

Morning Notes

25-Aug-2016

MARKET OUTLOOK

Markets to get a cautious start of F&O series expiry session: The Indian equity markets managed a positive close in last session on the back of smart recovery in final hour of trade. Today, the start of the F&O series expiry day is likely to see a cautious start for the markets as the regional markets are trading mixed, while some volatility is expected in latter trade once traders starts settling and rolling out their final positions to the next series. Traders will get some encouragement with Commerce and Industry Minister Nirmala Sitharaman pitching for as much as 200 basis points, that is 2 per cent, interest rate cut by RBI to help the cash-starved MSME sector. Markets will get some support with the Union cabinet approving a revised India-Cyprus tax treaty that seeks to plug loopholes used by investors to avoid paying taxes in India.

EQUITY MARKET WRAP UP

Benchmarks end a volatile session with modest gain ahead of F&O expiry: Wednesday's session was characterized by extreme volatility as the frontline indices went through a rollercoaster ride amid lack of direction ahead of August F&O expiry and signals on key policy rates from US Federal Reserve Chair Janet Yellen at a meeting scheduled this week. However, investors' morale remained upbeat on account of study progress of Goods and Services Tax (GST), which will be implemented from April 1, 2017. The Gujarat Assembly passed the GST Constitution Amendment Bill on August 23 and became the sixth state to do so after Assam, Bihar, Jharkhand, Himachal Pradesh and Chhattisgarh, while the Odisha cabinet decided to place the constitutional amendment bill on GST before the state assembly for ratification. BSE Sensex gained 69.73 points or 0.25% to 28059.94, while the CNX Nifty rose by 17.70 points or 0.21% to 8,650.30. The BSE Sensex touched a high and a low 28108.39 and 27959.87, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.61%, while Small cap index was up by 0.65%.

DEBT MARKET & FOREX

- Bond yields trade flat on Wednesday:** Bond yields traded flat on Wednesday amid the absence of major triggers, even as underlying sentiment remained bearish after the inclusion of the benchmark paper in weekly auction and as Urjit Patel was named the next central bank chief. Yields on new 10 year Government Stock were trading flat at its previous close at 7.15% on Tuesday. The benchmark five-year interest rates were trading 1 basis point lower at 7.05% from its previous close of 7.06% on Tuesday.
- Rupee ends marginally weak despite gains in equity:** Indian rupee ended weaker against dollar on Wednesday on account of sustained demand for dollar from banks and importers. Rupee ended at 67.11, weaker by 5 paise from its previous close of 67.06 on Tuesday. The currency touched a high and low of 67.15 and 67.08 respectively.

ECONOMY & MARKET PULSE

- Ind-Ra revises GDP forecast at 7.8% and retains sector GVA at 7.2%
- Government may prohibit cash deals above Rs 3 lakh: CBDT
- India's growth not possible without infra development: PM
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- Govt to defer forthcoming auction of telecom spectrum by few days

Indices Performance

Index	24-Aug-16	Previous Close	% Change*
S&P BSE Sensex	28,059.94	27,990.21	0.25%
CNX Nifty	8,650.30	8,632.60	0.21%
CNX Midcap	15,161.45	15,058.15	0.69%
CNX 500	7,386.05	7,359.75	0.36%
S&P BSE Smallcap	12,515.13	12,433.78	0.65%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,481.48	18,547.30	-0.35%
Nasdaq	5,217.69	5,260.08	-0.81%
S&P 500	2,175.44	2,186.90	-0.52%
FTSE	6,835.78	6,868.51	-0.48%
CAC	4,435.47	4,421.45	0.32%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	3,596.35	3,590.10	6.25
DII Flows	2,186.71	2,057.53	129.18

Commodity Market

Commodities (INR)		Gains+Loss	% Change*
Gold (10gm)	31,046.00	-324.00	-1.03%
Silver (1Kg)	43,766.00	-730.00	-1.64%
Crude Oil (1 barrel)	3,148.00	-91.00	-2.81%
Aluminium (1 Kg)	110.10	-1.45	-1.30%
Copper (1Kg)	308.65	-5.15	-1.64%

Currency Market

Currency	24-Aug-16	Gains+Loss	% Change*
INR / 1 USD	67.1320	-0.04	-0.06%
INR / 1 GBP	88.3860	-0.10	-0.11%
INR / 1 EURO	75.8055	0.23	0.31%
INR / 100 JPY	66.9000	0.13	0.19%

NSE Top 5 Gainers

Company	24-Aug-16	Previous Close	% Change*
Farmax India	0.15	0.10	50.00%
Ramco Inds.	162.00	135.00	20.00%
Vaswani Industries	8.70	7.25	20.00%
Sequent Scientific	144.05	120.05	19.99%
Cinevista	9.35	7.80	19.87%

NSE Top 5 Losers

Company	24-Aug-16	Previous Close	% Change*
MPS Infotecnics	0.05	0.10	-50.00%
Birla Cotsyn (India)	0.05	0.10	-50.00%
Paras Petrofils	0.20	0.25	-20.00%
Visagar Polytex	2.20	2.70	-18.52%
Greenearth Resources	0.35	0.40	-12.50%

BSE Top 5 Gainer

Company	24-Aug-16	Previous Close	% Change*
Supra Trends	6.41	1.59	303.14%
Panyam Cement&Minera	61.20	51.00	20.00%
Ramco Inds.	161.70	134.75	20.00%
Vaswani Industries	8.65	7.21	19.97%
Cinevista	8.96	7.47	19.95%

BSE Top 5 Loser

Company	24-Aug-16	Previous Close	% Change*
Visagar Polytex	2.28	2.80	-18.57%
Sybyl Industries	11.12	13.63	-18.42%
GCM Commodity	2.50	2.97	-15.82%
Hemo Organic	12.10	14.00	-13.57%
Birla Cotsyn (India)	0.07	0.08	-12.50%

* % change is the over the previous days close.