

Morning Notes

28-July-2016

MARKET OUTLOOK

Markets to get a positive start of the F&O series expiry session:

The Indian markets managed a positive close in last session despite paring most of the early gains. Today, the start of the F&O series expiry session is likely to be in green as the Union Cabinet approved changes in the GST Constitutional Amendment Bill providing for full compensation to states for first five years of roll out of the new indirect tax regime, taking it a step closer to reality. Traders will also be getting some support with global rating agency Crisil's report that India's GDP growth could rise to 7.9 per cent because of good monsoon so far, with agriculture expected to grow by 4 per cent and consumer price inflation likely to be restricted to 5 per cent in 2016-2017.

EQUITY MARKET WRAP UP

Fatigued markets settle with paltry gain: Indian stock markets went through a disappointing day of trade on Wednesday, as what started on a promising note ended as a dismal show, with investors turning cautious ahead of the US Fed meet outcome later today and expiry of July derivative contracts on Thursday. The US Fed is likely to hold the rate, but the comments will have an influential impact on the liquidity standpoint and for any chance of an increase in the interest rate by Dec-2016. BSE Sensex gained by 47.81 points or 0.17% to 28024.33, while the CNX Nifty rose by 25.15 points or 0.29% to 8,615.80. The BSE Sensex touched a high and a low 28210.88 and 27899.93, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.60%, while Small cap index was up by 0.49%.

DEBT MARKET & FOREX

- Bond yields trade lower on Wednesday:** Bond yields traded lower on Tuesday, ahead of the US Federal Reserve's monetary policy decision later today, while the Reserve Bank of India governor's comments yesterday on inflation eased near-term rate cut hopes. Yields on new 10 year Government Stock were trading 1 basis points lower at 7.24% from its previous close at 7.25% on Tuesday. The benchmark five-year interest rates were trading 1 basis points lower at 7.10% from its previous close at 7.11% on Tuesday.
- Rupee appreciates for second consecutive session on Wednesday:** Indian rupee appreciated for second consecutive session on Wednesday on dollar selling by exporters and banks, while gains in local equities also influenced the rupee sentiment. Some support also came with NITI Aayog Vice Chairman Arvind Panagariya statement that a good monsoon can help add a percentage point to India's GDP growth in the current fiscal, from 7.6% in 2015-16. Rupee ended 67.15, 12 paise stronger from its previous close at 67.27 on Tuesday. The currency touched a high and low of 67.34 and 67.14 respectively.

ECONOMY & MARKET PULSE

- Telecom sectors' contribution towards non-tax revenue may touch 5 year high in FY17: ICRA
- Centre and states make headway on GST by dropping 1% tax on inter-state supply of goods
- Central excise collection from Mumbai zone surges by 36% in Q1
- NITI Aayog panel may recommend replacing MCI with a National Medical Commission
- Govt notifies 7th Pay Commission's recommendations of hike in salaries
- India Inc's overseas borrowing decline by 66% in June

Indices Performance

Index	27-Jul-16	Previous Close	% Change*
S&P BSE Sensex	28,024.33	27,976.52	0.17%
CNX Nifty	8,615.80	8,590.65	0.29%
CNX Midcap	14,590.00	14,553.50	0.25%
CNX 500	7,297.90	7,270.00	0.38%
S&P BSE Smallcap	12,208.80	12,149.74	0.49%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,472.17	18,473.75	-0.01%
Nasdaq	5,139.81	5,110.05	0.58%
S&P 500	2,166.58	2,169.18	-0.12%
FTSE	6,750.43	6,463.60	4.44%
CAC	4,446.96	4,394.77	1.19%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	5,538.89	4,820.45	718.44
DII Flows	2,554.71	2,707.18	-152.47

Commodity Market

Commodities (INR)		Gains+/-Loss	% Change*
Gold (10gm)	30,986.00	74.00	0.24%
Silver (1Kg)	47,019.00	615.00	1.33%
Crude Oil (1 barrel)	2,831.00	-72.00	-2.48%
Aluminium (1 Kg)	106.45	-0.50	-0.47%
Copper (1Kg)	326.10	-6.85	-2.06%

Currency Market

Currency	27-Jul-16	Gains+/-Loss	% Change*
INR / 1 USD	67.2362	0.13	0.20%
INR / 1 GBP	88.3013	-0.13	-0.15%
INR / 1 EURO	73.8859	0.28	0.38%
INR / 100 JPY	63.5700	1.01	1.56%

NSE Top 5 Gainers

Company	27-Jul-16	Previous Close	% Change*
Birla Cotsyn (India)	0.10	0.05	100.00%
Farmax India	0.15	0.10	50.00%
VKS Projects	0.15	0.10	50.00%
Rasoya Proteins	0.20	0.15	33.33%
KSS	0.20	0.15	33.33%

NSE Top 5 Losers

Company	27-Jul-16	Previous Close	% Change*
LCC Infotech	0.25	0.30	-16.67%
Nakoda	0.35	0.40	-12.50%
Raj Rayon Industries	0.35	0.40	-12.50%
REI Six Ten Retail	0.35	0.40	-12.50%
Capri Global Capital	139.55	157.25	-11.26%

BSE Top 5 Gainer

Company	27-Jul-16	Previous Close	% Change*
Hindustan Motors	5.88	4.90	20.00%
Orient Beverages	144.30	120.25	20.00%
Amrapali Cap. & Fin	39.90	33.30	19.82%
RPG Life Sciences	352.50	296.85	18.75%
Anubhav Industrial	23.63	19.97	18.33%

BSE Top 5 Loser

Company	27-Jul-16	Previous Close	% Change*
Max Alert Systems	6.28	7.84	-19.90%
Velan Hotels	5.55	6.88	-19.33%
Sunstar Realty	27.60	32.50	-15.08%
XL Energy	3.22	3.69	-12.74%
Smiths & Founders	15.02	17.12	-12.27%

* % change is the over the previous days close.