

Morning Notes

23-May-2016

MARKET OUTLOOK

Markets to start the F&O series expiry week on a cautious note: The Indian markets paring all their early gains ended modestly in red in last session. Today, the start of the F&O series expiry week is likely to be cautious and trade may see bouts of volatility. While the regional cues are mixed, there are no major cues to support the markets. Traders will be concerned with Reserve Bank of India (RBI) Governor Raghuram Rajan's statement that India should restrain itself from being "too ambitious" at a time when the world is full of uncertainties and instead focus on sensible policies to ensure a sustainable economic growth.

EQUITY MARKET WRAP UP

Benchmarks end a disappointing day with over quarter percent cut: Indian benchmarks extended their southbound journey for yet another session on Friday, as investors remained wary on hopes of an interest rate hike by the US Federal Reserve in the month of June. BSE Sensex touched a high and a low 25506.06 and 25251.90, respectively. The broader indices made a negative closing; the BSE Mid cap index ended down by 0.49%, while Small cap index declined by 0.83%. The only gaining sectoral index on the BSE was FMCG up by 0.19%, while Realty down by 1.42%, Capital Goods down by 0.75%, Oil & Gas down by 0.56%, IT down by 0.52%, Bankex down by 0.48% were the top losing indices on BSE.

DEBT MARKET & FOREX

- **Bond yields trade flat on Friday:** Bond yields remained flat on Friday as investors turned cautious ahead of a fresh supply of notes later today. Some cautiousness prevailed in the markets on tighter P-Note norms. SEBI had made rules tougher on controversy-ridden P-Notes, making mandatory for all end-users of these overseas instruments to follow anti-money laundering law in India and asked their issuers to report any suspected breach immediately. Yields on new 10 year Government Stock were trading flat from its previous close at 7.47% on Thursday. The benchmark five-year interest rates were trading 1 basis point higher at 7.44% from its previous close at 7.43% on Thursday.
- **Rupee surrenders early gains; ends weaker on Friday:** Indian rupee surrendered its early gains and ended weaker against dollar on last trading session of the week on sustained dollar demand from importers. Besides, negative equity market also hit the rupee sentiment. This is the seventh day of consecutive losses for the rupee. Rupee ended at 67.45, 9 paise weaker from its previous close at 67.36 on Thursday. The currency touched a high and low of 67.50 and 67.31 respectively.

ECONOMY & MARKET PULSE

- RBI increases FDI limits in credit information companies
- TRAI issues consultation paper exploring benefits of free data plans
- Govt soon to announce 14 more cities under Smart City Mission
- USFDA to share details of rejected exports with India
- Moody's projects Indian economy to grow 7.5% in next two years

Indices Performance

Index	20-May-16	Previous Close	% Change*
S&P BSE Sensex	25,301.90	25,399.72	-0.39%
CNX Nifty	7,749.70	7,783.40	-0.43%
CNX Midcap	12,970.05	13,039.00	-0.53%
CNX 500	6,513.10	6,546.50	-0.51%
S&P BSE Smallcap	10,964.26	11,055.81	-0.83%

Global Markets

Index		Previous Close	% Change*
Dow Jones	17,500.94	17,435.40	0.38%
Nasdaq	4,769.56	4,712.53	1.21%
S&P 500	2,052.32	2,040.04	0.60%
FTSE	6,156.32	6,053.40	1.70%
CAC	4,353.90	4,282.54	1.67%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	4,258.92	3,918.21	340.71
DII Flows	1,683.31	1,085.82	597.49

Commodity Market

Commodities (INR)		Gains+Loss	% Change*
Gold (10gm)	29,691.00	-106.00	-0.36%
Silver (1Kg)	39,834.00	10.00	0.03%
Crude Oil (1 barrel)	3,281.00	2.00	0.06%
Aluminium (1 Kg)	104.10	-0.30	-0.29%
Copper (1Kg)	308.40	-2.30	-0.74%

Currency Market

Currency	20-May-16	Gains+Loss	% Change*
INR / 1 USD	67.4076	-0.18	-0.26%
INR / 1 GBP	98.4555	-0.41	-0.41%
INR / 1 EURO	75.5437	-0.09	-0.12%
INR / 100 JPY	61.1700	-0.16	-0.26%

NSE Top 5 Gainers

Company	20-May-16	Previous Close	% Change*
Birla Cotsyn (India)	0.10	0.05	100.00%
Paras Petrofils	0.25	0.20	25.00%
Nakoda	0.30	0.25	20.00%
Noesis Industries	0.35	0.30	16.67%
Websoft Energy System	50.85	44.50	14.27%

NSE Top 5 Losers

Company	20-May-16	Previous Close	% Change*
Vaibhav Global	239.80	280.00	-14.36%
Soma Textiles	5.50	6.30	-12.70%
Tips Inds.	59.90	66.60	-10.06%
Norben Tea & Exports	7.20	8.00	-10.00%
Mangalam Timber Prod	25.30	28.10	-9.96%

BSE Top 5 Gainer

Company	20-May-16	Previous Close	% Change*
Smiths & Founders	6.00	5.00	20.00%
Avonmore Capital	9.00	7.58	18.73%
Vippy Spinpro	29.15	24.60	18.50%
Cals Refineries	0.07	0.06	16.67%
Websoft Energy System	50.45	44.10	14.40%

BSE Top 5 Loser

Company	20-May-16	Previous Close	% Change*
Infronics Systems	8.64	10.80	-20.00%
Ashok Alco Chem	151.80	189.70	-19.98%
Vaibhav Global	240.90	283.85	-15.13%
Soma Textiles	5.58	6.37	-12.40%
International Combust	243.40	277.10	-12.16%

* % change is the over the previous days close.