

Morning Notes

19-Aug-2016

MARKET OUTLOOK

Markets to extend gains on positive global cues: The Indian markets surged in last session, snapping their two days losing streak, supported by upbeat banking stocks. Today the start is likely to be in green and the markets will be extending the gains on supportive global cues. Also, as Moody's Investors Service has retained India's growth forecast at 7.5 per cent for 2016 and revised upwards estimates for China to 6.6 per cent citing strong fiscal and monetary support. Apart from equity markets there will be buzz in the bond markets, as an expert panel with an aim to develop corporate bond market in India, has suggested easing of norms for foreign investors, a corporate bond index on lines of Sensex or Nifty, and making it mandatory for large corporates to tap this market for funds beyond a threshold.

EQUITY MARKET WRAP UP

Benchmarks snap two-day losing streak, Nifty ends above 8650 mark: Indian stock markets witnessed a fairly stable day of trade on Thursday as sanguinity got reinforced after minutes of the US Federal Reserve meeting signaled no interest rate hikes in the near term and raised hopes that the pace of foreign inflows into the domestic market would continue. Sentiments remained optimistic for most part of the session as Jharkhand becoming the third state to ratify the Goods and Services Tax Amendment Bill in a special session of the Legislative Assembly. The state of Assam and Bihar had already passed the GST Bill. The government has set a deadline of April 2017 for its rollout. BSE Sensex gained 118.07 points or 0.42% to 28123.44, while the CNX Nifty rose by 49.20 points or 0.57% to 8,673.25. The BSE Sensex touched a high and a low 28214.17 and 28077, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.43%, while Small cap index was up by 1.01%.

DEBT MARKET & FOREX

- Bond yields trade higher on Thursday:** Bond yields edged higher on Thursday amid absence of fresh triggers and ahead of debt sale tomorrow, while traders also await announcement of the new central bank governor. Yields on new 10 year Government Stock were trading 1 basis points higher at 7.11% from its previous close of 7.10% on Wednesday. The benchmark five year yields were trading 1 basis points higher at 7.04% from its previous close of 7.03% on Wednesday.
- Rupee ends weaker on Thursday:** Indian rupee ended lower on Thursday due to sustained demand for dollar from banks and importers. Investors remained cautious with the private report indicating that headline inflation is expected to continue its rally through the rest of this fiscal, while WPI is likely to average 3.9 per cent, CPI will average close to 5 per cent in 2016-17. However, strong gains in the equity market restricted the rupee losses. Rupee ended at 66.81, stronger by 5 paise from its previous close of 66.76 on Tuesday. The currency touched a high and low of 66.86 and 66.75 respectively.

ECONOMY & MARKET PULSE

- India's reform and policy support for infra, mfg to drive steel consumption: Moody's
- Revival in private investment key to boost industrial output: Ind-Ra
- Govt expects rise in tax revenues after implementation of GST
- Govt to extend subsidy scheme to solar-powered cold storages
- FIPB to consider 12 foreign investment proposals on Aug 30

Indices Performance

Index	18-Aug-16	Previous Close	% Change*
S&P BSE Sensex	28,123.44	28,005.37	0.42%
CNX Nifty	8,673.25	8,624.05	0.57%
CNX Midcap	15,098.30	14,983.90	0.76%
CNX 500	7,390.20	7,343.70	0.63%
S&P BSE Smallcap	12,300.25	12,280.20	0.16%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,597.70	18,573.94	0.13%
Nasdaq	5,240.15	5,228.66	0.22%
S&P 500	2,187.02	2,182.22	0.22%
FTSE	6,868.96	6,859.15	0.14%
CAC	4,437.06	4,417.68	0.44%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	11,312.47	10,531.19	781.28
DII Flows	2,261.31	2,275.73	-14.42

Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	31,478.00	110.00	0.35%
Silver (1Kg)	46,094.00	208.00	0.45%
Crude Oil (1 barrel)	3,277.00	103.00	3.25%
Aluminium (1 Kg)	112.10	-1.05	-0.93%
Copper (1Kg)	320.65	1.65	0.52%

Currency Market

Currency	18-Aug-16	Gains+/Loss	% Change*
INR / 1 USD	66.7939	0.10	0.16%
INR / 1 GBP	87.2596	-0.92	-1.07%
INR / 1 EURO	75.5773	-0.56	-0.74%
INR / 100 JPY	66.8400	-0.16	-0.24%

NSE Top 5 Gainers

Company	18-Aug-16	Previous Close	% Change*
Farmax India	0.15	0.10	50.00%
Paras Petrofils	0.25	0.20	25.00%
Jyoti Structures	13.50	11.25	20.00%
Upper Ganges Sugar	374.15	311.80	20.00%
Sundaram BrakeLining	421.85	351.55	20.00%

NSE Top 5 Losers

Company	18-Aug-16	Previous Close	% Change*
MPS Infotecnics	0.05	0.10	-50.00%
Quintegra Solutions	1.25	1.60	-21.88%
Raj Rayon Industries	0.25	0.30	-16.67%
Visagar Polytex	2.05	2.40	-14.58%
LCC Infotech	0.30	0.35	-14.29%

BSE Top 5 Gainer

Company	18-Aug-16	Previous Close	% Change*
Jubilant Inds.	215.40	179.50	20.00%
Newever Trade	2.04	1.70	20.00%
Sundaram BrakeLining	421.95	351.65	19.99%
Shalimar Paints	184.55	153.80	19.99%
Upper Ganges Sugar	372.75	310.65	19.99%

BSE Top 5 Loser

Company	18-Aug-16	Previous Close	% Change*
GCM Capital Advisors	24.30	30.35	-19.93%
Genera Agri Corp	2.38	2.94	-19.05%
Visagar Polytex	2.02	2.45	-17.55%
Trilogic Digital	6.60	7.72	-14.51%
Rajasthan Cyl.&Cont.	21.00	24.00	-12.50%

* % change is the over the previous days close.