

Morning Notes

22-Aug-2016

MARKET OUTLOOK

Markets to make a cautious start of the F&O expiry week: The Indian markets declined in last session, paring some gains of previous trading, today the start of the F&O expiry week is likely to be cautious but in green on mixed regional cues but as the trade progress, traders will be getting some encouragement with the appointment of Urjit Patel, a known inflation warrior, as Raghuram Rajan's successor at the Reserve Bank of India. Patel's appointment is also an indirect acknowledgment of Raghuram Rajan's work and legacy. The government is confident that Urjit Patel, will be "more balanced" in his approach to managing inflation and will be mindful of the need to push growth, considered critical for creating jobs. Global rating agency Moody's too has said that clean-up of India's banks is good for India's credit rating and it expects the process to continue under governor-designate Urjit Patel.

EQUITY MARKET WRAP UP

Indian benchmarks end a lackluster session with modest cut; broader markets outclass blue-chips: Indian benchmarks failed to extend the gaining momentum on Friday as jittery investors chose to take some profits off the table amid hawkish comments from New York Fed President William Dudley and San Francisco Fed President John Williams over US interest-rate increases. Finally, the BSE Sensex slumped by 46.44 points or 0.17% to 28077.00, while the CNX Nifty dropped 6.35 points or 0.07% to 8,666.90. The BSE Sensex touched a high and a low 28212.30 and 28026.12, respectively. The broader indices made a positive closing; the BSE Mid cap index ended up by 0.52%, while Small cap index was higher by 0.45%.

DEBT MARKET & FOREX

- **Bond yields trade marginally lower on Friday:** Bond yields edged marginally lower on Friday as investors await the announcement of the next RBI governor, a post that will fall vacant on September 4. The benchmark five-year interest rates were trading flat from its previous close at 7.05% on Thursday.
- **Rupee depreciates substantially against dollar on Friday:** Indian rupee depreciated substantially against dollar on Friday as investors remained cautious on the expectation that the Reserve Bank of India (RBI) may delay cutting interest rates after recent higher inflation data. Finally the rupee ended at 67.06, weaker by 25 paise from its previous close of 66.81 on Thursday. The currency touched a high and low of 67.06 and 66.90 respectively.

ECONOMY & MARKET PULSE

- Government simplifies the consent mechanism for OMBs
- Government sanctions projects worth Rs 8,400 crore in AP
- Tax department declares Income Declaration Scheme 2016
- India keen to bolster bilateral trade, economic ties with Russia
- Banking sector's gross NPA almost doubles to 8.5% in Q1 FY 17

Indices Performance

Index	21-Aug-16	Previous Close	% Change*
S&P BSE Sensex	28,077.00	28,123.44	-0.17%
CNX Nifty	8,666.90	8,673.25	-0.07%
CNX Midcap	15,188.15	15,098.30	0.60%
CNX 500	7,397.80	7,390.20	0.10%
S&P BSE Smallcap	12,459.46	12,300.25	1.29%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,552.57	18,597.70	-0.24%
Nasdaq	5,238.38	5,240.15	-0.03%
S&P 500	2,183.87	2,187.02	-0.14%
FTSE	6,858.95	6,868.96	-0.15%
CAC	4,400.52	4,437.06	-0.82%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	4,285.83	4,030.54	255.29
DII Flows	2,088.81	1,982.62	106.19

Commodity Market

Commodities (INR)		Gains+/-Loss	% Change*
Gold (10gm)	31,404.00	-74.00	-0.24%
Silver (1Kg)	45,444.00	-650.00	-1.41%
Crude Oil (1 barrel)	3,292.00	15.00	0.46%
Aluminium (1 Kg)	111.40	-0.70	-0.62%
Copper (1Kg)	322.15	1.50	0.47%

Currency Market

Currency	21-Aug-16	Gains+/-Loss	% Change*
INR / 1 USD	66.9296	-0.14	-0.20%
INR / 1 GBP	87.9723	-0.71	-0.82%
INR / 1 EURO	75.8714	-0.29	-0.39%
INR / 100 JPY	66.8200	0.02	0.03%

NSE Top 5 Gainers

Company	21-Aug-16	Previous Close	% Change*
MPS Infotecnics	0.10	0.05	100.00%
Raj Rayon Industries	0.30	0.25	20.00%
Taj GVK Hotels	146.10	121.75	20.00%
Kalyani Steels	376.40	313.70	19.99%
WS Industries	12.95	10.80	19.91%

NSE Top 5 Losers

Company	21-Aug-16	Previous Close	% Change*
Paras Petrofils	0.20	0.25	-20.00%
Zylog Systems	3.10	3.85	-19.48%
Salona Cotspin	31.60	36.00	-12.22%
State Bank Of Mysore	548.40	623.95	-12.11%
Usher Agro	13.35	15.15	-11.88%

BSE Top 5 Gainer

Company	21-Aug-16	Previous Close	% Change*
Taj GVK Hotels	147.60	123.00	20.00%
Kalyani Steels	375.50	312.95	19.99%
WS Industries	12.62	10.52	19.96%
Chaman Lal Setia Exp	64.40	53.70	19.93%
Visagar Polytex	2.42	2.02	19.80%

BSE Top 5 Loser

Company	21-Aug-16	Previous Close	% Change*
Vision Cinemas	2.46	3.00	-18.00%
Excel Castronics	3.13	3.75	-16.53%
Rathi Graphic Tech	9.68	11.25	-13.96%
State Bank Of Mysore	546.55	621.70	-12.09%
Usher Agro	13.40	15.20	-11.84%

* % change is the over the previous days close.