

### Indices Performance

Global Indices	04-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	18,168	18,254	-85	-0.47
Nasdaq	5,290	5,301	-11	-0.21
FTSE	7,074	6,984	91	1.30
Nikkei	16,736	16,599	137	0.83
Hang Seng	23,689	23,584	105	0.45
Indian Indices	04-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	28,335	28,243	91	0.32
Nifty 50	8,769	8,738	31	0.36
Nifty 100	9,029	8,993	37	0.41
Nifty Bank	19,673	19,589	84	0.43
SGX Nifty	8,815	8,776	39	0.44
S&P BSE Power	2,041	2,036	5	0.24
S&P BSE Small Cap	13,209	13,122	87	0.66
S&P BSE HC	16,503	16,476	26	0.16

### P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-Oct	21.36	1.38	23.95	1.26
Month Ago	20.94	1.37	24.15	1.22
Year Ago	21.20	1.39	22.21	1.43

### Nifty 50 Top 3 Gainers

Company	04-Oct	Prev_Day	% Change <sup>#</sup>
ONGC	274	260	5.11
GAIL	402	386	4.30
Tata Steel	391	383	2.17

### Nifty 50 Top 3 Losers

Company	04-Oct	Prev_Day	% Change <sup>#</sup>
Zee Entertainment	563	579	-2.69
Coal India	321	328	-2.07
M&M	1415	1444	-1.97

### Advance Decline Ratio

	BSE	NSE
Advances	1659	941
Declines	1191	675
Unchanged	128	79

### Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	109	51218
MF Flows**	161	13767

\*4<sup>th</sup> Oct 2016; \*\*27<sup>th</sup> Sep 2016

### Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.74% (Aug-16)	1.24% (May-16)	-5.06% (Aug-15)
IIP	-2.40% (Jul-16)	-1.3% (Apr-16)	4.30% (Jul-15)
GDP	7.10 (Jun-16)	7.90 (Mar-16)	7.50 (Jun -15)

### Global Indices

- Most Asian markets closed the session in the green, after the yen weakened against the U.S. dollar, following strong U.S. manufacturing data in Sep. Investors found confidence as a weaker yen pushed exports in Japan. As on (Oct 05), Asian stock markets opened mixed following U.S. equities and as investors were concerned over the U.S. dollar strength. Nikkie Average and Hang Seng was traded up 0.36% and 0.07% respectively (as at 8.00 a.m IST).
- As per the last close, European stocks closed in green as investor concerns over German Bank continued to ease.
- As per the last close, U.S. stocks closed lower after hawkish comments from a Federal Reserve official wanting higher interest rates. Moreover, media report that European central Bank (ECB) would probably wind down its \$90-billion monthly bond purchases added to concern about the health of the euro zone economy.

### Indian Equity Market

- Market continued with its upward trend after the Monetary Policy Committee (MPC) decided to cut the repo rate by 25 bps in its first policy review. The Committee has indicated that the momentum of growth is expected to rise with a normal monsoon, which will boost agricultural growth and rural demand. Strong improvement in sowing could lower the food inflation outlook. Strong cues from Asian peers added to the market's gain. Meanwhile, the World Bank stated that India's GDP growth will remain strong at 7.6% in 2016 and 7.7% in 2017.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.32% and 0.36% to close at 28,334.55 points and 8,769.15 points, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.50% and 0.66%, respectively.
- On the BSE sectoral front, barring S&P BSE Consumer Discretionary Goods & Services (-0.04%) and S&P BSE Capital Goods (-0.45%), all the other indices closed in the green. S&P BSE Oil & Gas (2.33%) topped the chart followed by S&P BSE Telecom (1.29%) and S&P BSE Energy (1.11%). Rate sensitive sectors gained after MPC reduced repo rate in its policy review.

### Domestic News

- The Monetary Policy Committee (MPC) lowered its repo rate by 25 bps to 6.25% in its first monetary policy meeting. Consequently, the reverse repo rate was adjusted to 5.75%, and the marginal standing facility rate and the bank rate to 6.75%. All the six members of the monetary policy committee voted in favour of the decision. The decision of the committee is in line with the objective of achieving consumer price index (CPI) inflation at 5% by Mar quarter of 2016-17 and the medium-term target of 4% within a band of +/- 2%, while supporting growth.
- According to MPC, food inflation outlook is expected to improve due to strong improvement in sowing, along with supply management measures. The committee notes that the sharp drop in food inflation reflects a downward shift in its momentum. The projected growth of real gross value added for FY16-17 is retained at 7.6%, with risks evenly balanced around it. The upside risk to the headline consumer inflation target of 5% by Mar 2017 has been minimized compared with the previous two policy meetings.
- According to the World Bank, India's GDP growth will remain strong at 7.6% in 2016 and 7.7% in 2017. The strong growth can be attributed to rebound in agriculture, civil service pay reforms, positive contributions from exports and a recovery of private investment in the medium term. However, it has further mentioned that the economy still ranks poorly in inclusion of excluded groups, health, nutrition, education and poverty reduction.
- Bharat Electronics has announced to buy back shares worth Rs. 2,171 crore, starting from Oct 6.
- Vedanta has announced to invest \$250-\$300 million in expanding Hindustan Zinc's capacity. However, the other businesses would focus on utilising the existing facilities, instead of going for greenfield.

FII Derivative Trade Statistics	04-Oct		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2160.00	2319.12	17298.55
Index Options	33970.47	34263.68	59526.89
Stock Futures	7715.10	7052.24	56617.90
Stock Options	3517.95	3432.11	2992.23
Total	47363.52	47067.15	136435.57

Derivative Statistics- Nifty Options			
	04-Oct	Prev_Day	Change
Put Call Ratio (OI)	0.97	0.94	0.03
Put Call Ratio(Vol)	0.98	1.05	-0.07

Debt Watch				
	04-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.27%	6.42%	6.37%	6.70%
CBLO	6.16%	6.48%	5.12%	6.38%
Repo	6.25%	6.50%	6.50%	6.75%
Reverse Repo	5.75%	6.00%	6.00%	5.75%
91 Day T-Bill	6.30%	6.42%	6.53%	7.02%
364 Day T-Bill	6.45%	6.52%	6.64%	7.15%
10 Year Gilt	6.84%	6.93%	7.12%	7.56%
G-Sec Vol. (Rs.Cr)	142233	123506	58197	49370
1 Month CP Rate	6.61%	6.71%	6.79%	7.30%
3 Month CP Rate	6.85%	6.82%	6.98%	7.51%
5 Year Corp Bond	7.40%	7.42%	7.52%	8.26%
1 Month CD Rate	6.39%	6.55%	6.55%	7.09%
3 Month CD Rate	6.56%	6.59%	6.64%	7.20%
1 Year CD Rate	6.99%	7.18%	7.22%	7.34%

Currency Market			
Currency	04-Oct	Prev_Day	Change
USD/INR	66.56	66.53	0.02
GBP/INR	85.32	85.87	-0.55
EURO/INR	74.44	74.72	-0.27
JPY/INR	0.65	0.66	-0.01

Commodity Prices				
Commodity	04-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	48.67	44.65	44.39	44.75
Brent Crude(\$/bl)	48.80	45.35	45.56	47.38
Gold (\$/oz)	1268	1327	1325	1113
Gold(Rs./10 gm)	30725	31227	30761	25754

Source: ICRON Research

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### Derivatives Market

- Nifty Oct 2016 Futures were at 8,799.70 points, a premium of 30.55 points, over the spot closing of 8,769.15 points. The turnover on NSE's Futures and Options segment went up from Rs. 2,80,027.67 crore on Oct 3 to Rs. 3,24,182.75 crore on Oct 4.
- The Put-Call ratio stood at 0.89, compared with the previous session's close of 0.94.
- The Nifty Put-Call ratio stood at 0.97, compared with the previous session's close of 0.94.
- The open interest on Nifty Futures stood at 23.54 million compared with the previous session's close of 23.24 million.

### Indian Debt Market

- Bond yields fell for the second consecutive session after India's newly-formed Monetary Policy Committee retained its accommodative stance and lowered key policy repo rate by 25 bps, which boosted market sentiment.
- Yield on the 10-year benchmark bond (7.59% GS 2026) fell 6 bps to close at 6.84% from the previous session's close of 6.90%. During the session, bond yields moved in the region of 6.84% to 6.92%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 2,816 crore (gross), compared with gross borrowing of Rs. 3,181 crore on Oct 3. Sale of securities under Reserve Bank of India (RBI)'s reverse repo window stood at Rs. 6,097 crore on Oct 3.
- Banks borrowed Rs. 570 crore under the central bank's Marginal Standing Facility on Oct 3, compared with Rs. 175 crore borrowed on Sep 30.

### Currency Market Update

- The rupee rose against the U.S. dollar following gains in the domestic equity market after the Monetary Policy Committee lowered key policy repo rates by 25 bps. However, gains were capped due to intervention by the central bank. The rupee rose 0.19% to close at 66.46 per dollar from the previous close of 66.59.
- The euro weakened against the greenback as the latter rose after a survey from the Institute for Supply Management survey showed the U.S. manufacturing sector expanded in Sep. Euro was trading at \$1.1164, down 0.40% compared with the previous close of \$1.1209.

### Commodity Market Update

- Gold prices dipped after expansion in the U.S. manufacturing activity in Sep triggered optimism over the strength of the nation's economy.
- Brent crude prices slipped following media reports stating that Iran and Libya continued to increase production.

### International News

- A report from the Institute for Supply Management showed that Purchasing Managers' Index (PMI) of the U.S. manufacturing sector returned to growth in Sep 2016. The index increased to 51.5 in Sep from 49.4 in Aug 2016. The growth came due to growth in new orders and production. However, employment continued to contract in the manufacturing sector, but the rate of contraction slowed from Aug.
- According to a report released by the U.S. Commerce Department, construction spending decreased in Aug 2016 by 0.7%. Private and public construction spending slipped 0.3% and 2%, respectively.
- Results of a survey by Markit Economics showed that U.K. construction activities expended in Sep 2016 due to a recovery in residential building. The PMI rose unexpectedly to 52.3 in Sep from 49.2 in Aug 2016.