

Indices Performance

Global Indices	05-Dec	Prev_Day	Abs. Change	% Change [#]
Dow Jones	19,216	19,170	46	0.24
Nasdaq	5,309	5,256	53	1.01
FTSE	6,747	6,731	16	0.24
Nikkei	18,275	18,426	-151	-0.82
Hang Seng	22,506	22,565	-59	-0.26
Indian Indices	05-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	26,349	26,231	118	0.45
Nifty 50	8,129	8,087	42	0.52
Nifty 100	8,365	8,316	49	0.58
Nifty Bank	18,409	18,248	161	0.88
SGX Nifty	8,162	8,130	33	0.40
S&P BSE Power	1,994	1,988	7	0.34
S&P BSE Small Cap	12,115	12,083	32	0.26
S&P BSE HC	15,676	15,624	52	0.33

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Dec	20.54	1.49	21.34	1.36
Month Ago	20.75	1.43	22.73	1.31
Year Ago	20.10	1.45	21.04	1.46

Nifty 50 Top 3 Gainers

Company	05-Dec	Prev_Day	% Change [#]
Asian Paints	938	905	3.62
Hindalco	175	169	3.41
Lupin	1536	1489	3.14

Nifty 50 Top 3 Losers

Company	05-Dec	Prev_Day	% Change [#]
Tech Mahindra	462	473	-2.32
HDFC	1216	1237	-1.72
TCS	2186	2222	-1.61

Advance Decline Ratio

	BSE	NSE
Advances	1534	915
Declines	1098	696
Unchanged	148	79

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-125	27856
MF Flows**	451	38827

*5th Dec 2016; **30th Nov 2016

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.39% (Oct-16)	3.72% (Jul-16)	-3.70% (Oct-15)
IIP	0.70% (Sep-16)	2.20% (June-16)	3.70% (Sep-15)
GDP	7.30 (Sep-16)	7.10 (Jun-16)	7.60 (Sep -15)

Global Indices

- Most of the Asian markets dropped during the session over concerns about the ambiguous political and economic situation in Europe. Italy's banking sector was injured by the resignation of the Italian Prime Minister, brought about by voters signing a referendum discarding constitutional reform. Investors were not convinced even though Japanese services sector, with a PMI score of 51.80, expanded in Nov. Materialisation of the long-awaited Shenzhen-Hong Kong Stock Connect, and growth in crude prices did not help either. Today (As on Dec 06), Asian market opened higher after global investors shrugged off the Italian referendum result and Prime Minister of Italy's resignation. Both Nikkei Average and Hang Seng traded up 0.87% and 0.69%, respectively (as at 8.00 a.m IST).
- As per the last close, European market closed higher despite the political chaos in Italy due to referendum. Since the referendum didn't have much reactions among investors outside of the Italian market.
- As per the last close, the U.S. market closed higher following a significant acceleration in the pace of growth in the service sector.

Indian Equity Market

- The Indian equity market started on a subdued note as service Purchasing Managers' Index (PMI) contracted to 46.7 in Nov from 54.5 in Oct. The seasonally-adjusted Nikkei India Composite PMI Output Index also fell over the month, indicating a contraction in private sector activities. However, towards the end, market gained following positive cues from the European market, which moved up post Italian referendum. Expectations of a rate cut by the Reserve Bank of India in its upcoming policy review scheduled on Dec 7 also boosted sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.45% and 0.52% to close at 26,349.10 points and 8,128.75 points, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap moved up 0.66% and 0.26%, respectively.
- On the BSE sectoral front, most of the indices closed in the green barring S&P BSE IT (-0.74%), S&P BSE Teck (-0.36%), S&P BSE Oil & Gas (-0.18%), S&P BSE Capital Goods (-0.16%). S&P BSE Auto (1.92%) stood as the major gainer followed by S&P BSE Metal (1.52%) and S&P BSE Telecom (1.49%). S&P BSE Consumer Discretionary Goods & Services (1.41%), S&P BSE FMCG (1.36%), and S&P BSE Consumer Durable (1.12%) also gained.

Domestic News

- The Ministry of Finance has revised upwards the amount of black money disclosed under Income Declaration Scheme (IDS) to Rs. 67,382 crore, which was received from 71,726 declarants. As on Oct 1, the government announced that an amount of Rs. 65,250 crore was received from 64,275 declarants.
- Data from a private survey showed that the Nikkei India Services Business Activity Index plunged to 46.7 in Nov from 54.5 in Oct. The Nikkei India Composite Purchasing Managers' Index (PMI) Output Index also fell sharply from a 45-month high of 55.4 in Oct to 49.1 in Nov. The service PMI registered a contraction for the first time since Jun 2015 and marked the sharpest reduction in output in almost three years.
- The finance ministry made it mandatory for government departments to make electronic payment to suppliers and contractors if the order value exceeds Rs. 5,000. The objective of the move is to enable digitisation of government payments. In addition, the finance ministry has directed all public and private sector banks to do away with the transaction cost for all payments made through debit cards.
- The government extended the minimum import price (MIP) on selected 19 products for two months, till Feb 4, 2017. These 19 products include semi-finished products of iron or non-alloyed steel, flat-rolled products of different widths, bars, and rods. The objective of the move is to protect domestic steel industry from below-cost imports.
- Cairn India plans to invest Rs. 30,000 crore in the next three years to produce additional 1,00,000 barrels per day of oil and oil equivalent gas, mainly from its abundant fields in Rajasthan. Meanwhile, the merger of the cash-rich Cairn with its parent Vedanta Ltd is likely to be completed by end of Mar 2017.

FII Derivative Trade Statistics	05-Dec		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1864.03	1621.76	11002.21
Index Options	32318.72	31921.09	59732.85
Stock Futures	5799.33	6413.83	51309.35
Stock Options	3144.96	3142.96	3817.18
Total	43127.04	43099.64	125861.59

Derivative Statistics- Nifty Options	05-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.03	1.03	0.00
Put Call Ratio(Vol)	0.96	0.97	-0.01

Debt Watch	05-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.08%	6.53%	6.17%	6.56%
CBLO	6.05%	6.45%	6.21%	6.33%
Repo	6.25%	6.25%	6.25%	6.75%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	5.98%	5.95%	6.41%	7.14%
364 Day T-Bill	5.90%	5.90%	6.42%	7.18%
10 Year Gilt	6.22%	6.32%	6.84%	7.76%
G-Sec Vol. (Rs.Cr)	71256	68283	39760	29287
1 Month CP Rate	6.48%	6.37%	6.85%	7.60%
3 Month CP Rate	6.49%	6.45%	6.94%	7.76%
5 Year Corp Bond	6.80%	6.78%	7.35%	8.26%
1 Month CD Rate	6.08%	6.21%	6.42%	7.28%
3 Month CD Rate	6.05%	6.06%	6.61%	7.33%
1 Year CD Rate	6.34%	6.42%	6.92%	7.66%

Currency Market	05-Dec	Prev_Day	Change
USD/INR	68.17	68.37	-0.20
GBP/INR	86.54	86.28	0.25
EURO/INR	72.04	73.04	-1.00
JPY/INR	0.60	0.60	0.00

Commodity Prices	05-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.72	45.66	44.07	40.00
Brent Crude(\$/bl)	52.82	46.06	42.46	40.89
Gold(\$/oz)	1170	1193	1304	1087
Gold(Rs./10 gm)	28233	28976	30598	25143

Source: ICRON Research

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Derivatives Market

- Nifty Dec 2016 Futures were at 8,164.9 points, a premium of 36.15 points, over the spot closing of 8,128.75 points. The turnover on NSE's Futures and Options segment went down from Rs. 2,47,626.20 crore on Dec 2 to Rs. 2,06,986.70 crore on Dec 5.
- The Put-Call ratio stood at 0.87, compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.03, compared with the previous session's close of 1.03.
- The open interest on Nifty Futures stood at 16.93 million compared with the previous session's close of 17.04 million.

Indian Debt Market

- Bond yields fell on expectations that the Monetary Policy Committee will lower repo rate in a two-day meeting to be held on Dec 6 and 7.
- Yield on the new 10-year benchmark bond (6.97% GS 2026) fell 2 bps to close at 6.22% compared with the previous close of 6.24%. During the session, bond yields moved in the region of 6.19% to 6.23%.
- Yield on the old 10-year benchmark bond (7.59% GS 2026) dropped 3 bps to close at 6.34% compared with the previous closing of 6.37%. During the session, bond yields moved in the region of 6.31% to 6.38%.
- Reserve Bank of India (RBI) conducted a 35-day MSS - cash management bills (CMB) for notified amount of Rs. 60,000 crore. However, RBI did not accept any bids despite competitive bids worth Rs. 1,20,140 crore were received at a cut-off rate of 6.19%.
- Banks borrowed Rs. 35 crore under the central bank's Marginal Standing Facility on Dec 2, compared with Rs. 200 crore borrowed on Dec 1.

Currency Market Update

- The rupee closed almost steady against the greenback as investors remained on the sidelines ahead of the two-day monetary policy review due Dec 7. The rupee inched down 0.03% to close at 68.21 from the previous close of 68.19.
- The euro fell initially against the greenback after Italy's Prime Minister resigned following a defeat in a referendum on constitutional reform. However, the common bloc currency rebounded ahead of European Central Bank's monetary policy review due Nov 8. The euro was trading at \$1.0688, up 0.17% compared with the previous close of \$1.0670.

Commodity Market Update

- Gold prices fell as investors continued to invest in stock markets. The stocks remained resilient amidst a significant political shakeup in Europe.
- Brent crude prices went up fuelled by Organization of the Petroleum Exporting Countries' deal with Russia to cut supplies.

International News

- Italian Prime Minister saw heavy defeat in referendum held on Dec 4 over constitutional reform. Thus, Mr. Renzi announced his intention to resign after two-and-a-half years in office.
- The survey data from IHS Markit showed that U.K. Markit/Chartered Institute of Procurement & Supply construction Purchasing Managers' Index (PMI) improved surprisingly to 52.8 in Nov 2016 from 52.6 in Oct 2016 due to robust activity and new orders.
- The survey results from IHS Markit showed that euro area composite PMI increased lesser than forecast at 53.9 (flash score was 54.1) in Nov 2016 from 53.3 in Oct 2016. The private sector expanded at its fastest pace in 11 months. The services PMI rose to 53.8 (flash estimate was 54.1) in Nov from 52.8 in Oct.