

# CHANAKYA

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## Bank stocks to give strong return

Due to weak factors around the world, Sensex and Nifty in the next week are expected to remain under pressure but midcap, small cap and bank stocks are expected to catch favour of the traders.

**Grey market for Mahanagar Gas** is buzzing with huge volumes across the cities and retail investors are in hurry to open demat accounts so as to apply in this IPO. Huge over subscription in Retail category expected. The premium in Grey market is between Rs. 110 to 145/155 at different centres. Similarly Kostak rates are between Rs. 1050 to 1550. The traders expected very impressive listing for this company and hence high networth investors are in hurry to accumulate large chunk of this shares from Grey market. Some traders expecte listing price at Rs. 550 .whereas some expected listing price at Rs. 700 .

### Report on World Markets

U.S. crude futures rose for a third consecutive day on Wednesday, closing at new 2016 highs on supply outages led by the sabotage of oil facilities in Nigeria.

U.S. crude stocks fell for the third consecutive week to June 3, sliding by 3.2 million barrels versus analysts' expectations for a 2.7 million-barrel drawdown, government data showed.

But gasoline stockpiles grew by 1 million barrels and distillates, which include diesel and heating oil, rose 1.8 million barrels, versus forecasts of draw-downs.

This indicates a sentiment that gasoline demand will weaken more than expected or that the crude glut will be reflected by a gasoline glut, said Troy Vincent, crude oil analyst for New York-headquartered energy data provider ClipperData.

U.S. crude production ticked up by 10,000 barrels per day to 8,745,000 bpd from the previous week, reversing a 15-week trend of declining output.

**The Dow Jones industrial average closed above the psychologically key 18,000 level for the first time since April 27.** UnitedHealth contributed the most to gains.

"Perhaps investors are hoping and seeing opportunities for revenue growth and earnings growth," said Jack Ablin, chief investment officer at BMO Private Bank.

"The rationale for substantial gains from here seems kind of tenuous unless we can get a ramp up in revenue," he said.

**US retail sales rose 0.5% in May vs. 0.3% increase expected**

U.S. retail sales rose more than expected in May as Americans bought automobiles and a range of other goods, suggesting economic growth was gaining steam despite a sharp slowdown in job creation.

The Commerce Department said on Tuesday retail sales increased 0.5 percent last month after

surging by an unrevised 1.3 percent in April. It was the second straight month of gains and lifted sales 2.5 percent from a year ago.

Excluding automobiles, gasoline, building materials and food services, retail sales rose a solid 0.4 percent last month after an upwardly revised 1.0 percent increase in April.

Tepid employment gains in May stirred concerns about the health of the economy. But so far, data on first-time applications for unemployment benefits suggests labor market strength remains intact.

In May, auto sales rose 0.5 percent after racing 3.1 percent in April. Receipts at service stations increased 2.1 percent, reflecting recent increases in gasoline prices.

Sales at clothing stores increased 0.8 percent, the largest gain since November. Online retail sales shot up 1.3 percent. Receipts at sporting goods and hobby stores jumped 1.3 percent last month. Restaurants and bars sales climbed 0.8 percent.

**US Producer Price Index up 0.4% in May vs. 0.3% increase expected** U.S. producer prices rose for a second straight month in May as the cost of energy products and services increased, but the lingering effects of a strong dollar and lower energy prices will likely keep inflation tame for a while.

The Labor Department said on Wednesday its producer price index for final demand increased 0.4 percent last month after rising 0.2 percent in April. In the 12 months through May, the PPI slipped 0.1 percent after being unchanged in April.

A separate report showed factory activity in New York expanded in June, rebounding from a May decline as manufacturer orders and shipments rose.

The Federal Reserve Bank of New York says that its Empire State manufacturing index rose to 6 in June, after slumping to minus 9 the previous month. Any reading above zero points to expansion.

The figures indicate that New York factories are seeing slight improvements in their outlook, although the employment gauge of the index shows that hiring has been flat. Factory output nationwide has been weak this year as sluggish economic growth worldwide has hurt demand for U.S. exports.

**US industrial production fell 0.4% in May vs. 0.2% drop expected**

U.S. industrial production fell more than ex-

pected in May on a decline in utilities output and auto manufacturing, the Federal Reserve said on Wednesday, a sign that the economy may be losing some steam in the second quarter.

Industrial output declined 0.4 percent last month after a downwardly revised 0.6 percent increase in April.

**Economists** polled by Reuters had forecast industrial production slipping 0.2 percent last month.

With overall output decreasing, the percentage of industrial capacity in use fell 0.4 percentage points in May to 74.9 percent, from a downwardly revised 75.3 percent in April.

The Fed sees capacity use as a leading indicator in deciding how much further the economy can grow before sparking higher inflation.

**Fed leaves rates unchanged in June meet-**

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Amid worries about slowing job growth, Federal Reserve officials remain only tentatively committed to two more rate hikes this year, and provided indications Wednesday that there might be only one.

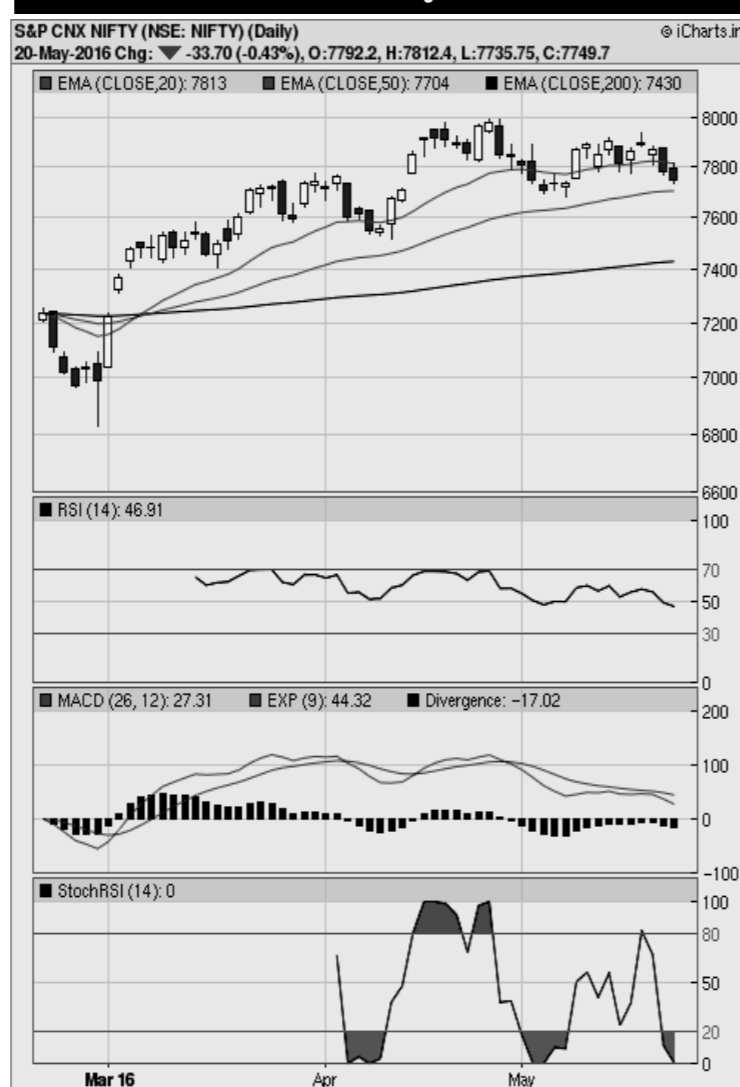
As widely expected, the Federal Open Market Committee declined to raise its interest rate target at this week's two-day meeting from the current 0.5 percent.

While the so-called dot plot of future rate projections indicates there still is a greater likelihood of two moves before the end of 2016, doubts are increasing.

At the April meeting, just one member indicated that the year would end with only one hike. That number jumped to six, or more than half of the 10 voting members, at the June session.

Prior to the meeting,

### Know Bank Nifty Movements



Bank Nifty closed at 17696 and the index shows scope for further strong uptrend.

20-day SMA, which is at 16880, has shown a positive crossover over the 50 day SMA which is at 17519.

The 30-week SMA, at 16149, has shown a negative crossover with the 10 week SMA, at 16999. All the four moving average indicators show a bullish trend.

RSI is at 59.26

and the Signal line at 316.21 which has shown a positive crossover over the MACD which is at 281

Both the Stochastic Indicator and the Stochastic RSI are showing a possibility of bullish move in the index.

You can take bullish position in this index with a stop loss of 17576 and target of 17829. The next expected level is 17962

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In its post-meeting statement, the Fed noted that the unemployment rate has declined (to 4.7 percent) but "job gains have diminished."

While other indicators such as retail sales and housing have remained fairly solid, the weak payrolls report coupled with declining productivity and a general global slowdown have cast doubts on the future trajectory of economic growth.

The possibility of a British exit from the European Union also has raised caution among economists and market participants.

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Indeed, the FOMC cut its expectation for full-year gross domestic product growth, from 2.2 percent at the March meeting to 2.0 percent this week even though the statement said "economic activity appears to have picked up."

The FOMC statement noted that "household spending has strengthened" and that housing has improved generally, but it also cautioned that "business fixed investment has been soft."

**Banks to bear brunt of brewing Brexit**

European banks' stocks are taking a beating, and many are chasing lows not seen since February when their shares were hard-hit by plummeting oil prices.

But this time it's

for a different reason: the growing likelihood of a Brexit.

The banks are facing the prospect of greater turbulence in the immediate future should Britons vote next week in favor of quitting the European Union, and it is looking more and more like the U.K. is leaning toward "leave."

"Brexit is probably more concerning for EU banks than failing stress tests," said Christopher Whalen, senior managing director at the Kroll Bond Rating Agency.

**Bank of Japan keeps monetary policy steady**

The Bank of Japan (BOJ) held rates steady Thursday, sending the yen sharply higher and sparking speculation on whether policymakers would intervene to halt the currency's rise.

◆ **JP Associates** : The traders are now bullish about the scrip. Some relief is expected from huge debt burden. The scrip now at Rs. 7.70 is expected to touch Rs. 10 in few sessions.

◆ **Petronet** : Suggested this scrip since it was at Rs. 232. Now at Rs. 286, the scrip is expected to show strong run. Expected to touch Rs. 300 in next few sessions.

◆ **Indraprastha Gas**: IPO of Mahanagar Gas has changed the sentiment for IGL. Sales at fuel stations have gone up and strong rise in profits expected in the current year. The scrip now at Rs. 618 is expected to touch Rs. 640 in coming weeks.

◆ **India Cement** : Strong uptrend in sales vollumn visible. rise in margin is expected since crude is showing weakness. The scrip is expected to move towards Rs. 120 in coming weeks.

◆ **IFCI** : Uptrend expected in interest margin. Expected to sell large chunk of NSE stocks. The scrip now at Rs. 25.70 is being accumulated by mumbai based traders in large lots. Expected to touch Rs. 29-30 in few sessions.

◆ **PVR Cinema** : Business is showing uptick. Few blockbuster movies are expected to be released in next three months and will push up profitability. Accumulate at Rs. 955. Rs. 100 is expected.

◆ **V Guard** : Last week, we had suggested this scrip at Rs. 1320 and has moved up to Rs. 1389. Further move to Rs. 1420 is expected this week.

◆ **Birla Money** : Aditya Birla Group company is expected to be on expansion spree. Buyat Rs. 27 .the scrip is being accumulated by Marwari traders in large quantities. Expected to cross Rs. 32 in few sessions.

◆ **Tarmet** : This small cap stock now available at Rs. 38.60 is expected to be in hands of speculators. Expected to cross Rs. 45 in coming days.

◆ **HDIL** :Mumbai based real estate company is expected to announce large deal . Some positive movements have started in real estate market. The scrip at Rs. 103 can be accumulated with two week holding and strong uptrend to Rs. 120 expected

◆ **Financial Tech** : Once a financial power house is beaten down after NSEL scam. The scrip beaten down to Rs. 87-88 is being accumulated in large lots by informed sources. Expected to touch Rs. 95-100 in coming weeks.

◆ **Sobha Developers** : A respected name in real estate sector. Now some new projects from leading IT companie are expected to materialise. The scrip now at Rs. 318 is expected to touch Rs. 340 in just few sessions.

◆ **Allahabad Bank** : Very prominent bank with good

reputation for customer service. Now at Rs. 58, very little scope for further correction at this counter. Can be accumulated and expected to touch Rs. 65 in just few trading sessions.

◆ **Bank of India** : Leading bank with sober and peaceful Gujarati clients. Has been beaten down to Rs. 94 but now this scrip is being accumulated in huge quantities. Expect it to cross Rs. 110 in just few sessions.

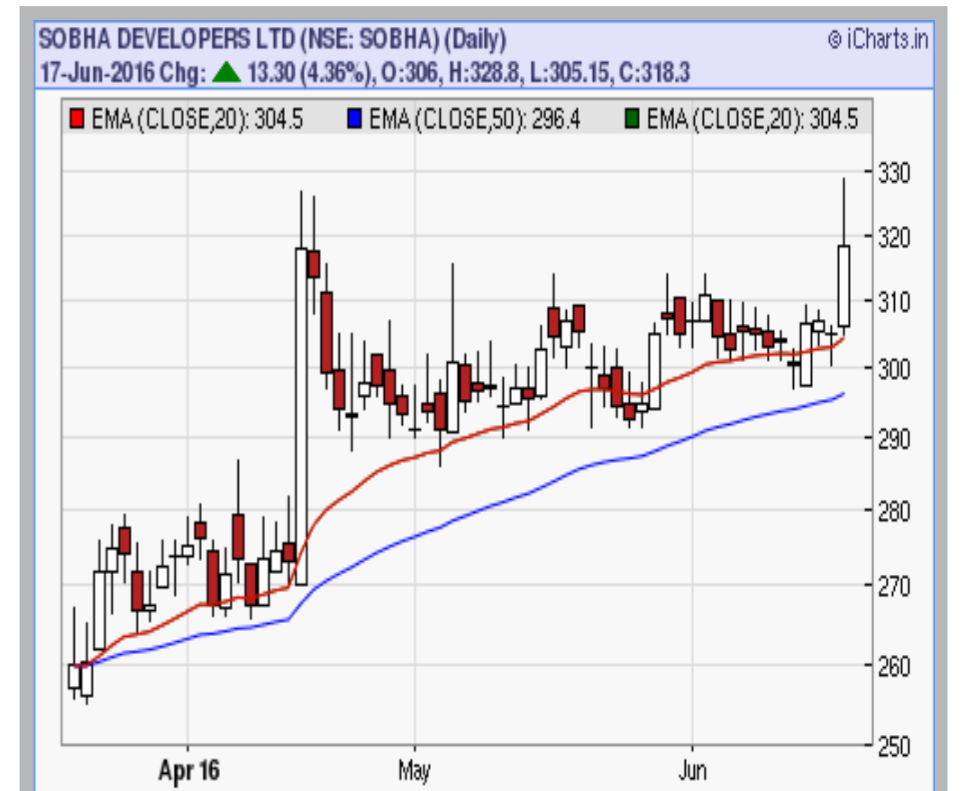
◆ **GMR Infra** : Very impressive portfolio of power projects, airport projects. Relief is expected in huge interest burden. Accumulate at Rs. 12.80 . Expected to cross Rs. 16 in just few sessions.

◆ **IDBI** :Finance minister is expected to push disinvestment and privatisation of this bank. Value unlocking expected. Buy at current price of Rs. 71. The traders expect the scrip to touch Rs. 80 in the short term

◆ **Kajaria Ceramic** :With lower prices of Crude and Natural Gas, operating margin is expected to be very strong. The scrip now at Rs. 119.4 is in strong bull hands. Expect Rs. 100 be added in the price in just few sessions.

◆ **Union Bank**: In spite of NPA problems, the bank is showing profits. Now at Rs. 127, the scrip is considered very safe for medium term investment.

### Buy Sobha Developers @ Rs.318. Sell @ Rs.341



The Scrip closed at Rs.318 and the scrip shows space for further uptrend.

50-day SMA, which is at Rs.298, has shown a positive crossover over the 20 day SMA which is at Rs.304.

The 30-week SMA, at Rs.286, has shown a positive crossover over the 10 week SMA, at Rs. 298.

**Stop Loss Rs. 306**

**Target Rs. 341**

All the four moving average indicators show a bullish trend.

RSI is at 66.03 and the Signal line at 3.23, which has shown a crossover over the MACD which is at 3.57. Both the

Stochastic Indicator and the Stochastic RSI are showing a possibility of bullish upmove in this stock.

You can take a buy position in this stock with a stop loss of Rs.306 and target of Rs.330. The next expected level is Rs.341

### Buy Man Infra @ Rs.44.80. Sell at Rs.46.63



The Scrip closed at Rs.44.80 and the scrip shows space for further uptrend.

50-day SMA, which is at Rs.38.68, has shown a positive crossover over the 20 day SMA which is at Rs.39.10.

The 30-week SMA, at Rs.38.25, has shown a positive crossover over the

**Stop Loss Rs. 43.37**

**Target Rs. 46.63**

10 week SMA, which is at Rs.38.89. All the four moving average indicators show a bullish trend.

RSI is at 70.11 and the Signal line at 0.86 which has shown a crossover over the MACD

which is at 1.37. Both the Stochastic Indicator and the Stochastic RSI are showing a possibility of bullish upmove in this stock.

You can take a buy position in this stock with a stop loss of Rs. 43.37 and target of Rs.45.72. The next expected level is Rs.46.63.

### DYNAMIC INDUSTRIES LIMITED

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#### GENERAL NOTICE

Members of the Company are hereby informed that with effect from 23 rd June, 2016, the Company has appointed Link Intime India Pvt Ltd. (SEBI Registration Number: INR000004058) as its Registrar and Share Transfer Agent in place of M/s. Sharepro Services (I) Pvt. Ltd. in the Board Meeting held on 15 th June, 2016. All correspondence and requests including those relating to transfer of shares, change of address, issue of duplicate shares, dematerialization, etc. may henceforth be sent to Link Intime India Pvt. Ltd. at the address 303, 3rd Floor, Shoppers Plaza-V, Opp. Municipal Market, Above SBI, Off C. G. Road, Navrangpura, Ahmedabad - 380 009.

For, Dynamic Industries Limited  
Sd/-  
Deepak Choksi  
Managing Director  
DIN : 00536345

Date : 20th June 2016  
Place : Ahmedabad