

Morning Notes

06-Sept-2016

MARKET OUTLOOK

Markets to make a positive start, extending last session gains: The Indian markets before going for a long weekend posted decent gains on hopes of good economic growth. Today, the start is likely to be in green and the markets will be extending the gains on jubilant regional cues. Traders will be getting some support with report that growth in India's services industry accelerated to its fastest pace in more than 3-1/2 years in August, driven by a surge in domestic and foreign demand. The Nikkei/Markit Services Purchasing Managers' Index jumped to 54.7 in August, its highest since January 2013, from 51.9 in July. Also there are reports that Prime Minister's Office (PMO) will soon clear projects worth Rs 20 lakh crore, stating that the Project Monitoring Group (PMG) has already cleared 276 projects worth 10 lakh crore which were stalled due to various reasons including roads, environment, coal and power among others. However, there will be some cautiousness too, with former RBI governor Raghuran Rajan's warning that Low interest rates globally could distort markets and it would be difficult to abandon.

EQUITY MARKET WRAP UP

Indian markets witnessed a fairly stable day of trade on Friday: After slipping into the negative territory on Thursday, Indian markets made a strong comeback on Friday, with the benchmark indices hitting fresh 52-week highs and raising weekly gains to over two and half percent. Finally, the BSE Sensex surged 108.63 points or 0.38% to 28532.11, while the CNX Nifty gained 35 points or 0.40% to 8,809.65. The BSE Sensex touched a high and a low 28581.58 and 28427.63, respectively. There were 14 stocks advancing against 16 stocks declining on the index. The broader indices ended in green; the BSE Mid cap index rose 0.49%, while Small cap index was up by 0.36%.

DEBT MARKET & FOREX

- Bond yields trade lower on Friday:** Bond yields edged lower on Friday as sentiments got some support with chief economic advisor Arvind Subramanian stating that India has the potential to sustain 8 to 10 percent GDP growth rate during the next two to three years, despite April-June GDP growth coming in below expectations at 7.1 percent. Back home, the yields on new 10 year Government Stock were trading 2 basis points lower at 7.10% from its previous close of 7.12% on Thursday.
- Rupee ends stronger along with equities:** Indian rupee ended strong and hit a two-week high against the US dollar on Friday on fresh selling of American currency by banks and exporters amid strong gains in domestic equity market. Local currency got some support with International Monetary Fund's (IMF's) report praising the country by saying that India has recently taken important steps towards a national goods and services tax. Finally the rupee ended at 66.82, stronger by 14 paise from its previous close of 66.96 on Friday.

ECONOMY & MARKET PULSE

- Odisha becomes 16th state to approve GST Bill passed by Parliament
- Government imposes stock limit on sugar mills to prevent price rise
- Govt likely to finalize RCS by September
- India requires 10% surplus rainfall in September to close the deficit: IMD
- Wholesale prices of pulses declining, impact to be reflected soon in retail markets

Indices Performance

| Index | 1-Sep-16 | Previous Close | % Change* |
|------------------|-----------|----------------|-----------|
| S&P BSE Sensex | 28,423.48 | 28,452.17 | -0.10% |
| CNX Nifty | 8,774.65 | 8,786.20 | -0.13% |
| CNX Midcap | 15,297.45 | 15,370.85 | -0.48% |
| CNX 500 | 7,474.30 | 7,490.65 | -0.22% |
| S&P BSE Smallcap | 12,598.98 | 12,648.79 | -0.39% |

Global Markets

| Index | | Previous Close | % Change* |
|-----------|-----------|----------------|-----------|
| Dow Jones | 18,419.30 | 18,400.88 | 0.10% |
| Nasdaq | 5,227.21 | 5,213.22 | 0.27% |
| S&P 500 | 2,170.86 | 2,170.95 | 0.00% |
| FTSE | 6,745.97 | 6,781.51 | -0.52% |
| CAC | 4,439.67 | 4,438.22 | 0.03% |

Institutional Flows (Equity)

| Description (Rs in Cr) | Purchases | Sales | Net |
|------------------------|-----------|-----------|--------|
| FII Flows | 15,504.36 | 14,581.34 | 923.02 |
| DII Flows | 2,451.15 | 2,142.99 | 308.16 |

Commodity Market

| Commodities (INR) | | Gains+/-Loss | % Change* |
|----------------------|-----------|--------------|-----------|
| Gold (10gm) | 30,772.00 | 48.00 | 0.16% |
| Silver (1Kg) | 44,298.00 | 310.00 | 0.70% |
| Crude Oil (1 barrel) | 2,909.00 | -94.00 | -3.13% |
| Aluminium (1 Kg) | 107.70 | -0.35 | -0.32% |
| Copper (1Kg) | 312.10 | -0.75 | -0.24% |

Currency Market

| Currency | 1-Sep-16 | Gains+/-Loss | % Change* |
|---------------|----------|--------------|-----------|
| INR / 1 USD | 66.9539 | 0.03 | 0.04% |
| INR / 1 GBP | 88.0511 | -0.37 | -0.42% |
| INR / 1 EURO | 74.6603 | -0.04 | -0.05% |
| INR / 100 JPY | 64.7800 | 0.11 | 0.17% |

NSE Top 5 Gainers

| Company | 1-Sep-16 | Previous Close | % Change* |
|----------------------|----------|----------------|-----------|
| FCS Software Soltns. | 0.30 | 0.25 | 20.00% |
| Hind National Glass | 132.10 | 110.10 | 19.98% |
| HCC | 32.80 | 27.50 | 19.27% |
| C&C Constructions | 19.30 | 16.25 | 18.77% |
| GTL Infrastructure | 2.55 | 2.15 | 18.60% |

NSE Top 5 Losers

| Company | 1-Sep-16 | Previous Close | % Change* |
|---------------------|----------|----------------|-----------|
| Rasoya Proteins | 0.15 | 0.20 | -25.00% |
| Xchanging Solutions | 84.85 | 106.05 | -19.99% |
| Pan India Corp. | 0.25 | 0.30 | -16.67% |
| Indo Rama Synth | 33.20 | 38.90 | -14.65% |
| MVL | 0.35 | 0.40 | -12.50% |

BSE Top 5 Gainer

| Company | 1-Sep-16 | Previous Close | % Change* |
|---------------------|----------|----------------|-----------|
| Binny | 129.60 | 108.00 | 20.00% |
| Hind National Glass | 131.50 | 109.60 | 19.98% |
| GTL Infrastructure | 2.61 | 2.18 | 19.72% |
| HCC | 32.75 | 27.50 | 19.09% |
| C&C Constructions | 19.40 | 16.30 | 19.02% |

BSE Top 5 Loser

| Company | 1-Sep-16 | Previous Close | % Change* |
|----------------------|----------|----------------|-----------|
| Xchanging Solutions | 83.80 | 104.75 | -20.00% |
| Rathi Graphic Tech | 7.63 | 9.11 | -16.25% |
| Indo Rama Synth | 33.20 | 38.90 | -14.65% |
| MD Inducto Cast Ltd. | 53.50 | 62.55 | -14.47% |
| VKS Projects | 0.08 | 0.09 | -11.11% |

* % change is the over the previous days close.