

Indices Performance

Global Indices	20-Dec	Prev_Day	Abs. Change	% Change [#]
Dow Jones	19,975	19,883	92	0.46
Nasdaq	5,484	5,457	27	0.49
FTSE	7,044	7,017	27	0.38
Nikkei	19,495	19,392	103	0.53
Hang Seng	21,729	21,833	-104	-0.47
Indian Indices	20-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	26,308	26,375	-67	-0.25
Nifty 50	8,082	8,104	-22	-0.27
Nifty 100	8,286	8,317	-30	-0.36
Nifty Bank	18,069	18,257	-188	-1.03
SGX Nifty	8,106	8,132	-26	-0.32
S&P BSE Power	1,982	1,995	-13	-0.65
S&P BSE Small Cap	11,947	12,058	-111	-0.92
S&P BSE HC	14,919	15,090	-170	-1.13

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
20-Dec	20.50	1.49	21.24	1.37
Month Ago	20.40	1.51	21.49	1.37
Year Ago	20.11	1.44	20.99	1.49

Nifty 50 Top 3 Gainers

Company	20-Dec	Prev_Day	% Change [#]
TCS	2339	2289	2.20
Ambuja Cem	205	201	2.09
Zee Entertainment	449	441	1.60

Nifty 50 Top 3 Losers

Company	20-Dec	Prev_Day	% Change [#]
Idea Cellular	73	76	-4.12
Auro Pharma	673	699	-3.73
Bosch	19236	19822	-2.96

Advance Decline Ratio

	BSE	NSE
Advances	808	432
Declines	1810	1186
Unchanged	135	66

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-554	27301
MF Flows**	485	39271

*20th Dec 2016; **19th Dec 2016

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.15% (Nov-16)	3.85% (Aug-16)	-2.04% (Nov-15)
IIP	-1.90% (Oct-16)	-2.50% (July-16)	9.90% (Oct-15)
GDP	7.30 (Sep-16)	7.10 (Jun-16)	7.60 (Sep -15)

Global Indices

- Most of the Asian markets closed in the red on fading hopes of additional monetary stimulus measures from the Chinese government and concerns over a stricter regulatory situation. Rising geo-political tension further weighed on sentiment. However, Japanese market got support on yen's weakness and after the Bank of Japan kept the stimulus measures unchanged as expected and hinted of a recovery in Japanese economy. As on (Dec 21), Asian markets opened with gains following U.S. equities. Nikkie Average and Hang Seng was traded up 0.46% and 0.19% respectively (as at 8.00 a.m IST).
- As per the last close, European stocks closed higher after Italian government stated that it is seeking parliamentary approval to borrow 20 billion euros to strengthen its banks positions.
- As per the last close, U.S. stocks closed in green with Dow Jones and Nasdaq touched a new record closing highs. The continued strength post election reflected the recent upward momentum amid no economic data and low trading volume.

Indian Equity Market

- Indian equity market continued to decline for the fifth session in a row, driven primarily by drop in financial stocks. Weakness in global markets following the U.S. Federal Reserve chair's optimistic view of the labour market, outcome of Bank of Japan's monetary policy meeting, and geopolitical tensions in Germany and Turkey affected the market.
- Key benchmark indices S&P BSE Sensex and Nifty 50 dropped 0.25% and 0.27% to close at 26,307.98 points and 8,082.40 points, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 1.40% and 0.92%, respectively.
- On the BSE sectoral front, most indices closed in the red. S&P BSE Telecom, down 1.30%, continued to be the top loser in two consecutive sessions. S&P BSE Bankex (-1.26%), S&P BSE Healthcare (-1.13%), S&P BSE Finance (-1.12%), and S&P BSE Consumer Discretionary Goods & Services (-0.87%) were some of the other big laggards of the day. The only gainers consisted of S&P BSE Information Technology (0.95%), S&P BSE Teck (0.75%), S&P BSE Consumer Durables (0.31%), and S&P BSE Fast Moving Consumer Goods (0.04%).

Domestic News

- The government is working towards reducing the number of procedures by removing complex rules and easing procedures to permit businesses to start in four days. For this, the finance minister held a meeting on Dec 19 to identify areas to improve the business climate and the country's ranking. The Ministry of Corporate Affairs, Central Board of Direct Taxes, the Ministry of Labour and Employment are working towards ease of starting new ventures. Currently, minimum three weeks is required to start a company in India, which could be brought down to only four days. Notably, India ranks at 130th among 190 nations on the World Bank's Ease of Doing index.
- The government has announced that Rs. 500 and Rs. 1,000 notes can be used for paying tax on disclosures made under the tax evasion amnesty scheme till Dec 30. Entities who has unaccounted cash has a chance to disclose the income by paying 50% tax including penalty and surcharge, and depositing 25% of the said amount under the Pradhan Mantri Garib Kalyan Yojana 2016 without interest for four years.
- The government has revised the North East Industrial and Investment Promotion Policy, 2007 for providing subsidies to all industrial units through direct benefit transfer mechanism. To avail this facility, the units would need to get registered on the e-payment portal by providing required bank details.
- Cognizant Technology Solutions has acquired the technology and business process services unit of Frontica Business Solutions AS, a portfolio company of Norway-based oil-services investment company Akator ASA. The acquisition will boost the company's competencies in the oil and gas sector.
- A company has been filed in National Company Law Tribunal against Tata Sons. The case pertains to oppression and mismanagement of minority interest.

FII Derivative Trade Statistics	20-Dec		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1032.26	705.59	10852.61
Index Options	21258.53	21143.36	69819.50
Stock Futures	4373.97	5036.94	54079.89
Stock Options	2735.04	2757.55	5553.79
Total	29399.80	29643.44	140305.79

Derivative Statistics- Nifty Options			
	20-Dec	Prev_Day	Change
Put Call Ratio (OI)	0.97	1.01	-0.03
Put Call Ratio(Vol)	0.80	0.91	-0.11

Debt Watch				
	20-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.12%	6.06%	5.95%	6.80%
CBLO	6.19%	5.63%	6.05%	6.90%
Repo	6.25%	6.25%	6.25%	6.75%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.17%	6.17%	5.85%	7.19%
364 Day T-Bill	6.25%	6.10%	5.98%	7.19%
10 Year Gilt	6.48%	6.42%	6.43%	7.72%
G-Sec Vol. (Rs.Cr)	49964	61921	83817	41733
1 Month CP Rate	6.64%	6.57%	6.46%	7.66%
3 Month CP Rate	6.64%	6.64%	6.55%	7.85%
5 Year Corp Bond	7.28%	7.17%	6.91%	8.34%
1 Month CD Rate	6.23%	6.31%	6.18%	7.34%
3 Month CD Rate	6.26%	6.29%	6.19%	7.36%
1 Year CD Rate	6.56%	6.56%	6.56%	7.68%

Currency Market			
Currency	20-Dec	Prev_Day	Change
USD/INR	67.90	67.73	0.17
GBP/INR	84.10	84.54	-0.44
EURO/INR	70.47	70.84	-0.37
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	20-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.22	52.99	45.69	34.72
Brent Crude(\$/bl)	54.61	52.68	43.56	37.01
Gold (\$/oz)	1132	1158	1208	1066
Gold(Rs./10 gm)	27305	27844	29354	24954

Source: ICRON Research

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Derivatives Market

- Nifty Dec 2016 Futures were at 8,099.90 points, a premium of 17.50 points, over the spot closing of 8,082.40 points. The turnover on NSE's Futures and Options segment went up from Rs. 2,08,483.35 crore on Dec 19 to Rs. 3,46,779.25 crore on Dec 20.
- The Put-Call ratio stood at 0.80, compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 0.97, compared with the previous session's close of 1.01.
- The open interest on Nifty Futures stood at 17.40 million compared with the previous session's close of 17.25 million.

Indian Debt Market

- Bond yields fell after announcement of the auction of a new 13-year paper by the Reserve Bank of India (RBI) encouraged the debt market. However, U.S. Federal Reserve's hawkish rate outlook in 2017 restricted the fall.
- Yield on the 10-year benchmark bond (6.97% GS 2026) fell 3 bps to close at 6.48% compared with the previous close of 6.51%. During the session, bond yields moved in the region of 6.46% to 6.50%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 2,362 crore (gross) on Dec 20, compared with gross borrowing of Rs. 2,070 crore on Dec 19. Sale of securities under RBI's reverse repo window stood at Rs. 6,491 crore on Dec 19.
- Banks borrowed Rs. 125 crore under the central bank's Marginal Standing Facility on Dec 19, compared with Rs. 200 crore borrowed on Dec 16.

Currency Market Update

- The Indian rupee fell against the U.S. dollar following other Asian currencies. Rupee fell further as decline in domestic equity market raised concerns over foreign fund outflows. The rupee tripped 0.24% and touched its lowest level since Dec 5, 2016 to close at 68.03 per U.S. dollar from the previous close of 67.87.
- Euro weakened for the second straight day against the greenback as upbeat comments from the U.S. Federal Reserve chairperson boosted the chances of rates hikes at a faster pace in 2017. Euro was trading at \$1.0352, lower than the previous close of \$1.0402.

Commodity Market Update

- Gold prices fell after the greenback strengthened against major currencies.
- Brent crude prices gained on expectations that the Organization of the Petroleum Countries (OPEC) and non-OPEC producers could reduce their production in the coming year.

International News

- Data from Destatis showed that Germany's producer prices increased for the first time in more than three years in Nov 2016. The producer price index rose unexpectedly by 0.1% on a yearly basis in Nov following a 0.4% drop in Oct.
- The Bank of Japan kept the monetary stimulus unchanged, in line with the market expectations. The central bank decided to keep the amount of outstanding Japan government bond holdings unchanged at an annual pace of about JPY 80 trillion. Also, the central bank decided to maintain - 0.1% interest rate on current accounts that financial institutions maintain at the bank. The bank said that the economy is growing at the moderate rate. Therefore, it has raised its growth outlook on both exports and industrial production.