

Indices Performance

Global Indices	29-Aug	Prev_Day	Abs. Change	% Change [#]
Dow Jones	18,503	18,395	108	0.58
Nasdaq	5,232	5,219	13	0.26
FTSE	Closed	6,838	NA	NA
Nikkei	16,737	16,361	377	2.30
Hang Seng	22,821	22,910	-88	-0.38
Indian Indices	29-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	27,903	27,782	120	0.43
Nifty 50	8,607	8,573	35	0.41
Nifty 100	8,835	8,804	31	0.35
Nifty Bank	19,217	19,196	21	0.11
SGX Nifty	8,663	8,619	44	0.51
S&P BSE Power	2,077	2,076	1	0.04
S&P BSE Small Cap	12,499	12,487	12	0.09
S&P BSE HC	16,008	16,056	-47	-0.29

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
29-Aug	20.38	1.40	23.60	1.24
Month Ago	20.54	1.39	23.62	1.27
Year Ago	21.14	1.39	22.17	1.48

Nifty 50 Top 3 Gainers

Company	29-Aug	Prev_Day	% Change [#]
Zee Entertainment	530	506	4.76
Tata Motors	525	504	4.28
Hero Moto	3412	3305	3.24

Nifty 50 Top 3 Losers

Company	29-Aug	Prev_Day	% Change [#]
HCL Tech	755	779	-3.04
Bharti Infratel	338	347	-2.54
Wipro	479	490	-2.29

Advance Decline Ratio

	BSE	NSE
Advances	1221	711
Declines	1472	889
Unchanged	194	80

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	303	39903
MF Flows**	60	10228

*29th Aug 2016; **25th Aug 2016

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.55% (Jul-16)	0.79% (Apr-16)	-4.00% (Jul-15)
IIP	2.10% (Jun-16)	0.30% (Mar-16)	4.20% (Jun-15)
GDP	7.90 (Mar-16)	7.20 (Dec-15)	6.70 (Mar-15)

Global Indices

- Most of the Asian markets closed in the red after the Federal Reserve chief, in an annual conference, kept room open for further rate hike in the wake of improving U.S. economy. Meanwhile, Japanese bourses bucked the trend after the Bank of Japan chief said that the central bank is willing to expand stimulus measures, if required. Today, (as on Aug 30) bourses were trading marginally higher following rise in Wall Street overnight. Both Nikkei Average and Hang Seng traded higher by 0.02% and 0.54%, respectively (as at 8:00 am IST).

- As per the last close, European markets fell as market participants turned cautious after hawkish comments from the U.S. Federal Reserve chairperson and her deputy. This has increased expectations of a rate hike in the near term.

- As per the last close, U.S. markets gained following the reports that revealed U.S. personal income and spending in Jul month increased in line with forecasts. Core inflation remained steady at 1.6% in Jul compared with the previous month, which supported the view that Fed officials will delay the rate hike.

Indian Equity Market

- Indian equity closed in the green after remaining in pressure for major part of the session. Investor sentiment dampened initially as the Federal Reserve chief said that the case for another interest rate hike has strengthened in the event of recovery in the U.S. economy. However, market surged in the late trade following a rally in an automobile heavyweight amid expectation of continued robust sales volume growth going forward.

- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.43% and 0.41% to close at 27,902.66 points and 8,607.45 points, respectively. S&P BSE MidCap increased 0.49%, while S&P BSE SmallCap dropped 0.09%.

- On the BSE sectoral front, most of the indices closed in the positive zone. S&P BSE Industrials and S&P BSE Auto, each up 1.44%, were the top gainers, followed by S&P BSE Energy (1.36%), S&P BSE Capital Goods (1.17%), and S&P BSE Metal (1.07%). The biggest losers included S&P BSE IT (-0.89%), S&P BSE Realty and S&P BSE Telecom (-0.81%), and S&P BSE Teck (-0.59%).

Domestic News

- According to the Reserve Bank of India's (RBI) annual report for 2015-16, the central bank is considering reviewing guidelines for certificate of deposit and commercial paper to boost trading activity in the segment. The central bank will also assess efficacy of marginal cost lending rate (MCLR) in comparison to the base rate system. On a separate note, RBI informed that it is working on a "differential premium system based on the risk profile of the banks." Under the system, banks that are better rated will have to pay lower premium for deposit insurance cover. According to the current practice, all banks are paying uniform premium irrespective of their risk profile.

- According to RBI's 2015-16 annual report, the total income of the central bank increased 2% in the year ended Jun 2016 to Rs. 80,870 crore from Rs. 79,256 crore in the previous year. Expenditure grew 12% to Rs. 14,990 crore from Rs. 13,356 crore primarily due to provisions made for reimbursing service tax on agency commission paid to agency banks. The surplus transferred to the government dipped marginally to Rs. 65,876 crore in the year ended Jun 2016 from Rs 65,896 crore in the previous year.

- The power ministry is planning to set up two funds of \$1 billion each to boost the alternative financing options for stressed power assets and renewable energy projects. The two funds have been proposed under the ambit of the National Investment and Infrastructure Fund.

- Yes Bank has launched Yes Pay, a digital wallet for android and iOS mobile platforms, which is also accessible through social media accounts of Facebook.

- Indian Oil Corporation reported a 25% YoY increase in net profit at Rs. 8,268.98 crore for the quarter ended Jun 2016. The Board of Directors of IOC has also approved bonus shares in the ratio of 1:1.

FII Derivative Trade Statistics		29-Aug	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2246.46	1195.35	23197.59
Index Options	31692.76	30881.42	54571.87
Stock Futures	5335.14	5487.88	53214.68
Stock Options	3538.87	3344.90	2180.27
Total	42813.23	40909.55	133164.41

Derivative Statistics- Nifty Options			
	29-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.05	1.04	0.02
Put Call Ratio(Vol)	1.03	1.25	-0.22

Debt Watch				
	29-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.40%	6.39%	6.46%	7.09%
CBLO	6.47%	6.43%	6.28%	7.21%
Repo	6.50%	6.50%	6.50%	7.25%
Reverse Repo	6.00%	6.00%	6.00%	6.25%
91 Day T-Bill	6.60%	6.55%	6.51%	7.20%
364 Day T-Bill	6.65%	6.64%	6.71%	7.51%
10 Year Gilt	7.12%	7.16%	7.16%	7.78%
G-Sec Vol. (Rs.Cr)	62977	85737	69437	30399
1 Month CP Rate	6.81%	6.83%	7.00%	7.54%
3 Month CP Rate	7.01%	7.08%	7.28%	7.83%
5 Year Corp Bond	7.56%	7.58%	7.61%	8.36%
1 Month CD Rate	6.50%	6.50%	6.49%	7.30%
3 Month CD Rate	6.65%	6.66%	6.61%	7.50%
1 Year CD Rate	7.23%	7.20%	7.23%	7.83%

Currency Market			
Currency	29-Aug	Prev_Day	Change
USD/INR	67.18	67.03	0.15
GBP/INR	88.01	88.59	-0.58
EURO/INR	75.18	75.74	-0.55
JPY/INR	0.66	0.67	-0.01

Commodity Prices				
Commodity	29-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	46.97	46.80	41.54	45.29
Brent Crude(\$/bl)	48.69	47.85	40.36	47.67
Gold(\$/oz)	1323	1338	1351	1134
Gold(Rs./10 gm)	30999	31267	30939	26371

Source: ICRON Research

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Derivatives Market

- Nifty Sep 2016 Futures were at 8,649.75 points, a premium of 42.30 points, over the spot closing of 8,607.45 points. The turnover on NSE's Futures and Options segment went up from Rs. 2,23,594.31 crore on Aug 26 to Rs. 2,29,189.44 crore on Aug 29.
- The Put-Call ratio stood at 0.89, compared with the previous session's close of 1.08.
- The Nifty Put-Call ratio stood at 1.05, compared with the previous session's close of 1.04.
- The open interest on Nifty Futures stood at 28.98 million compared with the previous session's close of 28.43 million.

Indian Debt Market

- Bonds yields rose initially as investors turned cautious after the Federal Reserve chief said that recent economic data have strengthened, which increased the possibility of rate hikes in the U.S.
- However, yields fell later in the day following announcement from senior finance ministry official that the government may issue a new 10-year note during the week as issuance of the current benchmark paper has been exhausted.
- Yield on 10-year benchmark bond (7.59% GS 2026) fell 1 bps to close at 7.12% from the previous close of 7.13%. During the session, bond yields moved in the region of 7.12% to 7.15%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 8,848 crore (gross), compared with gross borrowing of Rs. 3,582 crore on Aug 26. Sale of securities under Reserve Bank of India (RBI)'s reverse repo window stood at Rs. 3,756 crore on Aug 26.

Currency Market Update

- Indian rupee weakened against the U.S. dollar following the Federal Reserve chair's comments about the strength of the U.S. economy, which increased speculation of an interest rate hike this year. The rupee fell 0.16% to close at 67.17 per dollar from the previous close of 67.06.
- Euro declined against the U.S. dollar after comment from Federal Reserve chief indicated that the labour market and economy has improved, strengthening the case for an interest rate hike in recent months. Euro was trading at \$1.1169 compared with the previous close of \$1.1195.

Commodity Market Update

- Gold prices went down amid signs that the U.S. interest rates could increase next month, as was indicated by the Federal Reserve chief in an annual conference.
- Brent crude prices slipped as the OPEC members from Middle East refused to curb output.

International News

- A report from the University of Michigan showed that the final reading of U.S. consumer sentiment index for Aug 2016 came in at 89.8 compared with the final reading of 90.0 in Jul 2016. The preliminary reading for Aug 2016 was 90.4.
- According to the chairperson of the U.S. Federal Reserve's speech in Jackson Hole annual summit, the strong performance of the labour market and improved economic outlook have increased the possibility of rate hike. However, the decision will depend on the extent to which economic data continues to meet Fed policy committee's expectations.