

Morning Notes

26-July-2016

MARKET OUTLOOK

Markets to make a cautious start on sluggish global cues: The Indian markets surged in last session, posting gains of over a percent on hopes of GST getting passed in the monsoon session of the parliament. Today, the start is likely to remain cautious as the global markets are not in a good shape and traders will be eyeing further development with Finance Minister Arun Jaitley meeting his counterparts in states to discuss proposed amendments to the GST Bill today. Meanwhile, Minister of State for Finance Arjun Ram Meghwal has said that Government is working overtime to build a consensus on the long-pending Goods and Services Tax bill with the hope of getting it passed during the ongoing Parliament session.

EQUITY MARKET WRAP UP

Boisterous benchmarks display spirited performance; Nifty ends above 8600 mark: Indian stock markets showcased the best performance not only among the Asian peers but also against the markets across the globe, as the frontline indices registered strong gains of over a percent on Monday. Sentiments got a boost with the reports that Finance Minister Arun Jaitley will meet his counterparts in states to discuss proposed amendments to the GST Bill on Tuesday, with the likely listing of GST Bill in Rajya Sabha this week. Besides, a firming trend overseas as investors pinned their hopes on fresh Bank of Japan stimulus too accelerated buying activity in domestic equities.

DEBT MARKET & FOREX

- **Bond yields trade lower on Monday:** Bond yields traded lower on Monday, as the quantum of a fresh supply of state debt is lower than scheduled, boosting an already buoyant sentiment. Yields on new 10 year Government Stock were trading 2 basis points lower at 7.23% from its previous close at 7.25% on Friday.
- The benchmark five-year interest rates were trading flat from its previous close at 7.10% on Friday.
- **Rupee concludes substantially weaker against dollar:** Indian rupee concluded substantially weaker against dollar on account of sustained dollar demand from importers and banks. Dollar strengthens against some global currencies also weighed on the rupee sentiment. Investors remained cautious after the International Monetary Fund (IMF) warned that headwinds from weaknesses in Indian corporate and bank balance sheets, slowing pace of reforms and sluggish exports may weigh on the country's economic growth. rupee ended at 67.35, weaker by 28 paise from its previous close of 67.07 on Friday. The currency touched a high and low of 67.36 and 67.17 respectively.

ECONOMY & MARKET PULSE

- Jaitley calls for a judicious mix of fiscal, monetary and structural policies to deal with Brexit
- Govt recognizes over 250 incubators for start-up ecosystem in India
- India Inc's M&A activity slips by 4% to \$17.5 billion in Jan-June 2016
- Petrochemicals industry top priority for the government: Dharmendra Pradhan
- Govt sanctions 25 projects worth Rs 2,048 crore under Swadesh Darshan scheme
- Govt asks states to remove local taxes on essential food items
- India receives \$ 5.34 billion FDI in April-May
- IMF warns decelerating pace of reforms may weigh on India's economic growth

Indices Performance

Index	25-Jul-16	Previous Close	% Change*
S&P BSE Sensex	28,095.34	27,803.24	1.05%
CNX Nifty	8,635.65	8,541.20	1.11%
CNX Midcap	14,565.25	14,435.30	0.90%
CNX 500	7,305.60	7,227.45	1.08%
S&P BSE Smallcap	12,234.49	12,107.31	1.05%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,493.06	18,570.85	-0.42%
Nasdaq	5,097.63	5,100.16	-0.05%
S&P 500	2,175.03	2,175.03	0.00%
FTSE	6,710.13	6,463.60	3.81%
CAC	4,388.00	4,381.10	0.16%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	3,856.97	3,338.51	518.46
DII Flows	1,823.28	1,891.17	-67.89

Commodity Market

Commodities (INR)		Gains+/-Loss	% Change*
Gold (10gm)	30,907.00	36.00	0.12%
Silver (1Kg)	46,473.00	152.00	0.33%
Crude Oil (1 barrel)	2,927.00	-34.00	-1.15%
Aluminium (1 Kg)	107.65	0.20	0.19%
Copper (1Kg)	333.80	0.25	0.07%

Currency Market

Currency	25-Jul-16	Gains+/-Loss	% Change*
INR / 1 USD	67.2430	-0.11	-0.16%
INR / 1 GBP	88.3506	0.60	0.67%
INR / 1 EURO	73.7992	0.23	0.31%
INR / 100 JPY	63.3700	0.04	0.06%

NSE Top 5 Gainers

Company	25-Jul-16	Previous Close	% Change*
Birla Cotsyn (India)	0.10	0.05	100.00%
KSS	0.20	0.15	33.33%
Sujana Towers	11.40	9.50	20.00%
Sujana Metal	3.00	2.50	20.00%
Seshasayee Paper	383.45	319.55	20.00%

NSE Top 5 Losers

Company	25-Jul-16	Previous Close	% Change*
MPS Infotecnics	0.10	0.15	-33.33%
VKS Projects	0.10	0.15	-33.33%
Farmax India	0.10	0.15	-33.33%
REI Six Ten Retail	0.45	0.50	-10.00%
Uttam Value Steels	0.50	0.55	-9.09%

BSE Top 5 Gainer

Company	25-Jul-16	Previous Close	% Change*
Blue Chip Tex Inds.	104.40	87.00	20.00%
Sahara Hsg Fin Corp	60.60	50.50	20.00%
Sujana Metal	3.00	2.50	20.00%
Kalyani Steels	226.90	189.10	19.99%
Seshasayee Paper	380.80	317.35	19.99%

BSE Top 5 Loser

Company	25-Jul-16	Previous Close	% Change*
Tentiwala Metal	4.72	5.90	-20.00%
Aryaman Capital Mkts	18.00	20.00	-10.00%
Rajasthan Cyl.&Cont.	22.55	24.90	-9.44%
Country CondoS	3.72	4.08	-8.82%
Vijay Textiles	29.20	31.90	-8.46%

* % change is the over the previous days close.