

Morning Notes

23-Aug-2016

MARKET OUTLOOK

Markets to make a cautious start but may see recovery in latter trade: The Indian markets suffered some profit taking in last session, amid weak global cues and fading hopes of rate cut after nomination of Urjit Patel as news RBI Governor, who is known for his hawkish view on inflation. Today, the start is likely to remain a bit cautious but some recovery can be expected in latter trade, with the business confidence index maintained by NCAER gaining 2.2 per cent during the June quarter helped by increasing optimism towards the coming six months. Markets will also be getting some encouragement with report that India will highlight the goods and services tax (GST) and other policy measures taken to boost ease of doing business in the country in its bid to get more investments from the US at the second Indo-US Strategic and Commercial Dialogue in New Delhi next week. However, there will be some cautiousness in the market with report that pledging of shares by promoters in companies listed on the National Stock Exchange hit a seven year high at the end of June.

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	22-Aug-16	Previous Close	% Change*
S&P BSE Sensex	27,985.54	28,077.00	-0.33%
CNX Nifty	8,629.15	8,666.90	-0.44%
CNX Midcap	15,086.00	15,188.15	-0.67%
CNX 500	7,363.80	7,397.80	-0.46%
S&P BSE Smallcap	12,442.47	12,459.46	-0.14%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,529.42	18,552.57	-0.12%
Nasdaq	5,244.60	5,238.38	0.12%
S&P 500	2,182.64	2,183.87	-0.06%
FTSE	6,828.54	6,858.95	-0.44%
CAC	4,389.94	4,400.52	-0.24%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	4,287.14	3,743.85	543.29
DII Flows	1,778.26	1,725.76	52.50

Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	31,370.00	-34.00	-0.11%
Silver (1Kg)	44,494.00	-950.00	-2.09%
Crude Oil (1 barrel)	3,216.00	-76.00	-2.31%
Aluminium (1 Kg)	111.45	0.05	0.04%
Copper (1Kg)	318.55	-3.60	-1.12%

Currency Market

Currency	22-Aug-16	Gains+/Loss	% Change*
INR / 1 USD	67.1940	-0.26	-0.40%
INR / 1 GBP	87.6747	0.30	0.34%
INR / 1 EURO	75.8083	0.06	0.08%
INR / 100 JPY	66.6700	0.15	0.22%

NSE Top 5 Gainers

Company	22-Aug-16	Previous Close	% Change*
Chemf Alkalies	257.75	214.80	20.00%
ButterflyGandhimathi	171.10	142.60	19.99%
Accel Frontline	68.80	57.35	19.97%
Unity Infraprojects	11.75	9.80	19.90%
JBM Auto	172.65	144.90	19.15%

NSE Top 5 Losers

Company	22-Aug-16	Previous Close	% Change*
Birla Cotsyn (India)	0.05	0.10	-50.00%
KSS	0.15	0.20	-25.00%
Welspun India	82.60	103.20	-19.96%
FCS Software Soltns.	0.30	0.35	-14.29%
AYM Syntex	77.45	89.10	-13.08%

BSE Top 5 Gainer

Company	22-Aug-16	Previous Close	% Change*
Chemf Alkalies	260.20	216.85	19.99%
ButterflyGandhimathi	171.10	142.60	19.99%
Accel Frontline	69.40	57.85	19.97%
Unity Infraprojects	11.78	9.82	19.96%
Fortis MalarHospital	68.50	57.10	19.96%

BSE Top 5 Loser

Company	22-Aug-16	Previous Close	% Change*
Welspun India	82.30	102.85	-19.98%
Naysaa Securities	22.60	28.15	-19.72%
Nihar Info Global	13.10	15.75	-16.83%
Rodium Realty	123.05	145.00	-15.14%
Padmanabh Industries	34.65	40.00	-13.38%

* % change is the over the previous days close.