

## Morning Notes

04-July-2016

## MARKET OUTLOOK

**Markets to extend the gains with a positive start:** The Indian markets extended their jubilation in the last session and posted gains of over half a percent. Today, the start is likely to remain good on supportive global cues and the markets will be taking some encouragement with the report that rain deficit has now been reduced to 6%, after a slow start. However, there will be some cautiousness too, with RBI Governor Raghuram Rajan, cautioning against expecting too much from central banks, stating that it is wrong on their part also to always claim a 'bazooka' left up their sleeves.

## EQUITY MARKET WRAP UP

**Benchmarks trim gains in late trade, still Nifty ends above 8300 mark:** The Indian stock markets ended the first day of new F&O series on an optimistic note, on the back of bottom fishing in fundamentally strong shares gathering greater force. Sentiments remained buoyant across the board as the frontline indices registered strong back-to-back gains in last three trading sessions scaling beyond psychological levels. BSE Sensex surged by 145.19 points or 0.54% to 27144.91, while the CNX Nifty rose 40.60 points or 0.49% to 8,328.35. The BSE Sensex touched a high and a low 27243.36 and 27061.40, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 1.20%, while Small cap index was up by 0.71%.

## DEBT MARKET &amp; FOREX

- Bond yields trade lower on last trading sessionday:** Bond yields traded lower on Friday, as investor's sentiment remained upbeat amid hopes of easy monetary policies across the world. Meanwhile, investors got some relief as the revival in monsoon rains eased concern about a surge in inflation. Yields on new 10 year Government Stock were trading 4 basis points lower at 7.41% from its previous close at 7.45% on Thursday. The benchmark five-year interest rates were trading 3 basis points lower at 7.36% from its previous close at 7.39% on Thursday.
- Rupee extends gaining streak for third consecutive session:** Indian rupee ended substantially stronger against dollar on last day of the week on sustained selling of greenback by banks and exporter, tracking firm cues from other Asian currency markets. This was the third day of consecutive gains for the domestic currency. Indian currency looked strong from the very beginning and was supported by the gains in the local equity markets. rupee ended 67.32, 20 paise stronger from its previous close at 67.52 on Thursday. The currency touched a high and low of 67.49 and 67.31 respectively.

## ECONOMY &amp; MARKET PULSE

- India's external debt rises to \$485.6 billion at March end
- India's manufacturing PMI surges to three month high of 51.7 in June
- Growth in eight core industries plunges to 5-month low in May at 2.8%
- Higher food prices increases retail inflation for industrial workers to 6.59 % in May
- World Bank announces funding support of \$1 billion for expansion of solar power capacity in India

## Indices Performance

Index	1-Jul-16	Previous Close	% Change*
S&P BSE Sensex	27,144.91	26,999.72	0.54%
CNX Nifty	8,328.35	8,287.75	0.49%
CNX Midcap	13,973.80	13,816.45	1.14%
CNX 500	7,027.85	6,980.80	0.67%
S&P BSE Smallcap	11,885.43	11,801.32	0.71%

## Global Markets

Index		Previous Close	% Change*
Dow Jones	17,949.37	17,929.99	0.11%
Nasdaq	4,862.57	4,842.67	0.41%
S&P 500	2,102.95	2,098.86	0.19%
FTSE	6,577.83	6,504.30	1.13%
CAC	4,273.96	4,237.48	0.86%

## Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	8,452.22	6,970.64	1,481.58
DII Flows	2,747.46	1,840.41	907.05

## Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	31,463.00	264.00	0.85%
Silver (1Kg)	45,559.00	2092.00	4.81%
Crude Oil (1 barrel)	3,271.00	-33.00	-1.00%
Aluminium (1 Kg)	111.75	0.45	0.40%
Copper (1Kg)	333.15	2.55	0.77%

## Currency Market

Currency	1-Jul-16	Gains+/Loss	% Change*
INR / 1 USD	67.4410	0.18	0.26%
INR / 1 GBP	89.5482	0.97	1.07%
INR / 1 EURO	74.7449	0.26	0.35%
INR / 100 JPY	65.6700	0.24	0.36%

## NSE Top 5 Gainers

Company	1-Jul-16	Previous Close	% Change*
MPS Infotecnics	0.10	0.05	100.00%
Birla Cotsyn (India)	0.10	0.05	100.00%
KSS	0.25	0.20	25.00%
Mahanagar Gas	520.30	421.00	23.59%
Visagar Polytex	4.50	3.75	20.00%

## NSE Top 5 Losers

Company	1-Jul-16	Previous Close	% Change*
Farmax India	0.10	0.15	-33.33%
Nicco Corpn	0.25	0.30	-16.67%
KPIT Technologies	157.15	184.30	-14.73%
Nakoda	0.30	0.35	-14.29%
Raj Rayon Industries	0.30	0.35	-14.29%

## BSE Top 5 Gainer

Company	1-Jul-16	Previous Close	% Change*
Mahanagar Gas	519.90	421.00	23.49%
Visagar Polytex	4.50	3.75	20.00%
Riga Sugar	24.30	20.25	20.00%
Milkfood	206.15	171.80	19.99%
Store One Retail	198.35	165.30	19.99%

## BSE Top 5 Loser

Company	1-Jul-16	Previous Close	% Change*
Punjab Communication	38.95	45.95	-15.23%
KPIT Technologies	157.50	183.90	-14.36%
Asya Infosoft	43.35	50.05	-13.39%
VKS Projects	0.07	0.08	-12.50%
MPS Infotecnics	0.08	0.09	-11.11%

\* % change is the over the previous days close.