

Morning Notes

04-Aug-2016

MARKET OUTLOOK

Markets to make a good gap-up start on GST Bill passage: The Indian markets suffered sharp cuts in last session and the major averages lost over a percent on profit taking ahead of the crucial decision on long pending GST Bill. Today, the start is likely to be jubilant and markets will see good recovery with a gap-up start, as in the biggest tax reform since Independence, the national sales tax or GST Bill has been approved by the Rajya Sabha to replace a raft of different state and local taxes with a single unified value added tax system. Finance Minister Arun Jaitley has said that manufacturing taxes and VAT will come down with the new national sales tax but the same for services tax will be decided by states and centre. Meanwhile, the Union Cabinet has approved the Motor Vehicle (Amendment) Bill, 2016, providing for hefty penalties for violation of road safety rules.

EQUITY MARKET WRAP UP

Indian markets reel under global pressure; settle with loss of over a percent: Indian benchmarks indices extended the sorrow of closing in the red territory for the fourth consecutive session on Wednesday, as worries over global economic growth prospects prompted marketmen to take profits off the table. The BSE Sensex ended lower by 284.20 points or 1.02% to 27697.51, while the CNX Nifty dropped 78.05 points or 0.91% to 8,544.85. The BSE Sensex touched a high and a low 28015.43 and 27647.14, respectively. The broader indices made a negative closing; the BSE Mid cap index ended down by 1.50%, while Small cap index was lower by 1.14%.

DEBT MARKET & FOREX

- **Bond yields trade higher on Wednesday:** Bond yields edged higher on Wednesday due to selling pressure from banks and corporates ahead of GST debate in Rajya Sabha. In the global market, US Treasury yields rose on Tuesday after Japan unveiled fiscal stimulus measures, dampening demand for U.S. government debt and sending long-dated U.S. yields to their highest levels in more than a week. Furthermore, Oil prices edged up early, supported by a weaker dollar, but U.S. crude futures remained below \$40 per barrel and Brent was below \$42 as ongoing fuel oversupply and stuttering economic growth weighed on markets.
- The yields on new 10 year Government Stock were trading 2 basis points higher at 7.19% from its previous close of 7.17% on Tuesday.
- **Rupee concludes substantially weaker against dollar:** Indian rupee concluded substantially weaker against dollar on account of continued dollar demand from importers and banks. Dollar strengthens against some global currencies also weighed on the rupee sentiment. The rupee ended at 66.99, weaker by 26 paise from its previous close of 66.73 on Tuesday. The currency touched a high and low of 67.01 and 66.71 respectively.

ECONOMY & MARKET PULSE

- India's service sector growth recovers to three-month high of 51.9 in July
- Infrastructure deficit biggest obstacle for 'Make in India': Standard & Poor's
- Govt to build 50,000 new rural roads under PMGSY
- The much-awaited GST Bill all set to be tabled in Rajya Sabha
- Government collects Rs 69,809 crore through cess on petrol, diesel

Indices Performance

Index	3-Aug-16	Previous Close	% Change*
S&P BSE Sensex	27,697.51	27,981.71	-1.02%
CNX Nifty	8,544.85	8,622.90	-0.91%
CNX Midcap	14,519.70	14,766.50	-1.67%
CNX 500	7,232.80	7,310.90	-1.07%
S&P BSE Smallcap	12,080.49	12,219.79	-1.14%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,355.00	18,313.77	0.23%
Nasdaq	5,159.74	5,137.73	0.43%
S&P 500	2,170.84	2,170.84	0.00%
FTSE	6,634.40	6,463.60	2.64%
CAC	4,321.08	4,327.99	-0.16%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	4,936.77	4,689.67	247.10
DII Flows	1,674.42	2,475.17	-800.75

Commodity Market

Commodities (INR)		Gains+Loss	% Change*
Gold (10gm)	31,608.00	-167.00	-0.53%
Silver (1Kg)	47,671.00	-400.00	-0.83%
Crude Oil (1 barrel)	2,740.00	100.00	3.79%
Aluminium (1 Kg)	109.85	1.40	1.29%
Copper (1Kg)	325.50	-1.15	-0.35%

Currency Market

Currency	3-Aug-16	Gains+Loss	% Change*
INR / 1 USD	66.9368	-0.18	-0.26%
INR / 1 GBP	89.0126	-0.98	-1.11%
INR / 1 EURO	74.9893	-0.39	-0.52%
INR / 100 JPY	66.2600	-0.94	-1.44%

NSE Top 5 Gainers

Company	3-Aug-16	Previous Close	% Change*
Paras Petrofils	0.25	0.20	25.00%
Uttam Value Steels	0.35	0.30	16.67%
REI Six Ten Retail	0.40	0.35	14.29%
Kalyani Steels	283.30	250.40	13.14%
Blue Chip India	0.45	0.40	12.50%

NSE Top 5 Losers

Company	3-Aug-16	Previous Close	% Change*
Rasoya Proteins	0.15	0.20	-25.00%
Pan India Corp.	0.20	0.25	-20.00%
Indo Tech Transform.	206.05	256.75	-19.75%
Nakoda	0.30	0.35	-14.29%
FCS Software Soltns.	0.30	0.35	-14.29%

BSE Top 5 Gainer

Company	3-Aug-16	Previous Close	% Change*
Prabhat Telecoms	61.20	51.00	20.00%
Ojas Asset Reconst.	13.29	11.10	19.73%
Akme Star Hsg. Fin	42.80	37.10	15.36%
Max Alert Systems	9.35	8.25	13.33%
Kalyani Steels	283.30	250.10	13.27%

BSE Top 5 Loser

Company	3-Aug-16	Previous Close	% Change*
Indo Tech Transform.	206.20	256.90	-19.74%
Karnimata Cold	13.00	15.50	-16.13%
Beryl Drugs	22.95	27.05	-15.16%
HEG	165.50	187.55	-11.76%
Innovassynth Invest	6.16	6.85	-10.07%

* % change is the over the previous days close.