

Morning Notes

20-July-2016

MARKET OUTLOOK

Markets to make a positive but cautious start on mixed global cues: The Indian markets recovering from a choppy trade managed a slightly positive close in last session. Today, the start is likely to be in green and traders will be getting some support with Finance Minister Arun Jaitley urging the Rajya Sabha to pass the GST bill expeditiously to enable states get a share of the Service Tax which is not shared under the provisions of 14th Finance Commission. However, there will be some cautiousness too, with the global lending agency IMF in its latest World Economic Outlook, slightly trimming India's growth projections to 7.4 percent for 2016 and 2017, a drop of 0.1 percent from its previous forecast, attributing it to a more sluggish investment recovery while declaring Brexit as a "spanner" in the global economic recovery.

EQUITY MARKET WRAP UP

Benchmarks snap two days losing streak: After showing a sluggish trend for most part of the session, Indian benchmarks indices managed to negotiate a close in the green terrain, breaking the two session downtrend, on fresh buying by investors and foreign funds, on hopes of passage of the GST Bill in Rajya Sabha during the monsoon session of Parliament. BSE Sensex gained 40.96 points or 0.15% to 27787.62, while the CNX Nifty rose 19.85 points or 0.23% to 8,528.55. The BSE Sensex touched a high and a low of 27826.69 and 27637.98, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.18%, while Small cap index was up by 0.11%.

DEBT MARKET & FOREX

- **Bond yields trade lower on Tuesday:** Bond yields traded lower on Tuesday amid expectations that state-run banks will continue to pile into sovereign debt. Yields on new 10 year Government Stock were trading 2 basis points lower at 7.27% its previous close at 7.29% on Monday. The benchmark five-year interest rates were trading 2 basis points lower at 7.12% from its previous close at 7.14% on Monday.
- **Rupee strengthens on dollar sales by custodian banks:** Indian rupee strengthened on Tuesday due to selling of American currency by banks and exporters, amid mixed cues from Asian currency markets. Besides, some gains in equity market and a weak dollar against other currencies overseas also supported the rupee. Some support also came after the RBI governor Raghuram Rajan said that the prevailing level of rupee is pretty reasonable and any step taken to devalue it further may trigger inflationary pressures. Rupee ended 67.11, 8 paise stronger from its previous close at 67.19 on Monday. The currency touched a high and low of 67.22 and 67.10 respectively.

ECONOMY & MARKET PULSE

- Growth of 8 to 8 per cent plus doable for Indian economy for next 10 years: Arvind Subramanian
- Coal import declines by around 5% in April-May 2016-17
- High WPI to enhance toll road revenues for FY18: ICRA
- Fitch affirms India's sovereign rating at 'BBB-'

Indices Performance

Index	19-Jul-16	Previous Close	% Change*
S&P BSE Sensex	27,787.62	27,746.66	0.15%
CNX Nifty	8,528.55	8,508.70	0.23%
CNX Midcap	14,213.55	14,195.70	0.13%
CNX 500	7,178.20	7,162.25	0.22%
S&P BSE Smallcap	11,909.59	11,922.35	-0.11%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,559.01	18,533.05	0.14%
Nasdaq	5,036.37	5,055.78	-0.38%
S&P 500	2,163.78	2,166.89	-0.14%
FTSE	6,697.37	6,463.60	3.62%
CAC	4,330.13	4,357.74	-0.63%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	4,148.57	3,571.45	577.12
DII Flows	1,737.67	2,115.10	-377.43

Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	31,094.00	79.00	0.25%
Silver (1Kg)	47,024.00	-143.00	-0.30%
Crude Oil (1 barrel)	3,080.00	-26.00	-0.84%
Aluminium (1 Kg)	109.75	-1.10	-0.99%
Copper (1Kg)	338.00	3.55	1.06%

Currency Market

Currency	19-Jul-16	Gains+/Loss	% Change*
INR / 1 USD	67.1462	-0.04	-0.07%
INR / 1 GBP	88.7203	-0.03	-0.04%
INR / 1 EURO	74.3443	-0.18	-0.24%
INR / 100 JPY	63.3500	0.16	0.25%

NSE Top 5 Gainers

Company	19-Jul-16	Previous Close	% Change*
Jindal Cotex	15.70	13.10	19.85%
North Eastern Carry.	41.00	35.20	16.48%
XL Energy	3.75	3.25	15.38%
Guj. Fluorochem	604.40	528.10	14.45%
Greenearth Resources	0.40	0.35	14.29%

NSE Top 5 Losers

Company	19-Jul-16	Previous Close	% Change*
Birla Cotsyn (India)	0.05	0.10	-50.00%
Farmax India	0.10	0.15	-33.33%
Jaihind Projects	7.60	9.00	-15.56%
Nakoda	0.30	0.35	-14.29%
GTN Textiles	12.95	15.00	-13.67%

BSE Top 5 Gainer

Company	19-Jul-16	Previous Close	% Change*
Jindal Cotex	15.75	13.13	19.95%
Asian Oilfield Serv.	55.65	46.40	19.94%
Lotus Chocolate	54.15	45.15	19.93%
Smiths & Founders	16.98	14.16	19.92%
Powerhouse Gym	27.50	24.00	14.58%

BSE Top 5 Loser

Company	19-Jul-16	Previous Close	% Change*
Super Domestic Mach	3.79	4.60	-17.61%
GTN Textiles	13.22	15.05	-12.16%
Bharat Bijlee	873.05	984.30	-11.30%
Manaksia Steels	10.95	12.15	-9.88%
Surya Marketing	17.80	19.75	-9.87%

* % change is the over the previous days close.