

Indian Market View

Asian stocks opened lower on Tuesday following a mixed U.S. session as investors took stock of a friction-filled visit by the American secretary of state to Beijing. Ten-year Treasury yields were steady around seven-year highs as they resumed trading after a holiday. Asian shares hit 17-month lows on Tuesday as investors fretted about everything from the Chinese economy, to trade wars, higher U.S. bond yields and political dysfunction in Europe. Yields on 10-year Treasury paper held at 3.23 percent on Tuesday, just off a seven-year top.

On Wall Street, the tech-heavy Nasdaq fell for the third straight day and growth stocks were pressured by worries rising bond yields might ultimately hobble the economy. The S&P 500 lost 0.04 percent and the Nasdaq Composite 0.67 percent, while the Dow rose 0.15 percent as defensive stocks found buyers.

Japan's Nikkei225 opened lower after a holiday and trading down 1.11%. ASX200 opened flat, trading down 0.97%. Hang seng opened up and surges 0.10%. China A50 opened flat and trading down 0.19%. Kospi closed for holiday.

Oil prices held little changed on Tuesday, as more evidence emerged that crude exports from Iran are declining in the run-up to the re imposition of U.S. sanctions, while a hurricane moved across the Gulf of Mexico. Iran's crude exports fell further in the first week of October, according to tanker data and an industry source, taking a major hit from U.S. sanctions and throwing a challenge to other OPEC oil producers as they seek to cover the shortfall. Brent crude was down 7 cents at \$83.84 a barrel. On Monday, Brent fell to a low of \$82.66, but mostly recovered as investors bet China's economic stimulus would boost crude demand. Brent hit a four-year high of \$86.74 last week. U.S. crude was down by 1 cent at \$74.28 a barrel, having fallen as low as \$73.07 in the previous session to close the day just 5 cents lower.

The Indian rupee on Monday closed at an all-time low of 74.06 against Friday's closing of 73.76 per dollar.

So far, SGX Nifty traded flat at 10384, as much of NIFTY actions is happening post Forex market open and Rupee's performance during the day vis-à-vis USD. Expect market not to make major dips unless Rupee plunges below 75 level, as its fall upto 75 was seen earlier and market could have factored that. Rupee's health in turn depends at the moment on Crude oil's movement, which is quite sticky at above 70 mark. Government is believed to be moving fast to act for IL&FS in according it special powers to deal with peculiar situation. Market's recovery much depend on IL&FS' resolution, through improving liquidity via equity infusion by key stakeholders, sale of assets among others.

NIFTY Fut Trade setup: most likely to trade around Pivot 10336, occasionally drifting down near S1: 10255 (below is demand zone for the day) and rising to R1: 10,461 (above it upto R2:10542 will be supply zone)

Noted Corporate Development

- **Tata Motors:** JLR's September sales were down 12.3 percent at 57,114 units, year-on-year basis. The company said that the monthly sales were impacted by the ongoing uncertainty in Chinese market as sales in China declined by 46.2 percent resulting from import duty changes and continued trade tensions which held back the consumer demand. Strong sales for new models were seen for Range Rover Velar and Jaguar I-Pace and E-Pace.
- **Usha Martin union** raised concerns about irregular payment of salaries and has sought government intervention for sale of the company's wire rope manufacturing facility in Jharkhand to Tata Steel. The union also urged the government that the company should be acquired by Tata Steel so that the future of the employees remains secure.
- **NBCC** executed an MoU with Rajasthan government for redevelopment of old MREC campus in Jaipur for Rs 250 crore.
- **Britannia Industries** announced it will give one free debenture worth Rs 30 in face value for one fully paid-up equity share. The company will utilize its accumulated profits of Rs 869 crore for the debenture issue. However, the record date has not been fixed yet.
- **NCL Industries' September Quarter Updates:** Cement dispatches were up by 31 percent at 4.88 lakh MT versus 3.72 lakh MT. Cement boards dispatches were up 7 percent at 16,700 MT versus 15,700 MT. RMC Production and Sales were up 50 percent at 45,800 cubic metre versus 30.6 cubic metre.
- **Coal India and NLC India** signed an MoU for formation of joint venture for solar power generation of 3,000 MW and thermal projects of 2,000 MW capacity.
- **Sadbhav Infra Project** arm won an arbitration award against NHAI for Rs 110.5 crore.

SGX Nifty: Daily and Weekly Chart



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