

Indices Performance

Global Indices	01-Aug	Prev_Day	Abs. Change	% Change [#]
Dow Jones	18,405	18,432	-28	-0.15
Nasdaq	5,184	5,162	22	0.43
FTSE	6,694	6,724	-30	-0.45
Nikkei	16,636	16,569	67	0.40
Hang Seng	22,129	21,891	238	1.09
Indian Indices	01-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	28,003	28,052	-49	-0.17
Nifty 50	8,637	8,639	-2	-0.02
Nifty 100	8,841	8,839	2	0.03
Nifty Bank	18,741	18,953	-213	-1.12
SGX Nifty	8,696	8,688	8	0.09
S&P BSE Power	2,074	2,077	-3	-0.12
S&P BSE Small Cap	12,322	12,310	12	0.10
S&P BSE HC	16,279	16,299	-20	-0.12

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Aug	20.74	1.39	23.61	1.27
Month Ago	19.78	1.44	22.86	1.25
Year Ago	22.38	1.30	23.53	1.41

Nifty 50 Top 3 Gainers

Company	01-Aug	Prev_Day	% Change [#]
HCL Tech	780	753	3.65
TCS	2708	2619	3.40
Tata Steel	365	355	2.76

Nifty 50 Top 3 Losers

Company	01-Aug	Prev_Day	% Change [#]
ICICI Bank	250	263	-5.10
L&T	1494	1559	-4.18
BHEL	142	146	-2.78

Advance Decline Ratio

	BSE	NSE
Advances	1165	609
Declines	1586	1009
Unchanged	143	68

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	209	31987
MF Flows**	137	9811

*1st Aug 2016; **27th Jul 2016

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	1.20% (Jun-16)	-0.45% (Mar-16)	-2.13% (Jun-15)
IIP	1.20% (May-16)	1.90% (Feb-16)	2.0% (May-15)
GDP	7.90 (Mar-16)	7.20 (Dec-15)	6.70 (Mar -15)

Global Indices

- Asian markets gained on positive cues after the European Banking Authority's stress tests revealed that 51 most important banks in Europe are resilient enough to survive another financial crisis. Today (As on Aug 2), Asian markets opened lower following losses in the Wall Street overnight. Trading in Hong Kong is delayed due to a typhoon warning issued by the Hong Kong Observatory. Nikkei Average was trading down 0.95% (as at 8.00 a.m IST).
- As per the last close, European markets closed lower as fall in global crude oil prices weighed on the bourses. Market sentiments were further hit after British manufacturing activity tumbled to its lowest level since 2013 in Jul following U.K.'s decision to exit the European Union and manufacturing growth in the euro zone also edged lower in the same period.
- As per the last close, U.S. equities closed mostly lower as fall in global crude oil prices dampened market sentiments. A modest slowdown in the U.S. manufacturing sector activity in Jul and an unexpected decline in U.S. construction spending in Jun also weighed on the bourses.

Indian Equity Market

- Indian equity market closed on a negative note amid volatility. The loss was led by ICICI Bank and L&T that posted unimpressive quarterly earnings. Also, cashing in on previous session's rally added to the pain.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.17% and 0.02% to close at 28,003.12 points and 8,636.55 points, respectively. S&P BSE MidCap and S&P BSE SmallCap went up 0.38% and 0.10%, respectively.
- The overall market breadth on BSE was negative with 1,586 scrips declining and 1,165 scrips advancing. A total of 143 scrips remained unchanged.
- On the BSE sectoral front, most of the indices closed with a mixed result. S&P BSE IT was the highest gainer, up 1.76%, followed by S&P BSE Teck (1.54%), and S&P BSE Metal (1.31%). The highest laggard was S&P BSE Capital Goods, down 2.34%, while some of the other losers were S&P BSE Bankex (-1.18%), S&P BSE Industrials (-1.04%), and S&P BSE FMCG (-0.52%).

Domestic News

- Government data showed that growth of combined index of eight core industries of the Indian economy increased to 5.2% YoY in Jun 2016 compared with a growth of 3.1% in the same period of the previous year. The growth came as the coal and cement sectors witnessed growth of 12.0% and 10.3%, respectively. Growth in refinery products and electricity sector were 3.5% and 8.1%, respectively. However, the crude oil and natural gas sectors contracted 4.3% and 4.5%, respectively, during the month. These two sectors remained in contraction mode for the past four months.
- Results of a private survey showed that Indian manufacturing activity improved marginally in Jul 2016 following increase in both domestic and external market demand and strong growth in new business orders and output. The Nikkei India Manufacturing Purchasing Managers' Index (PMI) inched up to a four-month-high level of 51.8 in Jul 2016 from 51.7 in Jun 2016.
- The finance minister sought approval from parliament for an additional spending of Rs. 1.03 trillion in FY17, while the net cash outgo will be Rs. 209.48 billion. The additional expenditure includes Rs. 50 billion for a rural jobs programme, Rs. 42 billion for road construction, and Rs. 20 billion for disaster management.
- According to the latest data from the U.S. Treasury Department, India's holding of U.S. government securities stood at \$118 billion in May 2016, down \$3.6 billion from \$121.6 billion in Apr 2016. The decline was due to mixed growth trend in the U.S. economy.
- Maruti Suzuki has reported it's highest-ever monthly domestic sales, showing an increase of 13.9% YoY in Jul 2016.
- DHFL plans to raise funds amounting to Rs. 4,000 through issue of redeemable non-convertible debentures of face value of Rs. 1000 each. The investors will have the option of linking the coupon with retail inflation.

FII Derivative Trade Statistics	01-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2058.52	1973.91	18895.42
Index Options	22104.82	20711.96	49449.35
Stock Futures	5008.79	5874.63	50757.02
Stock Options	2609.15	2602.00	1457.39
Total	31781.28	31162.50	120559.18

Derivative Statistics- Nifty Options			
	01-Aug	Prev_Day	Change
Put Call Ratio (OI)	0.94	0.94	0.00
Put Call Ratio(Vol)	1.07	0.96	0.11

Debt Watch				
	01-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.37%	6.39%	6.25%	7.09%
CBLO	6.36%	6.46%	6.27%	7.05%
Repo	6.50%	6.50%	6.50%	7.25%
Reverse Repo	6.00%	6.00%	6.00%	6.25%
91 Day T-Bill	6.52%	6.55%	6.53%	7.30%
364 Day T-Bill	6.66%	6.70%	6.84%	7.57%
10 Year Gilt	7.14%	7.25%	7.42%	7.81%
G-Sec Vol. (Rs.Cr)	116007	68432	88964	32118
1 Month CP Rate	6.96%	7.04%	7.56%	7.53%
3 Month CP Rate	7.20%	7.30%	7.79%	7.91%
5 Year Corp Bond	7.59%	7.76%	8.07%	8.45%
1 Month CD Rate	6.50%	6.48%	6.68%	7.34%
3 Month CD Rate	6.62%	6.67%	6.76%	7.55%
1 Year CD Rate	7.24%	7.27%	7.42%	7.94%

Currency Market			
Currency	01-Aug	Prev_Day	Change
USD/INR	66.74	67.03	-0.29
GBP/INR	88.44	88.30	0.14
EURO/INR	74.52	74.27	0.24
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	01-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	40.05	42.40	49.02	47.11
Brent Crude(\$/bl)	39.77	43.46	47.05	53.64
Gold(\$/oz)	1353	1315	1342	1095
Gold(Rs./10 gm)	31076	30688	30980	24592

Source: ICRON Research

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Derivatives Market

- Nifty Aug 2016 Futures were at 8,682.00 points, a premium of 45.45 points, over the spot closing of 8,636.55 points. The turnover on NSE's Futures and Options segment went up from Rs. 1,80,462.33 crore on Jul 29 to Rs. 2,91,649.05 crore on Aug 1.
- The Put-Call ratio stood at 0.83, compared with the previous session's close of 0.93.
- The Nifty Put-Call remained unchanged from the previous session's close of 0.94.
- The open interest on Nifty Futures stood at 24.42 million, compared with the previous session's close of 23.86 million.

Indian Debt Market

- Bond yields fell for the third straight day as market participants bought government debt on hopes that the Goods and Services Tax (GST) Bill, a key indirect tax reform, will be approved in the ongoing session of the Parliament.
- The yield on 10-year benchmark bond (7.59% GS 2026) fell 2 bps to close at 7.14% from the previous close of 7.16%. During the session, bond yields moved in the region of 7.12% to 7.15%.
- Banks borrowed Rs. 1,707 crore under the RBI's Marginal Standing Facility on Jul 29, while no borrowings were seen on Jul 28.
- The government will conduct sale (re-issue) of four dated securities – 7.35% Government Stock (GS) 2024 for a notified amount of Rs. 3,000 crore, 7.61% GS 2030 for a notified amount of Rs. 8,000 crore, 7.73% GS 2034 for a notified amount of Rs. 2,000 crore, and 8.13% GS 2045 for a notified amount of Rs. 2,000 crore, on Aug 5.

Currency Market Update

- The Indian rupee rose to a near two-month-high level against the greenback as a weaker than expected U.S. economic growth data reduced the chances of an imminent interest rate hike by the Federal Reserve. The rupee rose 0.41% to close at 66.74 per dollar from the previous close of 67.02.
- Euro rose against the U.S. dollar following release of disappointing U.S. gross domestic product data. Euro was trading up 0.10% at \$1.1159 compared with the previous close of \$1.1170.

Commodity Market Update

- Gold prices slipped due to gains in the U.S. dollar.
- Brent crude prices dropped following production growth among the members of the Organization of the Petroleum Exporting Countries, and indications of output rise in the U.S.

International News

- According to the survey data from Markit, U.K. manufacturing sector in Jul 2016 contracted to its lowest level since Feb 2013. The manufacturing purchasing managers' index (PMI) fell to 48.2 (flash estimate was 49.1) in Jul from 52.4 in Jun as both production and orders contracted.
- According to the survey data from Markit, China's manufacturing sector showed expansion for the first time since Feb 2015. Caixin manufacturing PMI improved better than expected to 50.6 in Jul 2016 from 48.6 in the prior month due to growth in new orders. However, employment continue to decline at a faster pace. On the other hand, official PMI data revealed contraction in the manufacturing sector due to floods and weak demand. The official index fell to 49.9 in Jul from 50 in Jun 2016.