

Morning Notes

10-Aug-2016

MARKET OUTLOOK

Markets likely to get a cautious but positive start: The Indian markets suffered cut of over a quarter percent in the last session, after losing momentum in the second half of the trade and snapped their three days gaining streak. Today, the start is likely to remain cautious, though after initial consolidation some upmove too can be seen. Traders will be getting some encouragement with reports that India's direct tax collection for the June quarter of FY2017 grew 24 per cent, while indirect tax collection was up by 30 per cent. The collection up to July indicates that 18.82 per cent of the Annual Budget target of direct taxes has been achieved in the first four months of the fiscal. Meanwhile, RBI's outgoing Governor Raghuram Rajan, dispelling fears of price rise due to the rollout of Goods and Services Tax has said that it will be challenging to roll out GST from April 1, 2017 but the new indirect tax regime will eventually boost business sentiment and investments.

EQUITY MARKET WRAP UP

Benchmarks end a disappointing day with over quarter percent cut: Indian benchmark indices staged a disappointing performance in Tuesday's volatile session of trade, erasing almost all the gains accumulated in the previous session. Marketmen, remained on sidelines after the Reserve Bank of India (RBI) at its policy meet kept key policy rates unchanged and retained FY17 GDP growth forecast at 7.6 percent. Inflation at a two-year high prevented Rajan from cutting interest rates at his final policy review. Going forward, RBI indicated that the full implementation of the recommendations of the 7th central pay commission (CPC) on allowances will affect the magnitude of the direct effect of house rents on the retail inflation. BSE Sensex ended lower by 97.41 points or 0.35% to 28085.16, while the CNX Nifty dropped 33.10 points or 0.38% to 8,678.25. The BSE Sensex touched a high and a low 28289.96 and 27956.77, respectively. The broader indices made a negative closing; the BSE Mid cap index ended down by 0.35%, while Small cap index was lower by 0.45%.

DEBT MARKET & FOREX

- Bond yields trade lower on Tuesday:** Bond yields traded lower on Tuesday after the Reserve Bank of India (RBI) at its policy meet kept key policy rates unchanged and retains FY17 GDP growth forecast at 7.6%. Yields on new 10 year Government Stock were trading 5 basis points lower at 7.12% from its previous close at 7.17% on Monday. The benchmark five-year interest rates were trading 2 basis points lower at 7.05% from its previous close at 7.07% on Monday.
- Rupee ends unchanged on Tuesday:** Indian rupee ended flat on Thursday due to mild dollar demand from banks and importers after Reserve Bank of India (RBI) at its policy meet kept key policy rates unchanged and retained FY17 GDP growth forecast at 7.6%. Besides, a weak trend in the domestic equity market also weighed on the rupee. Rupee ended unchanged from its previous close of 66.84 on Monday. The currency touched a high and low of 66.98 and 66.81 respectively.

ECONOMY & MARKET PULSE

- Bankruptcy law for bad debts recovery is credit positive for Indian banks: Moody's
- RBI maintains status quo; keeps repo rate at 6.5%
- India's biggest telecom spectrum auction to start on 29 September
- RBI and government to maintain inflation target of 4%: PM
- Just In: RBI keeps the policy rates unchanged

Indices Performance

Index	9-Aug-16	Previous Close	% Change*
S&P BSE Sensex	28,085.16	28,182.57	-0.35%
CNX Nifty	8,678.25	8,711.35	-0.38%
CNX Midcap	14,887.15	14,917.55	-0.20%
CNX 500	7,368.45	7,398.25	-0.40%
S&P BSE Smallcap	12,338.22	12,393.81	-0.45%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,533.05	18,529.29	0.02%
Nasdaq	5,225.48	5,213.14	0.24%
S&P 500	2,181.74	2,180.89	0.04%
FTSE	6,851.30	6,463.60	6.00%
CAC	4,468.07	4,415.46	1.19%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	5,234.89	4,063.16	1,171.73
DII Flows	2,302.67	2,912.82	-610.15

Commodity Market

Commodities (INR)		Gains+Loss	% Change*
Gold (10gm)	31,238.00	62.00	0.20%
Silver (1Kg)	46,345.00	58.00	0.13%
Crude Oil (1 barrel)	2,859.00	-32.00	-1.11%
Aluminium (1 Kg)	109.55	-0.15	-0.14%
Copper (1Kg)	318.40	-2.25	-0.70%

Currency Market

Currency	9-Aug-16	Gains+Loss	% Change*
INR / 1 USD	66.9633	-0.22	-0.33%
INR / 1 GBP	86.9920	0.28	0.33%
INR / 1 EURO	74.1752	-0.11	-0.15%
INR / 100 JPY	65.3600	0.04	0.06%

NSE Top 5 Gainers

Company	9-Aug-16	Previous Close	% Change*
Cura Technologies	21.50	3.40	532.35%
VKS Projects	0.15	0.10	50.00%
Quintegra Solutions	1.60	1.20	33.33%
Guj. Lease Fin	2.30	1.80	27.78%
Aditya Birla Money	30.00	25.00	20.00%

NSE Top 5 Losers

Company	9-Aug-16	Previous Close	% Change*
MPS Infotecnics	0.10	0.15	-33.33%
Farmax India	0.10	0.15	-33.33%
Integra Garments	2.25	2.80	-19.64%
Dalmia Bharat Sugar	124.55	154.45	-19.36%
Harita Seating Sys	540.75	634.45	-14.77%

BSE Top 5 Gainer

Company	9-Aug-16	Previous Close	% Change*
United Leasing	12.50	5.14	143.19%
Landmarc LeisureCorp	0.60	0.50	20.00%
Aditya Birla Money	30.00	25.00	20.00%
GCM Commodity	3.81	3.18	19.81%
Jayjay Enterprises	5.56	4.70	18.30%

BSE Top 5 Loser

Company	9-Aug-16	Previous Close	% Change*
Smiths & Founders	14.65	18.30	-19.95%
Dalmia Bharat Sugar	124.65	154.65	-19.40%
Harita Seating Sys	537.20	634.45	-15.33%
Valiant Communicatns	66.90	77.90	-14.12%
Upper Ganges Sugar	390.70	451.15	-13.40%

* % change is the over the previous days close.