

Morning Notes

02-Aug-2016

MARKET OUTLOOK

Markets to get a cautious start on sluggish global cues: The Indian markets losing their early momentum ended flat with a negative bias in the last session. The optimism over passage of the GST Bill in Parliament was overshadowed by some earnings disappointments. Today, the start is likely to be cautious on sluggish global cues. However, in the latter part of the trade some recovery and upmoves can be seen, with the government listing the Goods and Services Tax (GST) Bill in the Rajya Sabha for consideration and passage on Wednesday.

EQUITY MARKET WRAP UP

Indian benchmarks decline for second straight session; Sensex protects 28000 mark: Indian benchmark indices showed a volte-face on the first day of a new trading week as what started on a promising note ended as a gloomy show. The optimism in domestic markets petered out completely by the end of trade and the benchmarks even drifted in to the negative territory for second consecutive session despite getting off to a gap-up opening. Marketmen were optimistic in early part of the session, as the government is going to table the Constitutional Amendment Bill for introduction of GST in Rajya Sabha for consideration and passage this week. BSE Sensex declined by 48.74 points or 0.17% to 28003.12, while the CNX Nifty lost 1.95 points or 0.02% to 8,636.55. The BSE Sensex touched a high and a low 28284.85 and 27873.53, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.38%, while Small cap index was up by 0.10%.

DEBT MARKET & FOREX

- Bond yields trade lower on Monday:** Bond yields traded lower on Monday, as underlying sentiment continue to be positive amid comfortable cash position and expectations that the long pending Goods and Services Tax Bill may be approved soon. The yields on new 10 year Government Stock were trading 4 basis points lower at 7.12% from its previous close at 7.16% on Friday.
- The benchmark five-year interest rates were trading 3 basis points lower at 7.01% from its previous close at 7.04% on Friday.
- Rupee strengthens for fifth straight session on Monday:** Indian rupee strengthened for fifth consecutive session on Monday on sustained selling of the US currency by exporters and banks amid sustained foreign fund inflows. Besides, gains in the Asian currencies markets along with expectations that the goods and services tax bill may get approval from Rajya Sabha this week also added support to domestic currency. The rupee ended 66.75, 25 paise stronger from its previous close at 67.00 on Friday. The currency touched a high and low of 66.79 and 66.69 respectively.

ECONOMY & MARKET PULSE

- Airlines seek longer period of subsidy to make the RCS a success
- India's manufacturing PMI surges to four month high at 51.8 in July on strong demand
- Govt working on aligning FDI policy with NIC code for ease of doing business
- Indian Inc expects to see growth in the next 6 months: ASSOCHAM survey
- Govt mulling merger of state-run firms to create one oil giant: Pradhan
- Petrol and diesel prices reduced by Rs 1.42 and Rs 2.01 per litre respectively
- Airlines seek longer period of subsidy to make the RCS a success

Indices Performance

| Index | 1-Aug-16 | Previous Close | % Change* |
|------------------|-----------|----------------|-----------|
| S&P BSE Sensex | 28,003.12 | 28,051.86 | -0.17% |
| CNX Nifty | 8,636.55 | 8,638.50 | -0.02% |
| CNX Midcap | 14,891.35 | 14,772.75 | 0.80% |
| CNX 500 | 7,335.05 | 7,330.00 | 0.07% |
| S&P BSE Smallcap | 12,321.74 | 12,309.95 | 0.10% |

Global Markets

| Index | | Previous Close | % Change* |
|-----------|-----------|----------------|-----------|
| Dow Jones | 18,404.51 | 18,432.24 | -0.15% |
| Nasdaq | 5,184.20 | 5,162.13 | 0.43% |
| S&P 500 | 2,170.84 | 2,173.60 | -0.13% |
| FTSE | 6,693.95 | 6,463.60 | 3.56% |
| CAC | 4,409.17 | 4,439.81 | -0.69% |

Institutional Flows (Equity)

| Description (Rs in Cr) | Purchases | Sales | Net |
|------------------------|-----------|----------|---------|
| FII Flows | 5,754.32 | 5,545.54 | 208.78 |
| DII Flows | 2,159.81 | 2,573.58 | -413.77 |

Commodity Market

| Commodities (INR) | | Gains+/Loss | % Change* |
|----------------------|-----------|-------------|-----------|
| Gold (10gm) | 31,534.00 | -15.00 | -0.05% |
| Silver (1Kg) | 47,717.00 | 237.00 | 0.50% |
| Crude Oil (1 barrel) | 2,681.00 | -101.00 | -3.63% |
| Aluminium (1 Kg) | 109.00 | -0.60 | -0.55% |
| Copper (1Kg) | 325.70 | -4.00 | -1.21% |

Currency Market

| Currency | 1-Aug-16 | Gains+/Loss | % Change* |
|---------------|----------|-------------|-----------|
| INR / 1 USD | 66.7412 | 0.29 | 0.44% |
| INR / 1 GBP | 88.4388 | -0.14 | -0.16% |
| INR / 1 EURO | 74.5165 | -0.24 | -0.33% |
| INR / 100 JPY | 65.0800 | -0.39 | -0.60% |

NSE Top 5 Gainers

| Company | 1-Aug-16 | Previous Close | % Change* |
|----------------------|----------|----------------|-----------|
| Advanced Enzyme | 1,178.10 | 896.00 | 31.48% |
| Pan India Corp. | 0.25 | 0.20 | 25.00% |
| Dwarikesh Sugar Inds | 329.40 | 274.50 | 20.00% |
| JMT Auto | 51.40 | 42.85 | 19.95% |
| Rico Auto Inds | 53.05 | 45.40 | 16.85% |

NSE Top 5 Losers

| Company | 1-Aug-16 | Previous Close | % Change* |
|-----------------------|----------|----------------|-----------|
| MPS Infotecnics | 0.10 | 0.15 | -33.33% |
| Nahar Ind. Enterprise | 94.40 | 114.25 | -17.37% |
| Filatex India | 70.80 | 85.35 | -17.05% |
| Lycos Internet | 9.80 | 11.80 | -16.95% |
| Uttam Value Steels | 0.25 | 0.30 | -16.67% |

BSE Top 5 Gainer

| Company | 1-Aug-16 | Previous Close | % Change* |
|----------------------|----------|----------------|-----------|
| Advanced Enzyme | 1,178.30 | 896.00 | 31.51% |
| Dwarikesh Sugar Inds | 329.30 | 274.00 | 20.18% |
| JMT Auto | 51.40 | 42.85 | 19.95% |
| Smiths & Founders | 17.95 | 15.02 | 19.51% |
| Rico Auto Inds | 53.00 | 45.55 | 16.36% |

BSE Top 5 Loser

| Company | 1-Aug-16 | Previous Close | % Change* |
|-----------------------|----------|----------------|-----------|
| Lycos Internet | 9.78 | 12.00 | -18.50% |
| Filatex India | 70.90 | 85.50 | -17.08% |
| Nahar Ind. Enterprise | 94.80 | 114.10 | -16.91% |
| Natural Capsules | 87.85 | 104.50 | -15.93% |
| Duke Offshore | 50.85 | 59.00 | -13.81% |

* % change is the over the previous days close.