

Morning Notes

03-Aug-2016

MARKET OUTLOOK

Markets to get a cautious start eyeing the GST Bill passage: The Indian markets lost their momentum in the latter part of the trade and ended mildly in red in the last session. Today, the start of the crucial day is likely to be cautious and all eyes will be on the parliament where the Constitution amendment Bill is scheduled for discussion and voting in Rajya Sabha for roll-out of a uniform goods and services tax (GST) regime. Though, the government and the opposition have reached out at a broad understanding, but the government is likely to come up with fresh proposals over pending Congress demands on the GST Bill to get the opposition party's support.

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. 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

Indices Performance

Index	2-Aug-16	Previous Close	% Change*
S&P BSE Sensex	27,981.71	28,003.12	-0.08%
CNX Nifty	8,622.90	8,636.55	-0.16%
CNX Midcap	14,766.50	14,891.35	-0.84%
CNX 500	7,310.90	7,335.05	-0.33%
S&P BSE Smallcap	12,219.79	12,321.74	-0.83%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,313.77	18,404.51	-0.49%
Nasdaq	5,137.73	5,184.20	-0.90%
S&P 500	2,170.84	2,170.84	0.00%
FTSE	6,645.40	6,463.60	2.81%
CAC	4,327.99	4,409.17	-1.84%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	5,978.16	5,322.55	655.61
DII Flows	2,234.26	2,617.49	-383.23

Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	31,775.00	241.00	0.76%
Silver (1Kg)	48,071.00	354.00	0.74%
Crude Oil (1 barrel)	2,640.00	-41.00	-1.53%
Aluminium (1 Kg)	108.45	-0.55	-0.50%
Copper (1Kg)	326.65	0.95	0.29%

Currency Market

Currency	2-Aug-16	Gains+/Loss	% Change*
INR / 1 USD	66.7612	-0.02	-0.03%
INR / 1 GBP	88.0313	0.41	0.46%
INR / 1 EURO	74.5990	-0.08	-0.11%
INR / 100 JPY	65.3200	-0.24	-0.37%

NSE Top 5 Gainers

Company	2-Aug-16	Previous Close	% Change*
MPS Infotronics	0.15	0.10	50.00%
Uttam Value Steels	0.30	0.25	20.00%
Indian Bank	186.35	155.30	19.99%
Advanced Enzyme	1,375.15	1,178.10	16.73%
REI Six Ten Retail	0.35	0.30	16.67%

NSE Top 5 Losers

Company	2-Aug-16	Previous Close	% Change*
LCC Infotech	0.30	0.35	-14.29%
Pratibha Industries	19.95	22.55	-11.53%
Blue Chip India	0.40	0.45	-11.11%
Interglobe Aviation	866.05	971.65	-10.87%
Greenearth Resources	0.45	0.50	-10.00%

BSE Top 5 Gainer

Company	2-Aug-16	Previous Close	% Change*
Indian Bank	186.20	155.20	19.97%
Vidli Restaurants	48.10	40.10	19.95%
Virtual Global Educ.	5.49	4.61	19.09%
Max Alert Systems	8.25	7.00	17.86%
Advanced Enzyme	1,373.65	1,178.30	16.58%

BSE Top 5 Loser

Company	2-Aug-16	Previous Close	% Change*
Kothari Fermentn&Bio	25.85	30.80	-16.07%
Simplex Castings	114.30	130.75	-12.58%
Pratibha Industries	19.90	22.60	-11.95%
Ojas Asset Reconst.	11.10	12.55	-11.55%
Interglobe Aviation	865.20	973.95	-11.17%

* % change is the over the previous days close.