

Morning Notes

21-July-2016

MARKET OUTLOOK

Markets to extend the gains with a positive start: The Indian markets despite volatility extended their gains in last session. Today, the start is likely to be in green on positive global cues and traders will be getting some support with government expressing hope that the Rajya Sabha will clear the indirect tax reform in the first week of August on the back of support from regional parties. The Minister of State for Finance Arjun Ram Meghwal has said that the Congress' demand for capping the GST rate in Constitution is "not very practical", but the Government is making a lot of effort to build consensus on the Goods and Services Tax.

EQUITY MARKET WRAP UP

Benchmarks extend winning streak for the second straight session: Indian benchmarks carried forward their northbound journey for yet another session on Wednesday, on account of buying in frontline blue chip counters amid firm European cues. Sentiments remained buoyant with Finance Minister Arun Jaitley urging the Rajya Sabha to pass the GST bill expeditiously to enable states get a share of the Service Tax which is not shared under the provisions of 14th Finance Commission. BSE Sensex surged by 123.54 points or 0.44% to 27911.16, while the CNX Nifty rose by 35.25 points or 0.41% to 8,563.80. The BSE Sensex touched a high and a low 27924.92 and 27759.71, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.90%, while Small cap index was up by 0.99%.

DEBT MARKET & FOREX

- **Bond yields trade lower on Wednesday:** Bond yields traded lower on Wednesday as investors were buying safe heaven assets after IMF cut India's growth forecast to 7.4 per cent for 2016 and 2017, a drop of 0.1 per cent from its previous forecast of 7.5 per cent released in April. Yields on new 10 year Government Stock were trading 2 basis points lower at 7.26% its previous close at 7.28% on Tuesday. The benchmark five-year interest rates were trading 2 basis points lower at 7.11% from its previous close at 7.13% on Tuesday.
- **Rupee depreciates against dollar on Wednesday:** Indian rupee depreciated against dollar on Wednesday due to increased demand for American currency from importers and banks. Further, International Monetary Fund trimmed India's growth forecast for the current and next financial years by 0.1 percentage points as it pared global growth by an identical amount, too dampened rupee sentiment. Rupee ended 67.18, 7 paise weaker from its previous close at 67.11 on Tuesday. The currency touched a high and low of 67.25 and 67.14 respectively.

ECONOMY & MARKET PULSE

- IMF lowers India's growth projection to 7.4% for FY16 -17
- Government forgoes revenue of Rs 17.15 lakh cr in last 3 years to tax incentives
- Govt allocates Rs 23,000 cr to recapitalize 13 PSU banks
- NHAI intends to bid out 30,000 km highway projects in next 2-3 years
- Finance Minister urges Rajya Sabha for earlier passage of GST Bill
- Environment Ministry receives over 2,300 projects for environmental clearance in the last 3 yrs

Indices Performance

Index	20-Jul-16	Previous Close	% Change*
S&P BSE Sensex	27,915.89	27,787.62	0.46%
CNX Nifty	12,027.46	8,528.55	41.03%
CNX Midcap	14,369.60	14,213.55	1.10%
CNX 500	7,221.30	7,178.20	0.60%
S&P BSE Smallcap	12,027.46	11,909.59	0.99%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,595.03	18,559.01	0.19%
Nasdaq	5,089.93	5,036.37	1.06%
S&P 500	2,173.02	2,163.78	0.43%
FTSE	6,728.99	6,463.60	4.11%
CAC	4,379.76	4,330.13	1.15%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	4,384.23	3,672.99	711.24
DII Flows	2,373.99	2,419.44	-45.45

Commodity Market

Commodities (INR)		Gains+/-Loss	% Change*
Gold (10gm)	30,737.00	-357.00	-1.15%
Silver (1Kg)	46,072.00	-952.00	-2.02%
Crude Oil (1 barrel)	3,101.00	21.00	0.68%
Aluminium (1 Kg)	108.35	-1.40	-1.28%
Copper (1Kg)	336.40	-1.60	-0.47%

Currency Market

Currency	20-Jul-16	Gains+/-Loss	% Change*
INR / 1 USD	67.1720	-0.03	-0.04%
INR / 1 GBP	88.0423	0.68	0.76%
INR / 1 EURO	73.9900	0.35	0.48%
INR / 100 JPY	63.2300	0.12	0.19%

NSE Top 5 Gainers

Company	20-Jul-16	Previous Close	% Change*
Birla Cotsyn (India)	0.10	0.05	100.00%
MPS Infotecnics	0.15	0.10	50.00%
Soma Textiles	8.70	7.25	20.00%
Tata Metaliks	426.75	355.65	19.99%
Sathavahana Ispat	79.30	66.10	19.97%

NSE Top 5 Losers

Company	20-Jul-16	Previous Close	% Change*
Greenearth Resources	0.35	0.40	-12.50%
SPML Infra	90.45	100.50	-10.00%
Manaksia Steels	10.05	10.95	-8.22%
Shekhawati Poly-Yarn	1.80	1.95	-7.69%
Uttam Value Steels	0.65	0.70	-7.14%

BSE Top 5 Gainer

Company	20-Jul-16	Previous Close	% Change*
Soma Textiles	8.88	7.40	20.00%
North Eastern Carry.	49.50	41.25	20.00%
Enkei Wheels	172.60	143.85	19.99%
Tata Metaliks	425.90	354.95	19.99%
Anant Raj	56.45	47.05	19.98%

BSE Top 5 Loser

Company	20-Jul-16	Previous Close	% Change*
GCM Capital Advisors	30.35	37.90	-19.92%
Powerhouse Gym	22.20	27.50	-19.27%
Navigant Corp.Adv	7.65	8.50	-10.00%
SPML Infra	90.90	101.00	-10.00%
Vipul Organics	81.35	90.15	-9.76%

* % change is the over the previous days close.