

Morning Notes

20-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

Indian markets reel under global pressure; settle with loss of over a percent: Stock markets in India capitulated by over a percent on Thursday after showing some signs of consolidation in last session. Discouraging leads from the Asian and European markets proved as a big dampener for the domestic bourses, as investors turned jittery after minutes of the U.S. Federal Reserve's latest monetary policy meeting hinted that the central bank could soon raise interest rates. BSE Sensex ended lower by 304.89 points or 1.19% to 25399.72, while the CNX Nifty dropped 86.75 points or 1.10% to 7,783.40. The BSE Sensex touched a high and a low 25714.56 and 25351.99, respectively. The broader indices made a negative closing; the BSE Mid cap index ended down by 1.12%, while Small cap index declined by 1.01%.

DEBT MARKET & FOREX

- Bond yields trade higher on Thursday:** Bond yields traded higher on Thursday after the Federal Reserve's April policy meeting which hinted at an interest rate hike in June. Yields on new 10 year Government Stock were trading 1 basis point higher at 7.48% from its previous close at 7.47% on Wednesday. The benchmark five-year interest rates were trading flat from its previous close at 7.44% on Wednesday.
- Rupee depreciates substantially past psychological 67/\$ level:** Extending its weakness for the sixth straight session, Indian rupee depreciated substantially against dollar on Thursday on strong demand for the American unit from importers and banks, tracking the losses in the Asian currencies markets. Besides, massive losses in the local equity market and appreciation of the American currency overseas too pressurized the domestic currency. Rupee ended at 67.36, 38 paise weaker from its previous close at 66.98 on Wednesday. The currency touched a high and low of 67.39 and 67.13 respectively.

ECONOMY & MARKET PULSE

- Passage of Bankruptcy Code good for business in India: US official
- Govt likely to reduce excise duty on petrol, diesel
- Central ministries differ on conditions allowing FDI in retail food products
- Govt approves 3 FDI proposals amounting Rs 60.73 crore
- Good monsoon will have positive effect on the Indian economy: Arvind Subramanian

Indices Performance

Index	19-May-16	Previous Close	% Change*
S&P BSE Sensex	25,399.72	25,704.61	-1.19%
CNX Nifty	7,783.40	7,870.15	-1.10%
CNX Midcap	13,039.00	13,198.50	-1.21%
CNX 500	6,546.50	6,621.55	-1.13%
S&P BSE Smallcap	11,055.81	11,168.80	-1.01%

Global Markets

Index		Previous Close	% Change*
Dow Jones	17,435.40	17,526.62	-0.52%
Nasdaq	4,712.53	4,739.12	-0.56%
S&P 500	2,047.63	2,047.63	0.00%
FTSE	6,053.35	6,165.80	-1.82%
CAC	4,282.54	4,319.30	-0.85%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	3,984.43	3,988.97	-4.54
DII Flows	2,725.61	1,241.96	1,483.65

Commodity Market

Commodities (INR)		Gains+/-Loss	% Change*
Gold (10gm)	29,797.00	-258.00	-0.86%
Silver (1Kg)	39,824.00	-1224.00	-2.98%
Crude Oil (1 barrel)	3,279.00	-41.00	-1.23%
Aluminium (1 Kg)	104.40	0.10	0.10%
Copper (1Kg)	310.70	-0.40	-0.13%

Currency Market

Currency	19-May-16	Gains+/-Loss	% Change*
INR / 1 USD	67.2307	-0.32	-0.47%
INR / 1 GBP	98.0493	-1.44	-1.49%
INR / 1 EURO	75.4530	0.03	0.04%
INR / 100 JPY	61.0100	0.24	0.39%

NSE Top 5 Gainers

Company	19-May-16	Previous Close	% Change*
LCC Infotech	0.25	0.20	25.00%
ISMT	11.40	9.50	20.00%
Raj TV Network	73.25	61.05	19.98%
Cantabil Retail	93.25	77.75	19.94%
Chemf Alkalies	100.70	84.00	19.88%

NSE Top 5 Losers

Company	19-May-16	Previous Close	% Change*
Birla Cotsyn (India)	0.05	0.10	-50.00%
KSS	0.20	0.25	-20.00%
Meghmani Organics	36.75	44.20	-16.86%
Nakoda	0.25	0.30	-16.67%
FCS Software Soltns.	0.30	0.35	-14.29%

BSE Top 5 Gainer

Company	19-May-16	Previous Close	% Change*
Raj TV Network	73.65	61.40	19.95%
Pochiraju Industries	11.37	9.48	19.94%
ISMT	11.55	9.63	19.94%
Chemf Alkalies	101.75	85.00	19.71%
BC Power	52.30	43.70	19.68%

BSE Top 5 Loser

Company	19-May-16	Previous Close	% Change*
Cawasji Behramji	25.30	31.50	-19.68%
Meghmani Organics	36.80	44.15	-16.65%
Filatex Fashions	6.41	7.64	-16.10%
Landmarc LeisureCorp	0.55	0.65	-15.38%
Sun TV Network	370.90	427.55	-13.25%

* % change is the over the previous days close.