

Morning Notes

05-July-2016

MARKET OUTLOOK

Markets to consolidate with a somber start on weak global cues: The Indian markets showing mostly a steady trade moved further high in last session. Today, the start is likely to be somber and some fatigue is likely to appear on the Indian markets too, amid weak global cues. The post-Brexit relief rally seems to be fading worldwide and demand for safe-haven assets is once again increasing. Traders will be concerned with a private report stating that investments in projects remained elusive in the first quarter of the financial year 2016-17 with stalled projects running into an estimated Rs 11.2 lakh crore. The report has further said that most of the stalled projects are in the electricity (31%) and steel (25%) sectors.

EQUITY MARKET WRAP UP

Benchmarks extend winning streak for the sixth straight session: Indian equity indices showcased yet another euphoric performance on Monday, as investors mounted more bullish bets amid good progress in monsoon rains and firming Asian cues. Heavy showers during the weekend have lifted monsoon out of the 'deficient' zone, the first real signal of a good kharif harvest that should lower food inflation and pave the way for a cut in interest rates. BSE Sensex surged by 133.85 points or 0.49% to 27278.76, while the CNX Nifty rose 42.35 points or 0.51% to 8,370.70. The BSE Sensex touched a high and a low 27385.66 and 27251.06, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.58%, while Small cap index was up by 1.01%.

DEBT MARKET & FOREX

- **Bond yields trade higher on Monday:** Bond yields traded higher on Monday amid lack of fresh triggers. Investors turned cautious amid the expectation of monetary easing by central banks across the globe. yields on new 10 year Government Stock were trading 1 basis point higher at 7.42% from its previous close at 7.41% on Friday. The benchmark five-year interest rates were trading flat from its previous close at 7.35% on Friday.
- **Rupee ends marginally stronger against dollar:** Extending its gains for fourth consecutive session, Indian rupee ended marginally stronger against dollar on increased selling of the US currency by banks and exporters. Besides, strong gains in the domestic equity market and dollar weakness against other currencies overseas added to the rupee's gains. Rupee ended 67.27, 5 paise stronger from its previous close at 67.32 on Friday. The currency touched a high and low of 67.28 and 67.14 respectively.

ECONOMY & MARKET PULSE

- Tax rates to be reasonable and the tax base has to be much larger : Arun Jaitley
- Excise duty on petrol, diesel may not be cut by the Govt in near term
- Govt to cut prices of key fertilizers up to Rs 4000 a tonne
- Monsoon picks up pace, narrows rainfall deficit to 6%

Indices Performance

Index	4-Jul-16	Previous Close	% Change*
S&P BSE Sensex	27,278.76	27,144.91	0.49%
CNX Nifty	8,370.70	8,328.35	0.51%
CNX Midcap	14,094.30	13,973.80	0.86%
CNX 500	7,071.85	7,027.85	0.63%
S&P BSE Smallcap	12,005.84	11,885.43	1.01%

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	6,522.26	6,577.80	-0.84%
CAC	4,234.86	4,273.96	-0.91%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	3,096.10	3,359.53	-263.43
DII Flows	1,939.80	1,562.35	377.45

Commodity Market

Commodities (INR)		Gains+Loss	% Change*
Gold (10gm)	31,783.00	320.00	1.02%
Silver (1Kg)	48,252.00	1849.00	3.98%
Crude Oil (1 barrel)	3,277.00	6.00	0.18%
Aluminium (1 Kg)	110.75	-1.00	-0.89%
Copper (1Kg)	332.60	-0.55	-0.17%

Currency Market

Currency	4-Jul-16	Gains+Loss	% Change*
INR / 1 USD	67.1848	0.26	0.38%
INR / 1 GBP	89.3020	0.25	0.27%
INR / 1 EURO	74.8304	-0.09	-0.11%
INR / 100 JPY	65.4700	0.20	0.30%

NSE Top 5 Gainers

Company	4-Jul-16	Previous Close	% Change*
MPS Infotecnics	0.15	0.10	50.00%
Pudumjee Pulp & Paper	18.00	15.00	20.00%
Pitti Laminations	48.30	40.25	20.00%
Saksoft	250.95	209.15	19.99%
Palred Technologies	85.60	71.35	19.97%

NSE Top 5 Losers

Company	4-Jul-16	Previous Close	% Change*
KSS	0.20	0.25	-20.00%
Pan India Corp.	0.25	0.30	-16.67%
Raj Oil Mills	1.25	1.40	-10.71%
Rohit Ferro-Tech	4.70	5.20	-9.62%
Visagar Polytex	4.10	4.50	-8.89%

BSE Top 5 Gainer

Company	4-Jul-16	Previous Close	% Change*
TCI Finance	27.60	23.00	20.00%
Pudumjee Industries	11.58	9.65	20.00%
Saksoft	248.70	207.25	20.00%
Tulsi Extrusions	4.98	4.15	20.00%
Sita Shree Food	11.82	9.85	20.00%

BSE Top 5 Loser

Company	4-Jul-16	Previous Close	% Change*
BC Power	49.60	62.00	-20.00%
Virinchi	59.25	67.50	-12.22%
Oasis Tradelink	96.35	108.00	-10.79%
Shivamshree Business	2.88	3.20	-10.00%
Mangalam Indl. Fin.	33.30	37.00	-10.00%

* % change is the over the previous days close.