

14-Sept-2016

Morning Notes

MARKET OUTLOOK

Markets to continue the somber run, may get some respite in latter trade: The Indian markets before going for a holiday had extended their sharp losses and major benchmarks lost over one and half a percent in the last session. Today, the start is likely to remain somber on weak global cues and traders will be reacting to mixed set of economic numbers announced on Monday after the market hours, while on positive side India's annual retail inflation eased by 100 basis points to 5.05 percent in August. While on the negative, factory output again dipped to a negative growth of (-)2.4 percent in July from an expansion of 1.95 per cent in the month before, dragged down by a negative growth of (-)3.4 percent in the manufacturing sub-index, which enjoys the maximum weight in the main index. Meanwhile, India Ratings and Research has said that the sharp fall in retail inflation in August has increased the chances of monetary easing by the central bank. The rate sensitive sectors are likely to see some action on hopes of rate cut. Markets may get some support with a survey report stating that implementation of Goods & Service Tax (GST) will lead to increased tax compliance and attract more foreign direct investments across sectors due to tax transparency and ease of doing business.

EQUITY MARKET WRAP UP

Dalal Street witnesses bloodbath; Sensex slips below 28,400 mark: Indian benchmarks started a new week on a devastating note as they went on to extend the declining streak for the second successive session, investor sentiment was rattled by concerns that the US Federal Reserve could be considering an imminent interest rate hike. Finally, the BSE Sensex declined by 443.71 points or 1.54% to 28353.54, while the CNX Nifty dropped 151.10 points or 1.70% to 8,715.60. The BSE Sensex touched a high and a low 28481.11 and 28251.31, respectively. The broader indices made a negative closing; the BSE Mid cap index ended down by 2.95%, while Small cap index was lower by 2.35%.

DEBT MARKET & FOREX

▪ **Bond yields trade higher on Monday:** Bond yields edged higher on Monday amid caution ahead of key macroeconomic data scheduled to be released today after the market hours. Bonds may also come under pressure tracking gains in U.S. Treasury yields, amid speculation that the Federal Reserve may consider hiking key interest rates at a meeting next week. Back home, the yields on new 10 year Government Stock were trading 3 basis points higher at 7.08% from its previous close of 7.05% on Friday. The benchmark five year yields were trading 2 basis points higher at 6.96% from its previous close of 6.94% on Friday.

▪ **Indian rupee ends weaker on Thursday:** Indian rupee ended weaker against the US dollar, on increased demand of the greenback from the importers and the banks. Finally the rupee ended at 66.43, weaker by 6 paise from its previous close of 66.37 on Wednesday. The currency touched a high and low of 66.49 and 66.38 respectively.

ECONOMY & MARKET PULSE

- Indian foreign exchange reserves increase to \$367 billion
- States gets more liberty to spend money under CSS
- Finance Ministry notifies the provisions for setting of GST Council
- Domestic stainless steel industry asks the government to raise import duty

Indices Performance

Index	12-Sep-16	Previous Close	% Change*
S&P BSE Sensex	28,353.54	29,045.28	-2.38%
CNX Nifty	8,715.60	8,952.50	-2.65%
CNX Midcap	15,135.25	15,745.70	-3.88%
CNX 500	7,420.50	7,642.70	-2.91%
S&P BSE Smallcap	12,559.70	12,922.41	-2.81%

Global Markets

Index		Previous Close	% Change*
Dow Jones	18,066.75	18,325.07	-1.41%
Nasdaq	5,155.25	5,211.89	-1.09%
S&P 500	2,127.02	2,159.04	-1.48%
FTSE	6,665.63	6,700.90	-0.53%
CAC	4,387.18	4,439.80	-1.19%

Institutional Flows (Equity)

Description (Rs in Cr)	Purchases	Sales	Net
FII Flows	4,040.24	4,377.39	-337.15
DII Flows	2,644.40	2,657.30	-12.90

Commodity Market

Commodities (INR)		Gains+/Loss	% Change*
Gold (10gm)	31,081.00	62.00	0.20%
Silver (1Kg)	45,501.00	54.00	0.12%
Crude Oil (1 barrel)	3,033.00	-55.00	-1.78%
Aluminium (1 Kg)	104.35	0.15	0.14%
Copper (1Kg)	316.20	1.85	0.59%

Currency Market

Currency	12-Sep-16	Gains+/Loss	% Change*
INR / 1 USD	66.9017	-0.45	-0.68%
INR / 1 GBP	88.7719	-0.16	-0.18%
INR / 1 EURO	75.2176	-0.45	-0.60%
INR / 100 JPY	65.2600	0.20	0.31%

NSE Top 5 Gainers

Company	12-Sep-16	Previous Close	% Change*
LCC Infotech	0.30	0.25	20.00%
Paras Petrofils	0.25	0.20	25.00%
Pan India Corp.	0.30	0.25	20.00%
Mangalam Timber Prod	35.55	29.65	19.90%
Aksh Optifibre	20.50	17.10	19.88%

NSE Top 5 Losers

Company	12-Sep-16	Previous Close	% Change*
VKS Projects	0.05	0.10	-50.00%
KSS	0.15	0.20	-25.00%
Reliance Defence	55.40	64.95	-14.70%
HDIL	90.00	100.80	-10.71%
Mahamaya Steel Inds	397.00	441.10	-10.00%

BSE Top 5 Gainer

Company	12-Sep-16	Previous Close	% Change*
Overseas Synthetics	7.26	6.05	20.00%
Nimbus Foods Inds.	1.56	1.30	20.00%
Rane Brake Lining	1,236.75	1,030.65	20.00%
Mangalam Timber Prod	36.35	30.30	19.97%
Aksh Optifibre	20.56	17.14	19.95%

BSE Top 5 Loser

Company	12-Sep-16	Previous Close	% Change*
Ojas Asset Reconst.	16.00	20.00	-20.00%
K-Lifestyle Inds.	0.22	0.26	-15.38%
Reliance Defence	56.35	65.15	-13.51%
James Warren Tea	131.60	148.85	-11.59%
Bengal & Assam	1,031.00	1,165.00	-11.50%

* % change is the over the previous days close.