

Morning Notes

27-July-2016

MARKET OUTLOOK

Markets to get a positive start, but the trade may remain cautious: The Indian markets completely lost their way in final hours and ended lower by around half a percent in last session. Today, the start of the penultimate session of the F&O series expiry is likely to be in green, though some volatility too can be expected and traders will be eyeing the US Fed's decision. Traders will also be concerned with a panel of state finance ministers failing to reach a consensus that would enable the government to get the Constitutional Amendment Bill for Goods and Services Tax (GST) passed in the Rajya Sabha.

EQUITY MARKET WRAP UP

Disappointing Q1 numbers drag benchmarks lower; Nifty ends below 8600 mark: Stock markets in India capitulated by around half a percent on Tuesday after showing signs of consolidation in early trade, as discouraging Q1 numbers spooked investors' sentiments in the dying hours of trade. BSE Sensex ended lower by 118.82 points or 0.42% to 27976.52, while the CNX Nifty dropped 45 points or 0.52% to 8,590.65. The BSE Sensex touched a high and a low 28149.53 and 27927.13, respectively. The broader indices made a mixed closing; the BSE Mid cap index ended up by 0.17%, while Small cap index was down by 0.69%.

DEBT MARKET & FOREX

- Bond yields trade higher on Tuesday:** Bond yields traded higher on Tuesday ahead of a fresh supply of state debt and after a muted response at an auction yesterday to allocate unutilized limits for foreign investment in government notes. Yields on new 10 year Government Stock were trading 1 basis point higher at 7.25% its previous close at 7.24% on Monday. The benchmark five-year interest rates were trading 1 basis points higher at 7.11% from its previous close at 7.10% on Monday.
- Rupee ends stronger against US dollar:** Indian rupee ended stronger against dollar on Tuesday due to selling of American currency by banks and exporters. Sentiments got some support ahead of Finance Minister Arun Jaitley's meeting with his counterparts in states to discuss proposed amendments to the GST Bill and with Minister of State for Finance Arjun Ram Meghwal stating that Government is working overtime to build a consensus on the long-pending Goods and Services Tax bill with the hope of getting it passed during the ongoing Parliament session. Rupee ended 67.27, 8 paise stronger from its previous close at 67.35 on Monday. The currency touched a high and low of 67.42 and 67.25 respectively.

ECONOMY & MARKET PULSE

- Telecom Commission stick to its weighted average formula for spectrum with a minimum levy of 3%
- Govt to exempt Oil and Gas exploration firms from contributing towards fuel subsidy
- CBDT comes up with draft rules for levy of tax on share buy-back of unlisted companies
- Govt identifies 26 port-rail projects under Sagarmala programme worth Rs 29,500 crore
- Government to spend Rs 7 lakh crore in developing highways over the next 5 years
- Union and state finance ministers to discuss scrapping of 1% of inter-state trade tax under GST
- India to renegotiate all bilateral investment agreements whose earlier validity had expired

Indices Performance

Index	26-Jul-16	Previous Close	% Change*
S&P BSE Sensex	27,976.52	28,095.34	-0.42%
CNX Nifty	8,590.65	8,635.65	-0.52%
CNX Midcap	14,553.50	14,565.25	-0.08%
CNX 500	7,270.00	7,305.60	-0.49%
S&P BSE Smallcap	12,149.74	12,234.49	-0.69%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,473.75	18,493.06	-0.10%
Nasdaq	5,110.05	5,097.63	0.24%
S&P 500	2,169.18	2,168.48	0.03%
FTSE	6,724.03	6,463.60	4.03%
CAC	4,394.77	4,388.00	0.15%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	5,011.89	4,208.23	803.66
DII Flows	1,902.21	2,320.50	-418.29

Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	30,912.00	5.00	0.02%
Silver (1Kg)	46,404.00	-69.00	-0.15%
Crude Oil (1 barrel)	2,903.00	-24.00	-0.82%
Aluminium (1 Kg)	106.95	-0.70	-0.65%
Copper (1Kg)	332.95	-0.85	-0.25%

Currency Market

Currency	26-Jul-16	Gains+/Loss	% Change*
INR / 1 USD	67.3680	-0.13	-0.19%
INR / 1 GBP	88.1712	0.18	0.20%
INR / 1 EURO	74.1654	-0.37	-0.50%
INR / 100 JPY	64.5800	-1.21	-1.91%

NSE Top 5 Gainers

Company	26-Jul-16	Previous Close	% Change*
MPS Infotecnics	0.15	0.10	50.00%
Pan India Corp.	0.30	0.25	20.00%
LCC Infotech	0.30	0.25	20.00%
Ortin Laboratories	19.35	16.15	19.81%
Nahar Ind.Enterprise	109.45	91.70	19.36%

NSE Top 5 Losers

Company	26-Jul-16	Previous Close	% Change*
Birla Cotsyn (India)	0.05	0.10	-50.00%
Rasoya Proteins	0.15	0.20	-25.00%
KSS	0.15	0.20	-25.00%
Paras Petrofils	0.20	0.25	-20.00%
Cosmo Films	324.95	367.85	-11.66%

BSE Top 5 Gainer

Company	26-Jul-16	Previous Close	% Change*
Sahara Hsg Fin Corp	72.70	60.60	19.97%
Himalya Internatl.	10.96	9.14	19.91%
Nahar Ind.Enterprise	110.05	91.90	19.75%
Ortin Laboratories	19.40	16.20	19.75%
Sujana Metal	3.58	3.00	19.33%

BSE Top 5 Loser

Company	26-Jul-16	Previous Close	% Change*
Max Alert Systems	7.84	9.79	-19.92%
ISL Consulting	16.70	19.30	-13.47%
Cosmo Films	323.80	367.65	-11.93%
Acknit Industries	122.60	138.30	-11.35%
Conart Engineers	27.80	31.10	-10.61%

* % change is the over the previous days close.