

Indices Performance

Global Indices	02-Jan	Prev_Day	Abs. Change	% Change [#]
Dow Jones	Closed	19,763	NA	NA
Nasdaq	Closed	5,383	NA	NA
FTSE	Closed	7,143	NA	NA
Nikkei	Closed	19,114	NA	NA
Hang Seng	Closed	22,001	NA	NA
Indian Indices	02-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	26,595	26,626	-31	-0.12
Nifty 50	8,180	8,186	-6	-0.08
Nifty 100	8,389	8,383	7	0.08
Nifty Bank	17,970	18,177	-208	-1.14
SGX Nifty	8,191	8,186	5	0.05
S&P BSE Power	1,996	1,988	9	0.43
S&P BSE Small Cap	12,190	12,046	144	1.20
S&P BSE HC	14,811	14,728	84	0.57

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
2-Jan	20.72	1.48	22.08	1.35
Month Ago	20.47	1.49	21.25	1.37
Year Ago	19.84	1.37	21.53	1.45

Nifty 50 Top 3 Gainers

Company	02-Jan	Prev_Day	% Change [#]
Ambuja Cem	215	206	4.02
Tata Steel	407	391	3.96
M&M	1230	1185	3.81

Nifty 50 Top 3 Losers

Company	02-Jan	Prev_Day	% Change [#]
HDFC	1217	1263	-3.60
Bank of Baroda	149	153	-2.93
SBI	244	250	-2.64

Advance Decline Ratio

	BSE	NSE
Advances	1914	1196
Declines	800	434
Unchanged	110	62

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-679	-679
MF Flows**	1423	--

*02nd Jan 2017; 27th 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 major Asian bourses did not trade, owing to holidays in their respective economic zones. Today (As on Jan 03), Asian market opened mixed as investors awaited a key indicator of China's private manufacturing sector's health ahead. Nikkei Average was trading down 0.16% and Hang Seng traded up 0.40% (as at 8.00 a.m IST).
- As per the last close, European market closed higher on the first trading day of New Year following eurozone's manufacturing Purchasing Managers Index for the month of Dec 2016 which stood highest since Apr 2011. Trading activity was on the light side, with markets in the U.K. and the U.S. closed for the long New Year's Day holiday.
- U.S. market remained closed on Jan 02, 2017 on account of New Year Day holiday.

Indian Equity Market

- The Indian equity market closed in the negative terrain in the first trading session of 2017 on worries over profitability of banking sector after most banks reduced lending rates. Sentiment was also impacted after Indian manufacturing activity contracted for the first time since Dec 2015, as the government's demonetisation move severely hurt output and demand.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went down 0.12% and 0.08% to close at 26,595.45 points and 8,179.50 points, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap gained 0.83% and 1.20%, respectively.
- On the BSE sectoral front, all the indices closed in the green barring S&P BSE Teck (-0.15%), S&P BSE IT (-0.33%), S&P BSE Finance (-0.98%) and S&P BSE Bankex (-1.18%). S&P BSE Realty (4.32%) topped the chart followed by S&P BSE Basic Materials (2.25%) and S&P BSE Auto (1.95%). Realty companies gained after the Indian Prime Minister on Dec 31 announced that loans of up to Rs. 9 lakh taken in the new year under the new scheme of Pradhan Mantri Awas Yojana will receive interest subvention of 4% and loan of up to Rs. 12 lakh will get a 3% interest waiver.

Domestic News

- According to the Ministry of Finance, the Indian economy grew 7.2% in the first half of the current fiscal. The ministry estimated the growth rates for agriculture and allied sectors, industry, and services sectors during the six-month period at 2.5%, 5.6%, and 9.2%, respectively. The ministry, in its year-end review, added that inflation remained at comfortable levels with retail and wholesale inflation averaging 5.2% and 2.7%, respectively in the period from Apr to Oct.
- Results from a private survey showed that the Nikkei India Manufacturing Purchasing Managers' Index fell to 49.6 in Dec from 52.3 in Nov. A reading above 50 indicates economic expansion, while a reading below 50 indicates contraction. Thus, the Indian manufacturing sector contracted for the first time in 2016. The report stated that demonetisation led to cash shortages in economy and as a result growth in new orders got hurt.
- Government data showed that India's core sector growth slowed in Nov. The eight infrastructure sectors grew 4.9% in Nov compared with a growth of 6.6% in Oct. The sharpest fall in the pace of output expansion was seen in refinery that grew 2% in Nov compared with 15.1% growth in Oct. Expansion in steel sector also slowed to 5.6% from 16.9% in the previous month. Output in cement sector grew 0.5% in Nov compared with a growth of 6.2% in the previous month. On the other hand, fertiliser output rose 2.4% in Nov, faster than the 0.8% growth in Oct. Coal production rose 6.4% in Oct, defying three continuous months' of decline.
- State Bank of India (SBI) chief informed that the merger of the five associate banks with SBI will be postponed by a quarter due to the demonetisation exercise adopted by the government on Nov 8.
- Larsen & Toubro informed that it has been chosen as the implementation partner to convert Pune into a smart city.

FII Derivative Trade Statistics		02-Jan	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1895.87	1143.11	10337.93
Index Options	24198.97	22688.26	46923.58
Stock Futures	5655.10	4835.19	50525.05
Stock Options	2087.54	1926.64	1233.81
Total	33837.48	30593.20	109020.37

Derivative Statistics- Nifty Options			
	02-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.05	1.06	-0.02
Put Call Ratio(Vol)	1.00	0.98	0.02

Debt Watch				
	02-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.07%	6.11%	6.08%	6.73%
CBLO	5.77%	6.13%	6.06%	6.82%
Repo	6.25%	6.25%	6.25%	6.75%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.10%	6.20%	5.90%	7.10%
364 Day T-Bill	6.25%	6.29%	5.70%	7.16%
10 Year Gilt	6.40%	6.57%	6.24%	7.73%
G-Sec Vol. (Rs.Cr)	96859	26647	91129	31112
1 Month CP Rate	6.63%	6.63%	6.46%	7.43%
3 Month CP Rate	6.78%	6.69%	6.47%	7.66%
5 Year Corp Bond	7.16%	7.32%	6.81%	8.31%
1 Month CD Rate	6.23%	6.23%	6.07%	7.16%
3 Month CD Rate	6.28%	6.26%	6.04%	7.38%
1 Year CD Rate	6.56%	6.56%	6.37%	7.68%

Currency Market			
Currency	02-Jan	Prev_Day	Change
USD/INR	68.02	67.95	0.07
GBP/INR	83.97	83.42	0.55
EURO/INR	71.51	71.62	-0.11
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	02-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	53.75	52.01	51.70	37.13
Brent Crude(\$/bl)	54.90	53.73	51.90	37.91
Gold(\$/oz)	1152	1134	1177	1060
Gold(Rs./10 gm)	27812	27269	28401	25042

Source: ICRON Research

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Derivatives Market

- Nifty Jan 2017 Futures were at 8,192.1 points, a premium of 12.60 points, over the spot closing of 8,179.50 points. The turnover on NSE's Futures and Options segment went up from Rs. 2,04,807.17 crore on Dec 30 to Rs. 2,68,396.13 crore on Jan 2.
- The Put-Call ratio stood at 0.90, compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.06, compared with the previous session's close of 1.05.
- The open interest on Nifty Futures stood at 17.99 million compared with the previous session's close of 18.00 million.

Indian Debt Market

- Bond yields fell on expectation of a rate cut by the Monetary Policy Committee in the near term, after some banks reduced their lending rates.
- Yield on the 10-year benchmark bond (6.97% GS 2026) fell 11 bps to close at 6.40% compared with the previous close of 6.51%. During the session, bond yields moved in the region of 6.40% to 6.49%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 2,397 crore (gross) on Jan 2, compared with gross borrowing of Rs. 4,057 crore on Dec 30. Sale of securities under Reserve Bank of India (RBI)'s reverse repo window stood at Rs. 13,879 crore on Dec 30.
- Banks borrowed Rs. 100 crore under the central bank's Marginal Standing Facility on Dec 30, compared with a borrowing of Rs. 200 crore on Dec 29.

Currency Market Update

- The Indian rupee weakened against the U.S. dollar following weakness in Indian equities and demand of greenback from importers. The rupee fell 0.45% to close at 68.22 from the previous close of 67.92.
- Euro fell against the U.S. dollar amid low trading volume, as many markets remained closed for the New Year holiday. Euro was trading at \$1.0474 compared with the previous close of \$1.0513.

Commodity Market Update

- Gold prices were last seen trading near previous session's close, amid lack of fresh cues, on account of New Year holidays.
- Brent crude prices witnessed pressure after data from Russia's energy minister showed that oil production of the nation stayed at the highest level in almost 30 years.

International News

- As per data from IHS Markit, the eurozone's factory Purchasing Managers' Index (PMI) expanded the most since Apr 2011 to stand at 54.9 in Dec 2016, up from 53.7 in the previous month.
- According to data from Destatis, Germany's employment increased by 425,000, or 1% in 2016 as compared with an increase of 377,000 people, or 0.9% in 2015. On the other hand, unemployment declined by 160,000 jobs or 8.2% on an annual average in 2016.
- Survey data from the National Bureau of Statistics showed that the China manufacturing PMI declined to 51.4 in Dec 2016 from 51.7 in Nov 2016. While, at the same time, the non-manufacturing PMI plunged to 54.5 in Dec from 54.7 a month ago.