

Morning Notes

11-May-2016

MARKET OUTLOOK

Markets to get a nervy start reacting to Tax Avoidance treaty with Mauritius: The Indian markets after showing a choppy trade managed a positive close in last session. Today, the start is likely to be nervy, as the long-negotiated amendments to the existing Double Tax Avoidance Convention between India and Mauritius is done and it is not looking good for FIIs, as the new pact to levy capital gains tax on investments coming through Mauritius may put foreign portfolio investors in a fix. Investments from Mauritius and Singapore account for a big chunk of foreign portfolio funds coming into the Indian stock market.

EQUITY MARKET WRAP UP

Benchmarks extend gains despite a choppy trade; Sensex ends above 25,700 level: Indian benchmark indices though managed to extend the uptrend for the second consecutive session but consolidated their position after showcasing the outstanding feat of registering biggest intra-day gains in nearly four weeks on Monday. It turned out to be a rather volatile day of trade as the indices rebounded after drifting to lower levels in the morning session, sustained position build up was witnessed in select index heavyweights and capital goods shares. BSE Sensex surged 83.67 points or 0.33% to 25772.53, while the CNX Nifty rose 21.75 points or 0.28% to 7,887.80. The BSE Sensex touched a high and a low 25809.93 and 25614.24, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.20%, while Small cap index gained 0.11%.

DEBT MARKET & FOREX

- **Bond yields trade flat on Tuesday:** Bond yields remained steady on Tuesday amid lack of fresh triggers as investors remained cautious ahead of the release of the April CPI and March IIP data on Thursday. Yields on new 10 year Government Stock were trading flat from its previous close at 7.42% on Monday. The benchmark five-year interest rates were trading flat from its previous close at 7.43% on Monday.
- **Rupee extends weakness for the second day:** Indian rupee extending weakness for the second day declined against dollar on Tuesday on increased demand for the American currency from banks and importers, tracking losses in its Asian peers. Besides, strength in the US dollar against other currencies overseas amid speculation over a Fed rate hike and reversal of key technical supports also hit the rupee sentiment. Rupee ended at 66.67, 9 paise weaker from its previous close at 66.58 on Monday. The currency touched a high and low of 66.74 and 66.60 respectively.

ECONOMY & MARKET PULSE

- Auto sector begins new financial year on a positive note: SIAM
- Govt considering low-cost housing scheme for over 5 crore EPFO subscribers
- Govt to sell 15% stake in State Trading Corporation
- Govt mulling to amend the 145-year-old Pensions law
- Indirect tax collections grows by 41% in April 2016

Indices Performance

Index	10-May-16	Previous Close	% Change*
S&P BSE Sensex	25,772.53	25,688.86	0.33%
CNX Nifty	7,887.80	7,866.05	0.28%
CNX Midcap	13,108.65	13,144.95	-0.28%
CNX 500	6,617.25	6,603.25	0.21%
S&P BSE Smallcap	11,042.02	11,030.13	0.11%

Global Markets

Index		Previous Close	% Change*
Dow Jones	17,928.35	17,705.91	1.26%
Nasdaq	4,809.88	4,750.21	1.26%
S&P 500	2,084.39	2,058.69	1.25%
FTSE	6,156.65	6,114.80	0.68%
CAC	4,338.21	4,322.81	0.36%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	3,927.19	3,631.91	295.28
DII Flows	1,647.05	1,578.85	68.20

Commodity Market

Commodities (INR)		Gains+/-Loss	% Change*
Gold (10gm)	29,783.00	-22.00	-0.07%
Silver (1Kg)	40,839.00	90.00	0.22%
Crude Oil (1 barrel)	2,968.00	57.00	1.96%
Aluminium (1 Kg)	103.70	-0.25	-0.24%
Copper (1Kg)	311.90	-1.25	-0.40%

Currency Market

Currency	10-May-16	Gains+/-Loss	% Change*
INR / 1 USD	66.7224	-0.28	-0.43%
INR / 1 GBP	96.1069	-0.34	-0.35%
INR / 1 EURO	75.9568	-0.15	-0.20%
INR / 100 JPY	61.3500	0.38	0.62%

NSE Top 5 Gainers

Company	10-May-16	Previous Close	% Change*
Paras Petrofils	0.20	0.15	33.33%
Rasoya Proteins	0.25	0.20	25.00%
KSS	0.25	0.20	25.00%
California Software	10.50	8.50	23.53%
Store One Retail	88.55	73.80	19.99%

NSE Top 5 Losers

Company	10-May-16	Previous Close	% Change*
MPS Infotecnics	0.05	0.10	-50.00%
Lakshmi Energy&Food	19.40	24.25	-20.00%
Pan India Corp.	0.25	0.30	-16.67%
Nakoda	0.25	0.30	-16.67%
Noesis Industries	0.25	0.30	-16.67%

BSE Top 5 Gainer

Company	10-May-16	Previous Close	% Change*
Donear Inds	30.60	25.50	20.00%
BL Kashyap & Sons	20.16	16.80	20.00%
Loyal Equipments	15.42	12.85	20.00%
Store One Retail	88.35	73.65	19.96%
Ghushine Fintrade	9.32	7.77	19.95%

BSE Top 5 Loser

Company	10-May-16	Previous Close	% Change*
Lakshmi Energy&Food	19.15	23.90	-19.87%
Cerebra Integ. Tech	15.05	17.45	-13.75%
RCL Retail	14.00	15.70	-10.83%
Vaswani Industries	7.38	8.20	-10.00%
Rama Paper Mills	14.85	16.50	-10.00%

* % change is the over the previous days close.