

Indices Performance

Global Indices	08-Feb	Prev_Day	Abs. Change	% Change [#]
Dow Jones	20,054	20,090	-36	-0.18
Nasdaq	5,682	5,674	8	0.15
FTSE	7,189	7,186	3	0.04
Nikkei	19,008	18,911	97	0.51
Hang Seng	23,485	23,332	154	0.66
Indian Indices	08-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	28,290	28,335	-45	-0.16
Nifty 50	8,769	8,768	1	0.01
Nifty 100	9,065	9,057	8	0.09
Nifty Bank	20,245	20,327	-82	-0.40
SGX Nifty	8,806	8,795	11	0.12
S&P BSE Power	2,220	2,211	9	0.39
S&P BSE Small Cap	13,558	13,528	30	0.22
S&P BSE HC	15,309	15,349	-40	-0.26

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
8-Feb	21.93	1.44	23.28	1.26
Month Ago	20.88	1.46	22.09	1.34
Year Ago	18.01	1.48	19.69	1.57

Nifty 50 Top 3 Gainers

Company	08-Feb	Prev_Day	% Change [#]
Bharti Infratel	310	301	2.90
ACC	1497	1456	2.81
BHEL	156	152	2.73

Nifty 50 Top 3 Losers

Company	08-Feb	Prev_Day	% Change [#]
Dr Reddys Lab	3015	3065	-1.62
Axis Bank	488	493	-1.18
Hero Moto	3223	3260	-1.14

Advance Decline Ratio

	BSE	NSE
Advances	1486	865
Declines	1381	779
Unchanged	163	68

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	270	501
MF Flows**	-288	6184

*8th Feb 2017; **7th Feb 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 major Asian markets closed on a mixed note, as expectations around Japanese Prime Minister's visit to the U.S. later this week, and signs of the Chinese government taking the initiative to neutralise potential credit bubbles helped balance worries over political risks in the U.S. and Europe. Halt in the yen rally added to the growth. Today (As on Feb 09), Asian market opened mixed. Stronger yen weighed on the Japanese market. However, marginal increase in global crude oil prices supported the market. Nikkei Average was trading down 0.44% and Hang Seng was trading up 0.41% (as at 8.00 a.m IST).
- As per the last close, European market closed mixed after release of earnings results of many firms. Investors remained cautious due to political risks in Europe and the U.S. Also, decline in global crude oil prices weighed on investors sentiments.
- As per the last close, U.S. market closed mixed as investors preferred to stay on sidelines due to political uncertainty in Europe and the U.S.

Indian Equity Market

- Indian equity market initially traded in a tight range ahead of the Monetary Policy Committee's (MPC) policy review. However, MPC's decision to maintain status-quo and to change the policy stance from 'accommodative' to 'neutral' weighed on sentiment. Market also remained muted after MPC lowered FY17 Gross Value Added target for FY17.
- Key benchmark indices S&P BSE Sensex fell 0.16% while Nifty 50 gained 0.01% to close at 28,289.92 points and 8,769.05 points, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap moved up 0.51% and 0.22%, respectively.
- The overall market breadth in BSE was positive with 1,486 scrips advancing and 1,381 scrips declining. A total of 163 scrips remained unchanged.
- On the BSE sectoral front, most of indices closed in the green, barring S&P BSE FMCG (-0.39%), S&P BSE Bankex (-0.37%), S&P BSE Finance (-0.28%), S&P BSE HC (-0.26%) and S&P BSE IT (-0.18%). S&P BSE Consumer Durables (2.83%) stood as the major gainer followed by S&P BSE Telecom (0.94%) and S&P BSE Realty (0.9%). Banking sector fell after MPC maintained status-quo.

Domestic News

- The Monetary Policy Committee (MPC) kept interest rates on hold in its sixth bi-monthly monetary policy review, contrary to market expectations. Six members voted in favour of the monetary policy decision. MPC changed its policy stance from "accommodative" to "neutral" and warned about the risks of high inflation. MPC identified these risks as emanating from increase in global crude oil prices, volatility in exchange rates on account of global financial market developments and the impact of the house rent allowances under the 7th Central Pay Commission (CPC) award.
- MPC lowered the GVA (Gross Value Added) growth forecast for 2016-17 at 6.9% from its earlier estimate of 7.1%. For 2017-18, GVA growth is estimated at 7.4%. MPC expects growth to recover sharply in 2017-18 on the back of revival in consumer, consumption and investment demand, and rapid restoration of economic activity in cash-intensive sectors following demonetisation. Furthermore, MPC is of view that the emphasis in the Union Budget 2017-18 on increasing capital expenditure, and boosting the rural economy and affordable housing would contribute to the growth of the economy.
- MPC projected inflation in the range of 4.0% to 4.5% in the first half of the fiscal and in the range of 4.5% to 5.0% in the second half. It also estimated the current account deficit to remain muted and below % of GDP in 2016-17. MPC expressed its commitment to bring down headline inflation closer to 4.0% on a sustainable and in a calculated manner.
- Government is considering the merger of six state-owned consultancy firms like Engineering Projects (India) Ltd with Engineers India Ltd (EIL) to create a mega-consultancy firm that can compete with global giants like Bechtel. Among these companies, EIL is the biggest state-controlled consultancy firm.

FII Derivative Trade Statistics	08-Feb		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1254.62	1293.43	20135.02
Index Options	24798.52	24909.12	73592.23
Stock Futures	7339.62	7925.46	67977.91
Stock Options	4909.60	4899.67	6100.09
Total	38302.36	39027.68	167805.25

Derivative Statistics- Nifty Options			
	08-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.11	1.12	-0.01
Put Call Ratio(Vol)	1.06	1.13	-0.07

Debt Watch				
	08-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.03%	6.05%	6.13%	6.90%
CBLO	6.11%	6.12%	5.23%	7.06%
Repo	6.25%	6.25%	6.25%	6.75%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.11%	6.17%	6.10%	7.05%
364 Day T-Bill	6.20%	6.14%	6.15%	7.24%
10 Year Gilt	6.75%	6.43%	6.39%	7.72%
G-Sec Vol. (Rs.Cr)	48870	76088	47832	18590
1 Month CP Rate	6.66%	6.73%	6.59%	8.33%
3 Month CP Rate	6.98%	7.06%	6.84%	9.00%
5 Year Corp Bond	7.32%	7.11%	7.09%	8.32%
1 Month CD Rate	6.30%	6.22%	6.17%	7.34%
3 Month CD Rate	6.52%	6.41%	6.32%	8.14%
1 Year CD Rate	6.69%	6.55%	6.54%	8.17%

Currency Market			
Currency	08-Feb	Prev_Day	Change
USD/INR	67.31	67.37	-0.06
GBP/INR	84.17	83.95	0.22
EURO/INR	71.88	72.07	-0.20
JPY/INR	0.60	0.60	0.00

Commodity Prices				
Commodity	08-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.37	53.90	53.98	29.71
Brent Crude(\$/bl)	54.12	55.76	55.80	31.19
Gold(\$/oz)	1242	1209	1173	1191
Gold(Rs./10 gm)	29376	29030	28302	27789

Source: ICRON Research

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Derivatives Market

- Nifty Feb 2017 Futures were at 8,796.35 points, a premium of 27.30 points over the spot closing of 8,769.05 points. The turnover on NSE's Futures and Options segment went up from Rs. 2,73,947.36 crore on Feb 7 to Rs. 4,34,197.04 crore on Feb 8.
- The Put-Call ratio stood at 0.83, compared with the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.11, compared with the previous session's close of 1.12.
- The open interest on Nifty Futures stood at 23.48 million compared with the previous session's close of 23.19 million.

Indian Debt Market

- Bond yields surged to 3-year high after the Monetary Policy Committee (MPC) left interest rate unchanged and shifted to a 'neutral' stance.
- MPC in its policy review has decided to change the stance from 'accommodative' to 'neutral' while keeping the policy rate on hold at 6.25% to assess the transitory effects of demonetisation on inflation and the output gap.
- The committee has also projected upside risk to inflation led by the higher international crude prices, volatile exchange rates due to global economic developments and fuller effects of house rent allowances under the Seventh Pay Commission's recommendations.
- Yield on the 10-year benchmark bond (6.97% GS 2026) increased 32 bps to close at 6.75% compared with the previous close of 6.43%. During the session, bond yields moved in the region of 6.42% to 6.77%.

Currency Market Update

- The Indian rupee rose to a near three-month high against the U.S. dollar following selling of the greenback by corporate organizations and exporters. The rupee rose 0.33% to close at 67.19 per dollar from the previous close of 67.41.
- The euro weakened against the greenback on growing political uncertainty in Europe and worries regarding the upcoming elections in France, Germany, Netherlands, and possibly Italy. Euro was trading at \$1.0664, down 0.15% compared with the previous close of \$1.0680.

Commodity Market Update

- Gold prices gained as safe-haven appeal of the metal got support following political and economic uncertainty in the U.S. and Europe.
- Brent crude prices moved down after the American Petroleum Institute (API) data indicated that the U.S. oil inventories surged in the week to Feb 3.

International News

- According to a report from the U.S. Federal Reserve, U.S. consumer credit increased by \$14.2 billion in Dec 2016, lesser than forecast and the revised rise of \$25.2 billion (\$24.5 billion jump originally reported) in the previous month. Revolving credit (largely reflects credit card debt) rose moderately by \$2.4 billion, while non-revolving credit (student loans and car loans) grew by \$11.8 billion in Dec.
- The Commerce Department said that U.S. trade deficit contracted more than forecast at \$44.3 billion in Dec 2016 from a revised \$45.7 billion (\$45.2 billion originally reported) in Nov 2016 due to rise in value of exports. Exports went up 2.7% MoM to \$190.7 billion, while imports rose 1.5% to \$235.0 billion in Dec.