

Indices Performance

| Global Indices | 02-Feb | Prev_Day | Abs. Change | % Change [#] |
|-------------------|--------|----------|-------------|-----------------------|
| Dow Jones | 16,154 | 16,449 | -296 | -1.80 |
| Nasdaq | 4,517 | 4,620 | -103 | -2.24 |
| FTSE | 5,922 | 6,060 | -138 | -2.28 |
| Nikkei | 17,751 | 17,865 | -115 | -0.64 |
| Hang Seng | 19,447 | 19,596 | -149 | -0.76 |
| Indian Indices | 02-Feb | Prev_Day | Abs. Change | % Change [#] |
| S&P BSE Sensex | 24,539 | 24,825 | -286 | -1.15 |
| Nifty 50 | 7,456 | 7,556 | -100 | -1.33 |
| Nifty 100 | 7,548 | 7,658 | -110 | -1.44 |
| Nifty Bank | 15,068 | 15,314 | -246 | -1.61 |
| SGX Nifty | 7,467 | 7,556 | -89 | -1.17 |
| S&P BSE Power | 1,784 | 1,828 | -44 | -2.42 |
| S&P BSE Small Cap | 10,765 | 10,901 | -137 | -1.25 |
| S&P BSE HC | 15,882 | 16,282 | -400 | -2.46 |

P/E Dividend Yield

| Date | Sensex | | Nifty | |
|-----------|--------|------------|-------|------------|
| | P/E | Div. Yield | P/E | Div. Yield |
| 2-Feb | 18.24 | 1.47 | 19.90 | 1.55 |
| Month Ago | 19.84 | 1.37 | 21.53 | 1.45 |
| Year Ago | 19.66 | 1.16 | 22.51 | 1.20 |

Nifty 50 Top 3 Gainers

| Company | 02-Feb | Prev_Day | % Change [#] |
|---------------|--------|----------|-----------------------|
| Bharti Airtel | 302 | 297 | 1.89 |
| Bajaj Auto | 2364 | 2328 | 1.56 |
| Lupin | 1706 | 1703 | 0.19 |

Nifty 50 Top 3 Losers

| Company | 02-Feb | Prev_Day | % Change [#] |
|-------------|--------|----------|-----------------------|
| Vedanta | 65 | 70 | -7.81 |
| Tata Steel | 231 | 249 | -7.16 |
| Cairn India | 118 | 124 | -5.06 |

Advance Decline Ratio

| | BSE | NSE |
|-----------|------|------|
| Advances | 856 | 385 |
| Declines | 1841 | 1175 |
| Unchanged | 112 | 52 |

Institutional Flows (Equity)

| Description (Cr) | Inflow/Outflow | YTD |
|------------------|----------------|-------|
| FII Flows* | 405 | -9962 |
| MF Flows** | 586 | 6703 |

*2nd Feb 2016; **28th Jan 2016

Economic Indicator

| YoY(%) | Current | Quarter Ago | Year Ago |
|--------|--------------------|--------------------|--------------------|
| WPI | -0.73% (Dec-15) | -4.59% (Sep-15) | -0.50% (Dec-14) |
| IIP | -3.2% (Nov-15) | 6.3% (Aug-15) | 5.2% (Nov-14) |
| GDP | 7.40 (Sep-15) | 7.00 (Jun-15) | 8.40 (Sep-14) |

Global Indices

- Asian markets fell after crude oil prices plunged as optimism over a possible deal between OPEC and non-OPEC producers to curb oversupply faded. However, Chinese market bucked the trend after the People's Bank of China set the yuan to its highest daily fix since Jan 6, and also infused additional cash into the financial system to avoid liquidity crunch ahead of the Lunar holiday. Today, (as on Feb 3) bourses traded lower following heavy sell off in Wall Street overnight. Nikkei Average and Hang Seng traded down 3.38% and 3.10% respectively (as at 8.00 a.m IST).
- As per the last close, European markets dropped as investor sentiments were weighed down by weakness in global crude oil prices. Additionally, disappointing corporate earning numbers dampened market sentiments.
- As per the last close, U.S. markets witnessed sharp decline amid ongoing concerns over global supply glut of crude oil which kept oil prices under pressure. Apart from this, investors also remained on sidelines ahead to the release of some key economic data later during the week.

Indian Equity Market

- Indian equity market slipped following weak cues from Asian bourses. Growing concerns over global economic slowdown continued to weigh on investor sentiments. Buying interest was also affected after the Reserve Bank of India (RBI) maintained status quo on interest rates in its latest Monetary Policy Review and stated that further rate cuts will depend on the reform measures announced in the Union Budget 2016.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 1.15% and 1.33% to close at 24,539.00 points and 7,455.55 points, respectively.
- The overall market breadth on BSE was weak with 1,841 scrips declining and 856 scrips advancing. A total of 112 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE Telecom, all the indices closed in the red. S&P BSE Metal was the major laggard falling by 4.33%, followed by S&P BSE Energy and S&P BSE Oil & Gas, which fell 2.69% and 2.59%, respectively. In addition, S&P BSE Healthcare and S&P BSE Power dropped 2.46% and 2.42% respectively. Rate sensitive stocks witnessed pressure after RBI maintained status quo on the interest rates.

Domestic News

- The Reserve Bank of India (RBI) kept key policy rates unchanged in its sixth bi-monthly monetary policy review. RBI expects that structural reforms in the forthcoming Union Budget on Feb 29 and controlled spending will create more space for monetary policy to support growth of the Indian economy.
- According to the RBI governor, exports contracted for the 13th successive month in Dec even though there are indications of a sequential bottoming out of the same. RBI governor said Current Account Deficit is likely to remain well financed and within control.
- Normal monsoons and subdued oil prices are expected to bring down retail inflation to around 5% by the end of next fiscal, according to the RBI Governor. However, he cautioned that implementation of the 7th Pay Commission's recommendations for central Government employees and movement in global commodity prices may increase domestic inflationary pressures.
- RBI kept its growth projections for the Indian economy unchanged at 7.4% for the current fiscal. This is higher than the 7.3% forecasted by the World Bank. For 2016-17, RBI projected Indian economy's growth at 7.6%.
- RBI will ease regulations to help start-ups raise foreign funding. The central bank will also simplify the process for outward remittances and allow innovative instruments like convertible notes. RBI will work with the Government to ease regulations with respect to entrepreneurship in India.
- Bajaj Auto reported a 1.78% increase in total sales in January. Sales stood at 2,93,939 units as against 2,88,746 units during the same month last year.
- Mahindra & Mahindra has completed sale of its entire 71.19% stake in Swaraj Automotives Ltd. for Rs. 24.84 crore to b4S Solutions.

| FII Derivative Trade Statistics | 02-Feb | | |
|---------------------------------|-----------------|-----------------|------------------|
| (Rs Cr) | Buy | Sell | Open Int. |
| Index Futures | 1431.14 | 1066.19 | 12045.80 |
| Index Options | 24667.45 | 22671.00 | 54794.31 |
| Stock Futures | 4114.42 | 3854.66 | 48363.23 |
| Stock Options | 2192.89 | 2160.02 | 1543.61 |
| Total | 32405.90 | 29751.87 | 116746.95 |

| Derivative Statistics- Nifty Options | | | |
|--------------------------------------|--------|----------|--------|
| | 02-Feb | Prev_Day | Change |
| Put Call Ratio (OI) | 0.81 | 0.87 | -0.06 |
| Put Call Ratio(Vol) | 0.97 | 0.92 | 0.06 |

| Debt Watch | | | | |
|--------------------|--------|---------|----------|----------|
| | 02-Feb | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate | 6.65% | 7.04% | 6.73% | 7.56% |
| CBLO | 6.77% | 6.91% | 6.82% | 7.59% |
| Repo | 6.75% | 6.75% | 6.75% | 7.75% |
| Reverse Repo | 5.75% | 5.75% | 5.75% | 6.75% |
| 91 Day T-Bill | 7.15% | 7.23% | 7.10% | 8.17% |
| 364 Day T-Bill | 7.24% | 7.16% | 7.16% | 8.04% |
| 10 Year Gilt | 7.85% | 7.81% | 7.73% | 7.65% |
| G-Sec Vol. (Rs.Cr) | 45637 | 21828 | 31112 | 62381 |
| 1 Month CP Rate | 8.16% | 7.80% | 7.43% | 8.33% |
| 3 Month CP Rate | 9.15% | 8.68% | 7.66% | 8.85% |
| 5 Year Corp Bond | 8.26% | 8.24% | 8.31% | 8.24% |
| 1 Month CD Rate | 7.37% | 7.26% | 7.16% | 8.07% |
| 3 Month CD Rate | 8.07% | 7.81% | 7.38% | 8.55% |
| 1 Year CD Rate | 8.07% | 7.80% | 7.68% | 8.63% |

| Currency Market | | | |
|-----------------|--------|----------|--------|
| Currency | 02-Feb | Prev_Day | Change |
| USD/INR | 67.83 | 67.67 | 0.16 |
| GBP/INR | 97.61 | 96.51 | 1.10 |
| EURO/INR | 73.93 | 73.41 | 0.52 |
| JPY/INR | 0.56 | 0.56 | 0.00 |

| Commodity Prices | | | | |
|--------------------|--------|--------|----------|----------|
| Currency | 02-Feb | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 29.90 | 30.31 | 37.13 | 47.79 |
| Brent Crude(\$/bl) | 30.53 | 29.57 | 37.91 | 46.92 |
| Gold(\$/oz) | 1129 | 1108 | 1060 | 1283 |
| Gold(Rs./10 gm) | 26867 | 26373 | 25042 | 27630 |

Source: ICRON Research

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Derivatives Market

- Nifty Feb 2016 Futures were at 7,474.95 points, a premium of 19.4 points, over the spot closing of 7,455.55 points. The turnover on NSE's Futures and Options segment went up from Rs. 1,61,935.60 on Feb 1 to Rs. 2,40,529.54 on Feb 2.
- The Put-Call ratio stood at 0.90, compared with the previous close of 0.85.
- The Nifty Put-Call ratio stood at 0.81, compared with the previous close of 0.87.
- The open interest on Nifty Futures stood at 20.52 million, compared with the previous session's close of 21.16 million.

Indian Debt Market

- Bond yields grew on comments from the Reserve Bank of India (RBI) Governor that were considered as hawkish compared to the expectations of dovish comments. As widely expected by the market, RBI kept repo rate unchanged at its sixth and last bi-monthly monetary policy review of FY15-16. However, the central bank continues to be accommodative as it awaits data on the development of inflation within the economy.
- Yield on 10-year benchmark bond 7.72% GS 2025 increased 6 bps to 7.85%, compared with the previous close of 7.79%.
- The Government of India has announced to repurchase its securities worth Rs. 20,000 crore before the maturity. The securities - 7.59% GS 2016, 10.71% GS 2016, and 7.02% GS 2016, will be prematurely redeemed by utilising surplus cash balances with the Government. The bid will be accepted on Feb 4 and the results of the auctions would be announced on Feb 5.

Currency Market Update

- The Indian rupee weakened against the U.S. dollar following a sell-off among most of the Asian currencies. Rupee slid 0.20% to close at 67.98, as against the previous close of 67.84.
- The euro gained for the second consecutive day against the U.S. dollar, as weaker than expected manufacturing activity and construction spending in the U.S. triggered concerns about further interest rate hikes by the Fed. Euro was trading at \$1.0915, up from the previous day's close of 1.0886.

Commodity Market Update

- Gold prices fell amid uncertainty over the U.S. Federal Reserve's interest rate hike in March policy meet.
- Brent Crude prices plunged as the optimism over a possible deal between OPEC and non-OPEC producers to reduce oversupply dented.

International News

- Institute for Supply Management reported that manufacturing activity in the U.S. contracted for the fourth consecutive month in January. Purchasing Managers Index in January was 48.2, slightly up from December's revised 48.0. Any reading below 50.0 indicates a contraction in manufacturing activity.
- Survey results from Markit showed that British construction sector expanded at the weakest pace in nine months in January. The Chartered Institute of Procurement & Supply/Markit Purchasing Managers' Index slid to 55.0 in January from 57.8 in December.
- Data from Eurostat showed that eurozone producer prices continued its downward trend in December. Producer prices fell 3.0% in December, slower than the 3.2% decrease seen in each of the previous three months.