

Markets turn choppy with negative bias; Lupin slumps 8%

http://www.business-standard.com/article/markets/markets-open-flat-itc-inches-up-ahead-of-results-116052000147_1.html

After trading in a narrow range, **markets** have turned choppy in the late trades as fears of interest rate hike resurfaced. Weakness in rupee further dented sentiments.

At 2:45 pm, the S&P **BSE Sensex** is down 67 points at 25,332 and the Nifty50 has shed 26 points to quote at 7,757.

Top gainers in the Sensex pack are Adani Ports, ITC, M&M, ONGC and Infosys up between 1%-2%.

On the flip side, **Lupin** cracked 7% as analyst concerns about observations from the US drug regulator continue to remain an overhang for the near-term on the stock.

Lupin had received USFDA 483's for Goa plants with 9 observations during March 2016. The company said it has responded to these observations and awaits US Food and Drug Administrator (USFDA) response.

Among other prominent losers include ICICI Bank, Cipla, Tata Steel, Bharti Airtel and **Maruti Suzuki** trading lower between 0.5%-7%.

After a flat opening, markets have turned positive with **Nifty** trading near the 7,800 mark as investors purchase the beaten down stocks at attractive valuations. Strength in Asian equities, uptick in crude oil prices and appreciation of rupee have helped the rise.

At 9: 45 am, the S&P BSE Sensex is up 35 points at 25,435 and the Nifty50 has climbed 9 points to quote at 7,792.

Top gainers in the Sensex pack are Adani Ports, ITC, M&M, ONGC and Infosys up between 1%-2%.

Markets have opened the day on a cautious note mirroring as participants remain wary on hopes of an interest rate hike by the US Federal Reserve in the month of June. A mixed global trend and weakness in rupee are likely to influence the sentiments.

At 9:16 am, the S&P BSE Sensex is up 35 points at 25,435 and the Nifty50 has climbed 9 points to quote at 7,792.

"The boredom continues on Dalal Street as the index is still vacillating within the recent small range of 150 points. However,

it must be noted that yesterday's price action was completely in favor of the bears. The Nifty corrected nearly a percent and eventually closed almost at the lowest point of the day. Going forward, traders need to keep a close eye on 7,760 mark. A sustainable move below this support may lead to further correction towards the strong support zone of 7,680," according to a technical note by Angel Broking.

"However, going by the recent range bound movement, if the Nifty manages to hold this support then we may witness a bounce back towards 7,840 - 7,880 levels and thus, traders need to observe Nifty's price movement for the first half an hour of the day. It's advisable to stay light on positions as traders generally get caught on the wrong foot (on both sides) in such prolonged sideways movements," it adds.

Meanwhile, the board of directors of **market** regulator Securities Exchange Board of India will meet today to discuss changes to the participatory notes (P-notes) framework.

Sources suggest that the regulator today in board meet may ask P-note issuer to mandate Know Your Customer checks for subscribers as for onshore investors. In addition, Sebi may put restrictions on transfer of P-note among subscribers. It might also ask issuers to conduct a semi-annual check on the P-note holders and positions. The regulator wants strong systems in place to identify the end-beneficiaries.

ITC, IDBI Bank, Bank of India, Ashoka Buildcon, GVK Power & Infrastructure, Whirlpool of India among others are scheduled to announce their Q4 earnings today.

GLOBAL MARKET

Asian shares are trading positive amid a strong on hopes that the US Federal Reserve could raise rates as early as next month.

Japan's Nikkei is trading 0.3% higher on the back of a weak yen. However, China's benchmark index Shanghai Composite is trading flat. Hong Kong's Hang Seng is up 0.8%.

Wall Street fell on Thursday with the Dow Jones industrial average and the S&P 500 both touching roughly two-month lows before paring losses.

STOCK TRENDS

ITC will be setting up eight new integrated food processing units by 2019, with investments in excess of Rs 4,000 crore. ITC is scheduled to post its numbers later today. The stock is trading 0.5% higher.

SpiceJet, the country's second-largest low-cost airline, reported a quarterly profit of Rs 73 crore for the January to March period, thanks to low fuel prices. However, the stock is trading nearly 2% lower.

Moody's Investors Service has revised its outlook on Adani Ports and Special Economic Zone (APSEZ), to "negative" from the earlier "stable". The stock is trading with modest gains.

UK-based oil firm BP announced on Thursday its wholly owned subsidiary, Castrol, had sold 11.5% stake from the 71% it held in Castrol India, to domestic and international investors. Castrol India is up 0.6%.

Sobha said its fourth quarter profits dropped 41.3% to Rs 36.1 crore on higher provisioning for taxes, while revenue grew 9.66% to Rs 558.5 crore on better sales of its properties. Reacting to the same, the stock has shed 3%.

Tata Communications has entered into a definitive agreement to sell 74% stake in its data centre business in India and Singapore to Singapore Technologies Telemedia (ST Telemedia), a strategic global investor focused on the communications, media and technology sectors. The stock is trading 1.4% higher.

Lupin has emerged as the top loser on account of profit booking. Lupin posted stellar March quarter performance yesterday. Revenues at Rs 4,091 crore beat the consensus Bloomberg estimates of Rs 3,802 crore, whereas Ebitda (earnings before interest, taxes, depreciation and amortisation) at Rs 1,393 crore, too, was significantly higher than the estimate of Rs 1,035 crore.

Maruti Suzuki will undertake a service campaign for over 20,000 units of S Cross to replace a brake part. It is trading with mild losses.