

Indices Performance

Global Indices	18-Dec	Prev_Day	Abs. Change	% Change [#]
Dow Jones	17,778	17,357	421	2.43
Nasdaq	4,748	4,644	104	2.24
FTSE	6,466	6,336	130	2.04
Nikkei	17,210	16,820	390	2.32
Hang Seng	22,832	22,586	246	1.09
Indian Indices	18-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	27,127	26,710	416	1.56
CNX Nifty	8,159	8,030	130	1.61
CNX 100	8,146	7,996	150	1.88
CNX Bank Index	18,327	17,866	461	2.58
SGX Nifty	8,175	8,044	131	1.62
S&P BSE Power	1,999	1,936	63	3.26
S&P BSE Small Cap	10,861	10,516	345	3.28
S&P BSE HC	14,386	14,198	188	1.32

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
18-Dec	18.32	1.26	20.85	1.30
Month Ago	19.19	1.20	21.47	1.26
Year Ago	17.63	1.46	18.46	1.50

Nifty Top 3 Gainers

Company	18-Dec	Prev_Day	% Change [#]
Jindal Steel	139	129	7.48
BHEL	257	245	5.02
BOB	1055	1010	4.46

Nifty Top 3 Losers

Company	18-Dec	Prev_Day	% Change [#]
Grasim Indus	3330	3356	-0.77
M&M	1212	1219	-0.57
Dr Reddys Lab	3151	3160	-0.29

Advance Decline Ratio

	BSE	NSE
Advances	2169	1323
Declines	686	216
Unchanged	97	52

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1611	100281
MF Flows**	396	19979

*18th Dec 2014; **16th Dec 2014

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.00% (Nov-14)	3.85% (Aug-14)	7.52% (Nov-13)
IIP	2.51% (Sep-14)	4.31% (Jun-14)	2.70% (Sep-13)
GDP	5.30 (Sep-14)	5.70 (Jun-14)	5.20 (Sep-13)

Global Indices

- Asian markets rose as sentiments improved after the U.S. Federal Reserve indicated that it will be 'patient' on the timing of interest rate increase. Strength in U.S. markets overnight provided additional support. Today (As on Friday), Asian stocks opened higher following an inspiring U.S. lead overnight. Positive data which showed U.S. jobless claims (for the week ended December 13) fell to the lowest since early November also boosted market sentiment. Hang Seng was trading up 1.42% and Nikkei Average was trading down 1.81% (as at 8.00 a.m IST).
- As per last closing, European equities closed sharply higher as global sentiment received a major boost after the U.S. Federal Reserve said it had confidence in the economy.
- As per last closing, U.S. bourses closed higher, as investors applauded the Federal Reserve's pledge that it would be patient in increasing interest rates.

Indian Equity Market

- Indian equity markets snapped the five-day losing streak as investors welcomed the Cabinet's decision to approve the Constitutional Amendment Bill regarding rationalization of Central and State indirect taxes into a harmonized Goods and Services Tax. The U.S. Federal Reserve's stance on interest rate provided additional support to the bourses.
- Key benchmark indices, S&P BSE Sensex and CNX Nifty, rose 1.56% and 1.61% to close at 27,126.57 and 8,159.30, respectively. Moreover, S&P BSE Mid Cap and S&P BSE Small Cap rose 2.66% and 3.28%, respectively.
- The overall market breadth on BSE was positive with 2,169 scrips advancing and 686 scrips falling. A total of 97 scrips remained unchanged.
- On the BSE sectoral front, all the indices closed in green. S&P BSE Consumer Durables was the top gainer, up 5.26%, followed by S&P BSE Power and S&P BSE Capital Goods, which rose 3.26% and 2.78%, respectively. Consumer Durables rose after the Government introduced the bill that seeks to amend the constitution to create a harmonised GST.

Domestic News

- The Union Cabinet gave its clearance to the Constitution Amendment Bill on Goods and Services Tax (GST), clearing the way for its introduction in the ongoing session of Parliament to bring about long-pending indirect tax reforms. The objective of the Government is to roll out the GST from April 1, 2016. GST will subsume most of the indirect taxes like excise duty and service tax at the Central level and VAT and local levies at the state level.
- The Government is planning to make background checks on new Special Economic Zone (SEZ) proposals mandatory and weed out those who use the tax-free enclaves for other commercial purposes. The Department of Commerce has received such a directive from the Prime Minister's Office in an effort to push the 'Make in India' campaign.
- India has signed a 625-million euro loan agreement with Germany for financial assistance to Green Energy Corridors (GEC) project under Indo-German bilateral development cooperation.
- Troubled airline, SpiceJet, resumed operations after being forced to cancel over 150 flights with oil marketing companies refusing to refuel its planes, forcing the budget carrier to pay Rs. 3 crore on December 17 to buy jet fuel.
- In order to maintain its profitability, India's largest private sector non-life insurer, ICICI Lombard has decided to cut down its exposures in certain segments, including weather insurance.
- Hyderabad-based IVRCL Limited has entered into a binding agreement on December 17 with Dubai-based Utico FZC to sell its equity stake in Chennai Water Desalination Limited (CWDL). This is part of IVRCL's strategic business plan to monetise its assets. The 100% equity valuation of CWDL, arrived for this transaction, is around Rs. 150 crore.

FII Derivative Trade Statistics-Dec 18

(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2817.12	3310.97	18265.09
Index Options	44452.02	44338.64	72264.57
Stock Futures	4102.51	4098.72	50924.53
Stock Options	3072.70	3156.11	2809.12
Total	54444.35	54904.44	144263.31

Derivative Statistics- Nifty Options

	18-Dec	Prev_Day	Change
Put Call Ratio (OI)	0.87	0.83	0.03
Put Call Ratio(Vol)	1.01	0.94	0.06

Debt Watch

	18-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	8.47%	7.79%	7.89%	8.82%
CBLO	8.61%	7.91%	7.94%	8.86%
Repo	8.00%	8.00%	8.00%	7.75%
Reverse Repo	7.00%	7.00%	7.00%	6.75%
91 Day T-Bill	8.30%	8.22%	8.08%	8.65%
364 Day T-Bill	8.18%	8.18%	8.36%	8.75%
10 Year Gilt	7.93%	7.87%	8.15%	8.78%
G-Sec Vol. (Rs.Cr)	48652	69476	67460	22300
1 Month CP Rate	8.55%	8.44%	8.39%	8.66%
3 Month CP Rate	8.55%	8.52%	8.56%	8.83%
5 Year Corp Bond	8.65%	8.54%	8.65%	9.70%
1 Month CD Rate	8.33%	8.25%	8.20%	8.79%
3 Month CD Rate	8.38%	8.26%	8.36%	8.62%
1 Year CD Rate	8.63%	8.57%	8.66%	9.28%

Currency Market

Currency	18-Dec	Prev_Day	Change
USD/INR	63.32	63.58	-0.27
GBP/INR	98.68	99.98	-1.30
EURO/INR	78.11	79.39	-1.29
JPY/INR	0.53	0.54	-0.01

Commodity Prices

Currency	18-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	54.18	60.01	74.55	97.59
Brent Crude(\$/bl)	62.44	63.80	77.48	110.16
Gold(oz/\$)	1203	1228	1197	1218
Gold(Rs./10 gm)	26927	26882	26562	29798

Source: ICRON Research

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Derivatives Market

- Nifty December 2014 Futures were at 8,180.80 points, a premium of 21.50 points over the spot closing of 8,159.30 points. The turnover on NSE's Futures and Options segment fell from Rs. 3,89,959.40 crore on December 17 to Rs. 3,03,485.55 crore on December 18.
- The Put-Call ratio stood at 0.99 compared to the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 0.87 compared to the previous session's close of 0.83.
- The open interest on Nifty Futures fell from 26.43 million recorded in the previous trading session to 25.90 million.

Indian Debt Market

- Bond yields fell for the second consecutive day, tracking strength in the Indian rupee after the U.S. Federal Reserve signalled it does not plan to hike interest rates anytime soon. This increased demand for emerging-market assets.
- The yield on the 10-year benchmark bond fell 4 bps to close at 7.93% compared to the previous close of 7.97%. The paper moved in the range of 7.90% and 7.97%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 22,418 crore (gross) against Rs. 22,977 crore recorded on December 17. Sale of securities by the RBI under the reverse repo window stood at Rs. 1,758 crore on December 17.
- Banks borrowed Rs. 270 crore under the RBI's Marginal Standing Facility window on December 17 against Rs. 6,079 crore borrowed on December 16.

Currency Market Update

- The Indian rupee strengthened after the U.S. Federal Reserve said it would adopt a 'patient' approach in deciding when to raise interest rates. The domestic currency closed at 63.11 to the dollar against the previous close of 63.61.
- The euro weakened against the dollar for the second consecutive day after the Fed said it expected to start increasing rates next year, after removing a pledge to keep them low for a 'considerable time.' The euro was trading at \$1.2307 compared to the previous close of \$1.2341.

Commodity Market Update

- Gold prices rose above \$1200 after the Federal Reserve said it would take a patient approach toward raising interest rates.
- Brent crude prices recovered as the recent weakness in oil prices forced energy firms to cut investments in new production.

International News

- After two-day policy meeting, the Federal Reserve (Fed) said that it will be "patient" in determining when to raise interest rates, a subtle change in language from its previous promise to keep interest rates near zero (from 0 to 0.25%) for a "considerable time."
- Consumer inflation in the U.S. slowed sharply to 1.3% on a yearly basis in November from 1.7% in October, reflecting sharp drop in energy prices. On a monthly basis, Consumer Price Index dropped by 0.3% after remaining steady in the previous month.
- German Business Confidence index improved to 105.5 in December from 104.7 in November, a survey conducted by the Ifo institute showed.