

## Morning Notes

31-Aug-2016

## MARKET OUTLOOK

**Markets to make a soft-to-cautious start on weak global cues:** The Indian markets rallied in the last session on expectations the US Federal Reserve may delay hiking interest rates until after the presidential election in November. Today, the start is likely to be cautious and some profit taking can be seen in very early trade after last sessions' huge gains on weak global cues with Fed Vice-Chairman Stanley Fischer stating that the US job market was close to full strength, while adding that the pace of interest rate hikes will depend on how the economy is doing. On the domestic front, trade unions have said that they will go ahead with nation-wide strike on September 2, rejecting as "completely inadequate" the government's 42 percent hike in minimum wage to Rs 350 per day.

## EQUITY MARKET WRAP UP

**India benchmarks display spirited performance; Sensex rallies over 400 pts:** Indian benchmark equity indices staged a stunning performance on Tuesday by vehemently rallying over one and half percent in the session and re-conquering their key psychological levels. Monday's optimism got spilled over into day's trade, helping the frontline indices in extending the winning momentum for second successive session, as encouraging global developments buttressed domestic sentiments. On the domestic front, sentiments got some support with Reserve Bank of India's Annual Report indicating that the near-term growth outlook for India seems brighter than last fiscal and the economy is likely to expand at 7.6 percent in 2016-17. BSE Sensex surged 440.35 points or 1.58% to 28343.01, while the CNX Nifty gained 136.90 points or 1.59% to 8,744.35. The BSE Sensex touched a high and a low 28478.02 and 28010.66, respectively. There were 29 stocks advancing against just 1 stock declining on the index. The broader indices ended in green; the BSE Mid cap index rose 0.80%, while Small cap index was up by 1.02%.

## DEBT MARKET &amp; FOREX

- Bond yields trade lower on Tuesday:** Bond yields edged marginally lower on Tuesday after the Reserve Bank of India surprised investors by announcing it would auction a new 10-year paper this week. Yields on new 10 year Government Stock were trading 1 basis point lower at 7.11% from its previous close of 7.12% on Monday. The benchmark five-year interest rates were trading 3 basis points lower at 7.01% from its previous close of 7.04% on Monday.
- Rupee ends stronger against dollar on Tuesday:** Indian rupee bounced back from last session's losses and ended higher against greenback on Tuesday due to dollar selling by banks and exporters amid positive closing of domestic equity markets. Rupee ended at 67.03, stronger by 12 paise from its previous close of 67.15 on Monday. The currency touched a high and low of 67.12 and 67.02 respectively.

## ECONOMY &amp; MARKET PULSE

- GST will make consumer goods cheaper, increase consumption and boost jobs: CBEC
- Govt initiates the process of operationalising the Rs 5,500-crore ROSL scheme
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- RBI predicts India's growth at 7.6% in 2016-17
- RBI raises concerns over weak monetary policy transmission

## Indices Performance

Index	30-Aug-16	Previous Close	% Change*
S&P BSE Sensex	28,343.01	27,902.66	1.58%
CNX Nifty	8,744.35	8,607.45	1.59%
CNX Midcap	15,328.25	15,186.90	0.93%
CNX 500	7,461.95	7,361.00	1.37%
S&P BSE Smallcap	12,626.09	12,498.81	1.02%

## Global Markets

Index		Previous Close	% Change*
Dow Jones	18,454.30	18,502.99	-0.26%
Nasdaq	5,222.99	5,232.33	-0.18%
S&P 500	2,176.12	2,180.38	-0.20%
FTSE	6,820.79	6,838.05	-0.25%
CAC	4,457.49	4,424.25	0.75%

## Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	3,476.17	2,918.66	557.51
DII Flows	2,443.53	1,958.39	485.14

## Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	30,821.00	-254.00	-0.82%
Silver (1Kg)	43,980.00	-387.00	-0.87%
Crude Oil (1 barrel)	3,125.00	-48.00	1.51%
Aluminium (1 Kg)	109.25	-1.15	-1.04%
Copper (1Kg)	313.10	-1.15	-0.37%

## Currency Market

Currency	30-Aug-16	Gains+/Loss	% Change*
INR / 1 USD	67.0879	0.09	0.14%
INR / 1 GBP	87.6906	0.32	0.37%
INR / 1 EURO	74.9439	0.24	0.32%
INR / 100 JPY	65.6100	0.01	0.02%

## NSE Top 5 Gainers

Company	30-Aug-16	Previous Close	% Change*
Pan India Corp.	0.30	0.25	20.00%
LCC Infotech	0.30	0.25	20.00%
Balkrishna Paper	61.60	51.35	19.96%
Zicom Electn.Sec Sys	47.90	39.95	19.90%
Gyscoal Alloys	83.10	70.30	18.21%

## NSE Top 5 Losers

Company	30-Aug-16	Previous Close	% Change*
KSS	0.15	0.20	-25.00%
Gemini Comm	2.00	2.30	-13.04%
REI Six Ten Retail	0.40	0.45	-11.11%
Samtel Color	0.50	0.55	-9.09%
Cinevista	7.65	8.40	-8.93%

## BSE Top 5 Gainer

Company	30-Aug-16	Previous Close	% Change*
Yogya Enterprises	7.14	5.95	20.00%
Zicom Electn.Sec Sys	48.05	40.05	19.98%
Balkrishna Paper	62.25	51.90	19.94%
Maruti Infra	29.00	24.20	19.83%
VCU Data	18.00	15.10	19.21%

## BSE Top 5 Loser

Company	30-Aug-16	Previous Close	% Change*
Samruddhi Realty	23.20	29.00	-20.00%
Genera Agri Corp	2.42	2.99	-19.06%
Chemtech Industrial	15.05	18.00	-16.39%
Birla Cotsyn (India)	0.07	0.08	-12.50%
Valecha Engg.	26.75	30.30	-11.72%

\* % change is the over the previous days close.