

### Indices Performance

Global Indices	01-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	19,891	19,864	27	0.14
Nasdaq	5,643	5,615	28	0.50
FTSE	7,108	7,099	9	0.12
Nikkei	19,148	19,041	107	0.56
Hang Seng	23,318	Closed	NA	NA
Indian Indices	01-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	28,142	27,656	486	1.76
Nifty 50	8,716	8,561	155	1.81
Nifty 100	8,988	8,825	163	1.85
Nifty Bank	20,021	19,515	505	2.59
SGX Nifty	8,740	8,577	163	1.89
S&P BSE Power	2,173	2,168	5	0.23
S&P BSE Small Cap	13,153	12,936	217	1.68
S&P BSE HC	14,749	14,797	-48	-0.32

### P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Feb	21.91	1.39	23.27	1.27
Month Ago	20.88	1.46	21.93	1.35
Year Ago	18.50	1.45	20.22	1.53

### Nifty 50 Top 3 Gainers

Company	01-Feb	Prev_Day	% Change <sup>#</sup>
Bosch	23300	22131	5.28
M&M	1302	1240	5.02
Maruti	6179	5894	4.83

### Nifty 50 Top 3 Losers

Company	01-Feb	Prev_Day	% Change <sup>#</sup>
TCS	2168	2230	-2.78
Idea Cellular	107	110	-2.45
Auro Pharma	668	682	-2.03

### Advance Decline Ratio

	BSE	NSE
Advances	1913	1177
Declines	915	446
Unchanged	104	81

### Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	451	-726
MF Flows**	-253	5234

\*1<sup>st</sup> Feb 2017; \*\*31<sup>st</sup> Jan 2017

### Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.39% (Dec-16)	3.80% (Sep-16)	-1.06% (Dec-15)
IIP	5.70% (Nov-16)	-0.70% (Aug-16)	-3.40% (Nov-15)
GDP	7.30 (Sep-16)	7.10 (Jun-16)	7.60 (Sep-15)

### Global Indices

- Most of the Asian markets moved up following better-than-expected Chinese manufacturing and non-manufacturing sector data for Jan. Improved Japanese manufacturing data along with supportive comments from Japan's Prime Minister on its currency also helped sentiment. However, upside was limited ahead of the U.S. Federal Reserve's policy meet. Today (As on Feb 02), Asian market opened mixed after U.S. Fed kept interest rate unchanged. Both Nikkei Average and Hang Seng were trading down 0.24% and 0.19%, respectively (as at 8.00 a.m IST).
- As per the last close, European market closed higher on better than expected Dec quarter earnings of some big companies. Gains increased after better than expected growth China's manufacturing sector in Jan.
- As per the last close, U.S. market managed to close in the positive territory after a range bound movement during the session. Upside was seen after the U.S. Federal Reserve kept interest rates unchanged in line with market expectation. Upbeat U.S economic data and strong quarterly earnings of a major tech giant further supported the market.

### Indian Equity Market

- Indian equity market rose after the finance minister in Union Budget 2017-18 proposed to focus more on rural and infrastructure sectors along with measures to be taken to reduce poverty and black money from the economy. No mention of long-term capital gains tax on equities and elimination of Foreign Investment Promotion Board to further liberalise FDI policy, also supported the market's growth.
- The finance minister has also halved the basic personal income tax rate while imposing a surcharge of 10% for taxable income between Rs. 50 lakhs to Rs. 1 crore. Meanwhile, fiscal deficit target has been set at 3.2% of gross domestic product in 2017-18.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.76% and 1.81% to close at 28,141.64 points and 8,716.40 points, respectively.
- On the BSE sectoral front, Realty and financial sectors got support after the finance minister announced various policy measures for affordable housing and infrastructure sectors. However, proposal to amend the drugs and cosmetics rules in order to ensure availability of drugs at reasonable prices and promote usage of generic medicines weighed on pharma sector.

### Domestic News

- In Union Budget 2017-18, the finance minister adhered to the fiscal consolidation roadmap as he aimed to bring down the fiscal deficit to 3.2% of the GDP in 2017-18 and lower it further to 3% in the following year. The revenue deficit was lowered to 2.1% for 2017-18 from 2.3% in the ongoing fiscal. Net market borrowing was lowered to Rs. 3.48 lakh crore in 2017-18 from Rs. 4.25 lakh crore in the previous year. Allocation for capital expenditure has been increased by 25.4% over the previous year.
- The finance minister granted infrastructure status to affordable housing in the Union Budget. Furthermore, the government allocated an all-time high of Rs. 3,96,135 crore for infrastructure development in 2017-18.
- The finance minister estimated to raise Rs. 72,500 crore in 2017-18 by divesting stakes in public sector firms. This corresponds to an increase of around 60% compared with the revised estimate of Rs. 45,500 crore for 2017-18. The government plans to achieve the target by raising Rs. 46,500 crore through minority stake sale, Rs. 15,000 crore through strategic stake sale, and Rs. 11,000 crore from the listing of various insurance companies.
- The finance minister provided Rs. 10,000 crore for recapitalisation of banks in 2017-18 and added that additional allocation may be provided as and when required. The lending target under Pradhan Mantri Mudra Yojana was set at Rs. 2.44 lakh crore under which priority will be given to backward classes and women.
- Maruti Suzuki has reported an increase in total sales by 27.1% YoY to 1,44,396 units in Jan 2017 from 1,13,606 in the year-ago period. The domestic sales increased 25.9% YoY to 1,33,934 units from 1,06,383 in Jan 2016. Exports in Jan 2017 rose 44.8% to 10,462 units as compared with 7,223 in Jan 2016.

FII Derivative Trade Statistics		01-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2435.02	2755.02	15278.23
Index Options	33161.54	32661.26	61709.28
Stock Futures	8912.11	9908.34	61953.26
Stock Options	4579.80	4654.61	3575.96
Total	49088.47	49979.23	142516.73

Derivative Statistics- Nifty Options			
	01-Feb	Prev_Day	Change
Put Call Ratio (OI)	0.98	1.00	-0.01
Put Call Ratio(Vol)	0.98	1.01	-0.03

Debt Watch				
	01-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.05%	5.98%	6.10%	6.68%
CBLO	6.12%	6.10%	6.14%	6.75%
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%	6.20%	6.18%	7.20%
364 Day T-Bill	6.14%	6.16%	6.21%	7.14%
10 Year Gilt	6.43%	6.42%	6.51%	7.66%
G-Sec Vol. (Rs.Cr)	76088	54682	42530	35915
1 Month CP Rate	6.73%	6.76%	6.63%	8.04%
3 Month CP Rate	7.06%	7.08%	6.71%	8.88%
5 Year Corp Bond	7.11%	7.09%	7.25%	8.22%
1 Month CD Rate	6.22%	6.22%	6.27%	7.37%
3 Month CD Rate	6.41%	6.42%	6.28%	8.05%
1 Year CD Rate	6.55%	6.54%	6.58%	8.05%

Currency Market			
Currency	01-Feb	Prev_Day	Change
USD/INR	67.65	67.81	-0.17
GBP/INR	84.95	84.85	0.10
EURO/INR	72.92	72.55	0.36
JPY/INR	0.60	0.60	0.00

Commodity Prices				
Commodity	01-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	53.90	52.14	53.75	31.62
Brent Crude(\$/bl)	55.76	54.24	54.66	32.00
Gold( \$/oz)	1209	1200	1151	1128
Gold(Rs./10 gm)	29030	29092	27830	26778

Source: ICRON Research

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**Derivatives Market**

- Nifty Feb 2017 Futures were at 8,737.90 points, a premium of 21.50 points over the spot closing of 8,716.40. The turnover on NSE's Futures and Options segment went up from Rs. 3,02,521.90 crore on Jan 31 to Rs. 6,55,407.69 crore on Feb 1.
- The Put-Call ratio stood at 0.92, compared with the previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.00, compared with the previous session's close of 0.98.
- The open interest on Nifty Futures stood at 22.14 million compared with the previous session's close of 20.58 million.

**Indian Debt Market**

- Bond yields fell initially after government in its fiscal budget lowered the net market borrowing to Rs. 3.48 lakh crores after buyback, as against Rs. 4.25 lakh crores in the previous year. However, it increased later after investors preferred to stay on the sidelines ahead of U.S. Federal Reserve's policy decision due later in the day.
- Yield on the 10-year benchmark bond (6.97% GS 2026) increased 2 bps to close at 6.43% compared with the previous close of 6.41%. During the session, bond yields moved in the region of 6.37% to 6.46%.
- Banks borrowed Rs. 100 crore under the central bank's Marginal Standing Facility on Jan 31, while there was no borrowing on Jan 30.
- RBI conducted 14-day variable rate reverse repo auction for notified amount of Rs. 30,000 crore. An amount of Rs. 22,810 crore was allotted at a cut-off rate of 6.24%.

**Currency Market Update**

- The Indian rupee gained against the greenback following strong domestic equity market. Increasing hopes of foreign fund inflows amid a broad weakness in the greenback, added to gains. The rupee inched up 0.57% to close at 67.48 per dollar from the previous close of 67.87.
- The euro remained almost steady against the greenback as investors remained cautious ahead of the Federal Reserve's policy decision due later in the day. Euro was trading at \$1.0798, compared with the previous close of \$1.0795.

**Commodity Market Update**

- Gold prices slipped ahead of U.S. Federal Reserve's interest rate decision, which could throw light on fiscal policy this year.
- Brent crude prices gained following supply cut pledges made by significant crude-producing countries. However, concerns over a rebound in U.S. drilling activities capped the gains.

**International News**

- As per data from IHS Markit, the eurozone's factory Purchasing Managers' Index (PMI) expanded the most in 69 months to stand at 55.2 in Jan 2017, up from 54.9 in the previous month.
- According to Markit, Germany's manufacturing PMI increased less than previously estimated but at the strongest level in three years to 56.4 in Jan 2017 from 55.6 in Dec 2016.
- Survey data from the National Bureau of Statistics showed that the Chinese manufacturing PMI declined to 51.3 in Jan 2017 from 51.4 in Dec 2016. While, at the same time, the non-manufacturing PMI inched up to 54.6 in Jan from 54.5 a month ago.
- The latest survey from Nikkei showed that Japanese manufacturing PMI increased to 52.7 in Jan 2017 from 52.4 in Dec 2016.