming a global trend.

Sectors and stocks

In broader space, Tintplate, TVS Electronics, VIP Industries, Titan Company, Jubilant Fooworks, Liberty Shoes, Graphite India, HEG, Prakash Industries, Vascon Engineers, BF Utilities, DHFL, Exide Industries, JK Tyre and Apollo Tyres rallied 2-20 percent. Jaiprakash Associates, Religare Enterprises, Jaypee Infratech, Indiabulls Real and Divis Labs fell 3-5 percent.

Among new listings, Dixon Technologies ended with hefty premium today, rising nearly 64 percent to Rs 2,891.55 against issue price of Rs 1,766 while Bharat Road Network was up 1.7 percent at Rs 208.45 against IPO price of Rs 205.

All sectoral indices ended in green. Nifty Bank closed above the 25,000 level for first time since August 2, up 0.82 percent at 25,046.90.

Auto index was the leading gainer, up 1.2 percent followed by FMCG, IT and Metal.

Bharti Infratel was biggest gainer among Nifty 50 stocks, up 4 percent on likely tower sale deal.

Shares of Himachal Futuristic Communications (HFCL), HEG and MIRC Electronics are locked in their respective upper limit of circuit filters for the second straight session on the BSE. HFCL hit an over nine-year high of Rs 35.95, up 10%, extending its 17% surge in past two trading sessions after the company said it was no longer under the Corporate Debt Restructuring (CDR) mechanism. The stock was trading at its highest level since February, 2008. "The successful exits of the account of HFCL from CDR mechanism stands approved on receipt on confirmation from IDBI Bank, the Monitoring Institution (MI) that the directions stipulated in CDR-EG held on February 22, 2016 have been complied with," Corporate Debt Restructuring Cell in its decision.

HEG, the company engaged in graphite electrode business, too locked in upper circuit of 10% at Rs 900, also its record high on BSE. The stock rallied 33% in past three trading days as the company expects recent industry consolidation in graphite electrode industry is to improve capacity utilization, going forward.

MIRC Electronics, too, hit fresh 52-week high of Rs 26.57, up 10% on BSE, extending its 44% surge in past two trading sessions after reported good set of numbers in June quarter. The company engaged in consumer electronics business reported nearly four-fold jump in net profit at Rs 4.50 crore in June quarter (Q1FY18). It had reported a profit of Rs 1.16 crore in a year ago quarter.

Global Markets: On the global front, European markets were higher as global investors returned to perceived riskier assets amid cooling geopolitical tensions. France's CAC, Germany's DAX and Britain's FTSE were up 0.3 percent each at the time of writing this article. Asian markets closed higher, following positive lead from Wall Street.



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