

Morning Notes

02-Feb-2016

MARKET OUTLOOK

Markets to make a cautious start ahead of the RBI monetary policy announcement: Today, the start of the crucial day is likely to be cautious and all eyes will be on Reserve Bank of India (RBI), which will be announcing its monetary policy review. Though, general expectation is that RBI will leave its key policy rate unchanged, as it awaits clarity on the government's fiscal stance. Recently, RBI governor Raghuram Rajan had urged the government to stay on the path of fiscal consolidation.

EQUITY MARKET WRAP UP

Benchmarks end a lackluster session with modest cut; broader markets outclass blue-chips: Indian stock indices showed a disappointing performance in today's trading session after a fantastic show in Friday's trade. Investors squared off position in the dying hours of trade as sentiments turned pessimistic ahead of Reserve Bank of India's next monetary policy, slated to be announced tomorrow. BSE Sensex traded in a range of 25002.32 and 24788.58. There were 14 stocks advancing against 16 stocks declining on the index. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.57%, while Small cap index ended up by 0.29%.

DEBT MARKET & FOREX

- Bond yields remain steady on Monday:** Bond yields traded flat on Monday as investors remained cautious ahead of Central Bank's monetary policy on February 02. Sentiments remained downside with Standard & Poor's Ratings Services who stated that India will face challenges in sticking to the fiscal consolidation roadmap as the expected revenues may not be fully realised and subsidy cuts may be delayed. Yields on new 10 year Government Stock were trading flat from its previous close at 7.78% on Friday. The benchmark five-year interest rates were trading flat from its previous close at 7.62% on Friday.
- Rupee surrenders early gains; concludes weak on dollar demand:** Indian rupee erasing its early gains depreciated against dollar on Monday as investors remained cautious ahead of RBI monetary policy review on Tuesday. The RBI is widely expected to keep policy rates unchanged at the bi-monthly review. Besides, dollar demand from banks and importers and weak trade in local equity market too put pressure on the currency. Rupee ended at 67.84, 5 paise weaker from its previous close of 67.79 on Friday. The currency touched a high and low of 67.87 and 67.62 respectively.

ECONOMY & MARKET PULSE

- India will face challenges in sticking to the fiscal consolidation roadmap: S&P
- India's Manufacturing PMI surges to four-month high of 51.1 in January
- India requires \$1 trillion for development of new roads, ports, airports: Gadkari
- Govt hikes excise duty on petrol by Re 1/litre and diesel by Rs 1.50 /litre
- India should be low-cost hub for Make in India success: Arun Jaitley

Indices Performance

Index	1-Feb-16	Previous Close	% Change*
S&P BSE Sensex	24,824.83	24,870.69	-0.18%
CNX Nifty	7,555.95	7,563.55	-0.10%
CNX Midcap	12,526.10	12,469.10	0.46%
CNX 500	6,341.60	6,339.45	0.03%
S&P BSE Smallcap	10,901.41	10,869.84	0.29%

Global Markets

Index		Previous Close	% Change*
Dow Jones	16,449.18	16,466.30	-0.10%
Nasdaq	4,620.37	4,613.95	0.14%
S&P 500	1,939.38	1,940.24	-0.04%
FTSE	6,060.10	6,083.80	-0.39%
CAC	4,392.33	4,417.02	-0.56%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	5,713.96	4,954.12	759.84
DII Flows	1,104.50	1,640.20	-535.70

Commodity Market

Commodities (INR)		Gains+Loss	% Change*
Gold (10gm)	26,782.00	144.00	0.54%
Silver (1Kg)	34,870.00	120.00	0.35%
Crude Oil (1 barrel)	2,153.00	-133.00	-5.82%
Aluminium (1 Kg)	104.20	0.35	0.34%
Copper (1Kg)	310.15	-1.45	-0.47%

Currency Market

Currency	1-Feb-16	Gains+Loss	% Change*
INR / 1 USD	67.6728	-0.20	-0.30%
INR / 1 GBP	96.5149	-1.24	-1.27%
INR / 1 EURO	73.4115	-0.66	-0.88%
INR / 100 JPY	55.7800	-0.48	-0.85%

NSE Top 5 Gainers

Company	1-Feb-16	Previous Close	% Change*
Farmax India	0.25	0.20	25.00%
Himadri Chemical	17.00	14.30	18.88%
Eros Internatl.Media	200.55	169.40	18.39%
Balaji Amines	164.25	139.65	17.62%
Kesar Terminal&Infra	437.25	374.95	16.62%

NSE Top 5 Losers

Company	1-Feb-16	Previous Close	% Change*
Visagar Polytex	72.85	91.05	-19.99%
NCL Industries	107.25	133.00	-19.36%
Rasoya Proteins	0.25	0.30	-16.67%
Navin Fluorine Intl	1541.55	1758.20	-12.32%
ATN International	0.40	0.45	-11.11%

BSE Top 5 Gainer

Company	1-Feb-16	Previous Close	% Change*
Pranavadiya Spg	38.70	32.35	19.63%
Eros Internatl.Media	200.90	169.65	18.42%
Himadri Chemical	16.93	14.30	18.39%
Balaji Amines	164.70	140.20	17.48%
Kesar Terminal&Infra	439.10	375.00	17.09%

BSE Top 5 Loser

Company	1-Feb-16	Previous Close	% Change*
Visagar Polytex	72.80	91.00	-20.00%
NCL Industries	107.50	132.70	-18.99%
National Oxygen	43.60	53.30	-18.20%
International Combust	287.40	335.30	-14.29%
Guj. Foils	44.20	51.35	-13.92%

* % change is the over the previous days close.