

## Morning Notes

19-May-2016

## MARKET OUTLOOK

**Markets to make a soft start; assembly election results to give direction:** The Indian bourses snapped their two days gaining streak in last session led by auto companies, even though the banking shares bucked the trend. Today, the start is likely to be weak on somber global cues. Traders will be concerned with April FOMC minutes, which showed most of its rate-setting officials, were in favor of boosting borrowing costs next month should the U.S. economy continue to improve. On domestic front traders will be eyeing the state assembly election results for cues.

## EQUITY MARKET WRAP UP

**Benchmarks end a lackluster session with modest cut:** Indian benchmarks showed a lackadaisical performance on Wednesday as they failed to snap the session in the green territory and settled marginally below the neutral line amid weak global cues. Investor's sentiments turned subdued in the very beginning with a top US official's statement that India needs to modernise and reform its economic governance to expand trade and attract the kind of foreign direct investment it needs to build infrastructure. BSE Sensex ended lower by 69 points or 0.27% to 25704.61, while the CNX Nifty dropped 20.60 points or 0.26% to 7,870.15. The BSE Sensex touched a high and a low 25747.00 and 25503.40, respectively. The broader indices made a mixed closing; the BSE Mid cap index ended tad lower by 0.01%, while Small cap index was higher by 0.22%.

## DEBT MARKET &amp; FOREX

- Bond yields trade higher on Wednesday:** Bond yields traded higher on Wednesday after India failed to meet its goal at an auction of debt-investment quotas for the first time in three years on Monday, signaling overseas demand is faltering as accelerating inflation reduces odds of more interest-rate cuts. Yields on new 10 year Government Stock were trading 1 basis point higher at 7.46% from its previous close at 7.45% on Tuesday. The benchmark five-year interest rates were trading flat from its previous close at 7.42% on Tuesday.
- Rupee ends weaker for fifth straight session:** Indian rupee extending its early losses, depreciated against dollar on Wednesday on sustained dollar demand from importers, foreign fund outflows and rising global crude oil prices amid dollar's strength against other currencies overseas. The domestic currency was trading weak from the start and losses in local equity market too added to the pessimistic environment of the currency. Rupee ended at 66.98, 11 paise weaker from its previous close at 66.87 on Tuesday. The currency touched a high and low of 67.00 and 66.87 respectively.

## ECONOMY &amp; MARKET PULSE

- Indian consumer confidence index touches a nine-year high: Nielsen
- India to amend Avoidance of Double Tax agreement with Singapore
- Govt proposes 15-fold increase rehabilitation cost of bonded labourers
- Govt amends patents rules, opens 'Tatkal' window for speedy approval

## Indices Performance

| Index            | 18-May-16 | Previous Close | % Change* |
|------------------|-----------|----------------|-----------|
| S&P BSE Sensex   | 25,704.61 | 25,773.61      | -0.27%    |
| CNX Nifty        | 7,870.15  | 7,890.75       | -0.26%    |
| CNX Midcap       | 13,198.50 | 13,151.30      | 0.36%     |
| CNX 500          | 6,621.55  | 6,629.70       | -0.12%    |
| S&P BSE Smallcap | 11,168.80 | 11,144.56      | 0.22%     |

## Global Markets

| Index     |           | Previous Close | % Change* |
|-----------|-----------|----------------|-----------|
| Dow Jones | 17,526.62 | 17,529.98      | -0.02%    |
| Nasdaq    | 4,739.12  | 4,715.73       | 0.50%     |
| S&P 500   | 2,047.63  | 2,047.21       | 0.02%     |
| FTSE      | 6,165.80  | 6,167.80       | -0.03%    |
| CAC       | 4,319.30  | 4,297.57       | 0.51%     |

## Institutional Flows (Equity)

| Description (Rs in Cr) | Purchases | Sales    | Net    |
|------------------------|-----------|----------|--------|
| FII Flows              | 4,506.67  | 4,374.72 | 131.95 |
| DII Flows              | 1,619.99  | 1,380.08 | 239.91 |

## Commodity Market

| Commodities (INR)    |           | Gains+Loss | % Change* |
|----------------------|-----------|------------|-----------|
| Gold (10gm)          | 30,055.00 | 6.00       | 0.02%     |
| Silver (1Kg)         | 41,048.00 | -132.00    | -0.32%    |
| Crude Oil (1 barrel) | 3,320.00  | 52.00      | 1.59%     |
| Aluminium (1 Kg)     | 104.30    | 1.15       | 1.11%     |
| Copper (1Kg)         | 311.10    | -0.20      | -0.06%    |

## Currency Market

| Currency      | 18-May-16 | Gains+Loss | % Change* |
|---------------|-----------|------------|-----------|
| INR / 1 USD   | 66.9131   | -0.19      | -0.28%    |
| INR / 1 GBP   | 96.6091   | -0.01      | -0.01%    |
| INR / 1 EURO  | 75.4847   | 0.01       | 0.01%     |
| INR / 100 JPY | 61.2500   | -0.18      | -0.29%    |

## NSE Top 5 Gainers

| Company              | 18-May-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%   |
| Farmax India         | 0.15      | 0.10           | 50.00%    |
| KSS                  | 0.25      | 0.20           | 25.00%    |

## NSE Top 5 Losers

| Company              | 18-May-16 | Previous Close | % Change* |
|----------------------|-----------|----------------|-----------|
| JCT Electronics      | 0.20      | 0.25           | -20.00%   |
| Jaihind Projects     | 6.15      | 7.30           | -15.75%   |
| Greenearth Resources | 0.30      | 0.35           | -14.29%   |
| Raj Rayon Industries | 0.35      | 0.40           | -12.50%   |
| Advani Hotel&Resorts | 53.85     | 59.75          | -9.87%    |

## BSE Top 5 Gainer

| Company              | 18-May-16 | Previous Close | % Change* |
|----------------------|-----------|----------------|-----------|
| Golden Tobacco       | 46.50     | 38.75          | 20.00%    |
| Infomedia Press      | 5.10      | 4.25           | 20.00%    |
| Subros               | 114.60    | 95.50          | 20.00%    |
| Alps Inds            | 5.34      | 4.45           | 20.00%    |
| Pochiraju Industries | 9.48      | 7.90           | 20.00%    |

## BSE Top 5 Loser

| Company              | 18-May-16 | Previous Close | % Change* |
|----------------------|-----------|----------------|-----------|
| Mold-Tek Tech        | 53.70     | 67.10          | -19.97%   |
| Conart Engineers     | 24.55     | 28.40          | -13.56%   |
| TPL Plastech         | 464.00    | 527.40         | -12.02%   |
| Mathew Easow Res Sec | 95.20     | 106.60         | -10.69%   |
| Winsome Diamonds     | 0.63      | 0.70           | -10.00%   |

\* % change is the over the previous days close.