

Morning Notes

26-Aug-2016

MARKET OUTLOOK

Markets to make a flat-to-positive start reacting to RBI's action:

The Indian markets suffered sharp cuts in last session, losing their momentum in final hours to end the August series on a lower note. Today, the start of the new series is likely to be flat-to-green, strong rollovers to the September series indicates the optimism of the traders, though markets will be a bit cautious ahead of Janet Yellen's speech. Market will see some recovery with the Reserve Bank of India (RBI) announcing a raft of measures to boost investor participation and market liquidity in both the corporate bond and currency markets. These include the staggered reduction of banks' loan exposure, increased participation by overseas investors in corporate bonds and making top-rated bonds eligible for borrowing from Reserve Bank for liquidity needs. Meanwhile, in a bid to keep nation's tax laws in conformity with changing times, the Income Tax Department has created a permanent mechanism for seeking inputs from its officers for changes required in the direct tax regulations.

EQUITY MARKET WRAP UP

Indian markets collapse on F&O expiry day; Sensex deposes over 200 pts: August series futures and options (F&O) contract expiry day turned out to be an extremely disappointing affair for the Indian markets as the local benchmarks capitulated to the unrelenting selling pressure amid extremely high volatility. Finally, the BSE Sensex slumped by 224.03 points or 0.80% to 27835.91, while the CNX Nifty dropped 58.10 points or 0.67% to 8,592.20. The BSE Sensex touched a high and a low 28154.21 and 27803.24, respectively. The broader indices made a negative closing; the BSE Mid cap index ended down by 0.35%, while Small cap index was lower by 0.11%.

DEBT MARKET & FOREX

- **Bond yields trade lower on Thursday:** Bond yields edged lower on Thursday on speculation the central bank's measures to improve the corporate debt market will enhance liquidity and bolster demand for government securities. However, investors await the auction of four bonds, which is scheduled to take place on Friday. The benchmark five-year interest rates were trading 2 basis points lower at 7.03% from its previous close of 7.05% on Wednesday.
- **Rupee strengthens marginally against dollar:** Indian rupee strengthened marginally against US dollar on Thursday ahead of expected measures from the Reserve Bank of India to enhance corporate bond markets and a speech from US Fed chair Janet Yellen that may yield clues on U.S. interest rate policy. Finally the rupee ended at 67.05, stronger by 6 paise from its previous close of 67.11 on Wednesday. The currency touched a high and low of 67.11 and 67.02 respectively.

ECONOMY & MARKET PULSE

- India may receive above normal rainfall this season: IMD
- Cabinet revises DTAA between India-Cyprus
- Govt revises budget of 1,120 km national highways to Rs 6,461 crore
- Commerce Minister urges for 2% interest rate cut by RBI
- Stressed assets level rises to 12% for banking industry in Q1 FY17

Indices Performance

Index	25-Aug-16	Previous Close	% Change*
S&P BSE Sensex	27,835.91	28,059.94	-0.80%
CNX Nifty	8,592.20	8,650.30	-0.67%
CNX Midcap	15,098.40	15,161.45	-0.42%
CNX 500	7,343.50	7,386.05	-0.58%
S&P BSE Smallcap	12,501.70	12,515.13	-0.11%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,448.41	18,481.48	-0.18%
Nasdaq	5,212.20	5,217.69	-0.11%
S&P 500	2,172.47	2,175.44	-0.14%
FTSE	6,816.90	6,835.78	-0.28%
CAC	4,406.61	4,435.47	-0.65%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	3,108.33	3,140.90	-32.57
DII Flows	2,996.01	3,353.03	-357.02

Commodity Market

Commodities (INR)		Gains+/-Loss	% Change*
Gold (10gm)	30,928.00	-118.00	-0.38%
Silver (1Kg)	43,659.00	-107.00	-0.24%
Crude Oil (1 barrel)	3,158.00	10.00	0.32%
Aluminium (1 Kg)	109.45	-0.65	-0.59%
Copper (1Kg)	307.75	-0.90	-0.29%

Currency Market

Currency	25-Aug-16	Gains+/-Loss	% Change*
INR / 1 USD	67.0876	0.04	0.07%
INR / 1 GBP	88.6563	-0.27	-0.31%
INR / 1 EURO	75.5943	0.21	0.28%
INR / 100 JPY	66.8400	0.06	0.09%

NSE Top 5 Gainers

Company	25-Aug-16	Previous Close	% Change*
MPS Infotecnics	0.10	0.05	100.00%
Birla Cotsyn (India)	0.10	0.05	100.00%
VKS Projects	0.10	0.05	100.00%
Pan India Corp.	0.30	0.25	20.00%
V2 Retail	84.60	70.90	19.32%

NSE Top 5 Losers

Company	25-Aug-16	Previous Close	% Change*
Rasoya Proteins	0.20	0.25	-20.00%
Creative Eye	3.35	4.00	-16.25%
Greenearth Resources	0.30	0.35	-14.29%
LCC Infotech	0.30	0.35	-14.29%
Kellton Tech Solut.	115.65	128.90	-10.28%

BSE Top 5 Gainer

Company	25-Aug-16	Previous Close	% Change*
Guj. Toolroom	8.03	2.97	170.37%
GKB Ophthalmics	97.90	81.60	19.98%
V2 Retail	84.80	70.90	19.61%
Comfort Intech	0.88	0.74	18.92%
Menon Bearings	104.80	89.80	16.70%

BSE Top 5 Loser

Company	25-Aug-16	Previous Close	% Change*
Prabhat Telecoms	60.00	72.00	-16.67%
GCM Commodity	2.13	2.50	-14.80%
Genera Agri Corp	2.23	2.52	-11.51%
Shree Precoated	2.37	2.67	-11.24%
Amrapali Cap. & Fin	34.00	38.00	-10.53%

* % change is the over the previous days close.