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Morning Notes

6 Jan 2017

Indices	5-Jan	4-Jan	% Chg.
S&P BSE SENSEX	26,878	26,633	0.92%
S&P CNX NIFTY	8,274	8,191	1.02%
NIFTY MID100	14,876	14,681	1.33%
NIFTY SML100	6,088	6,003	1.41%

BSE Sectoral Indices			
NIFTY METAL	2,798	2,712	3.20%
NIFTY AUTO	9,522	9,331	2.05%
NIFTY MEDIA	2,714	2,670	1.67%
NIFTY ENERGY	10,505	10,347	1.53%
NIFTY PHARMA	10,458	10,304	1.49%
NIFTY INFRA	2,807	2,767	1.45%
NIFTY PSU BANK	2,954	2,916	1.30%
NIFTY BANK	18,116	17,891	1.26%
NIFTY CONSUMPTION	3,618	3,575	1.21%
NIFTY REALTY	179	177	1.13%
NIFTY FIN SERVICE	7,334	7,264	0.96%
NIFTY FMCG	21,071	20,935	0.65%
NIFTY IT	10,400	10,497	-0.92%

Major Indices	5-Jan	4-Jan	% Chg.
Dow Jones Industrial	19,899	19,942	-0.21%
Nasdaq Composite Ind	5,488	5,477	0.20%
CAC 40 Index	4,901	4,899	0.03%
FTSE 100 Index	7,195	7,190	0.08%
DAX Index	11,585	11,584	0.01%

Major Asian Indices	5-Jan	4-Jan	% Chg.
Hong Kong	22,457	22,134	1.46%
Nikkei 225	19,521	19,594	-0.37%
Korea	2,042	2,046	-0.18%
Shanghai	3,165	3,159	0.21%
Taiwan	9,358	9,287	0.77%

Commodities (MCX)	5-Jan	4-Jan	% Chg.
Aluminium (31JAN201	115.5	115.0	0.48%
Copper(28FEB2017)	380.5	384.1	-0.94%
Crude (19JAN2017)	3,636	3,621	0.41%
Gold (03FEB2017)	27,948	27,682	0.96%
Silver (3MAR2017)	40,448	40,267	0.45%

FII's & DII's in equity			₹ Crs
05-Jan	Buy	Sell	Net
FII / FPI Investments	4,519	4,606	-87
DII's Investments	2,259	1,810	449
FII's contribution to the total turnover			41%
DII's contribution to the total turnover			18%

FII's in Derivatives (F&O)				₹ Crs
05-Jan	Index Fut	Index Opt	Stock Fut	Stock Opt
Net	1,674	1,541	348	-54
OI	12,371	55,962	53,121	3,115
Chg.OI	18.0%	4.0%	2.1%	16.0%
FIIs' contribution to the total F&O turnover				18%

Curr. Derivatives (NSE)	5-Jan	4-Jan	% Chg.
USDINR 27-JAN-2017	68.12	68.23	-0.16%
EURINR 27-JAN-2017	71.54	71.35	0.27%
JPYINR 27-JAN-2017	58.47	58.20	0.46%
DJIA (20-JAN-2017)	19,885	19,840	0.23%
S&P500 (20-JAN-2017)	2,265	2,256	0.42%

Top Gainers CNX Nifty

Company	LTP	Chg	% Chg
TATAMTRDVR	323	13	4.1
ADANIPORTS	286	11	4.0
YESBANK	1209	46	4.0
TATASTEEL	419	14	3.4
TATAMOTORS	502	15	3.2

Top Losers CNX Nifty

Company	LTP	Chg	% Chg
TCS	2334	-46	-1.9
HCLTECH	844.6	-12	-1.5
GRASIM	861	-6	-0.7
INFRATEL	350	-2	-0.6
INFY	996	-2	-0.2

Top Gainers BSE 100

Company	LTP	Chg	% Chg
JSWSTEEL	176	13	7.8
JINDALSTEL	75	4	5.8
ADANIPORTS	288	13	4.9
VEDL	227	10	4.7
TATAMTRDVR	323	13	4.3

Top Losers BSE 100

Company	LTP	Chg	% Chg
TECHM	488	-11	-2.3
TCS	2335	-44	-1.9
HCLTECH	844	-15	-1.7
INFRATEL	350	-3	-0.8
ABB	1031	-6	-0.6

Top Gainers BSE Midcap

Company	LTP	Chg	% Chg
JSWSTEEL	176	13	7.8
JINDALSTEL	75	4	5.8
RAJESHEXPO	508	21	4.2
M&MFIN	283	9	3.4
PEL	1657	55	3.4

Top Losers BSE Midcap

Company	LTP	Chg	% Chg
INDHOTEL	95	-2	-1.7
KANSAINER	336	-6	-1.7
MFSL	554	-6	-1.0
APOLLOHOSP	1207	-12	-0.9
GLAXO	2728	-18	-0.7

Top Gainers BSE Smallcap

Company	LTP	Chg	% Chg
SUPREMEINF	91	12	15.7
JUSTDIAL	394	51	14.8
FEDDERLOYD	72	7	11.1
FORCEMOT	4286	422	10.9
VIVIMEDLAB	100	8	8.3

Top Losers BSE Smallcap

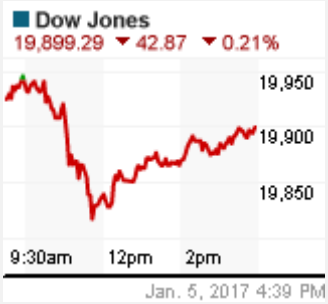
Company	LTP	Chg	% Chg
GLOBOFFS	59	-2.4	-3.9
PTL	137	-6	-3.9
ENERGYDEV	71	-3	-3.8
HIMFIBP	12	-0.5	-3.6
ALLCARGO	173	-6	-3.6

Domestic Market View

Markets to extend gains with a mildly positive start

The Indian markets went for a surprise rally in last session and the major benchmarks not only recovered their key psychological levels but posted decent gains of about a percent. Today, the start is likely to be in green and the traders will be getting support with the report of Financial Stability and Development Council (FSDC), headed by Finance Minister Arun Jaitley that India appears to be much better placed with improved macro-economic fundamentals, as measures to eliminate shadow economy and tax evasion are expected to have positive impact on GDP. India expects to grow at around 7 per cent in the first half of the next financial year. However, there will be some cautiousness too with President Pranab Mukherjee issuing a note of caution that the Narendra Modi government's demonetisation decision could likely lead to a temporary slowdown in the economy and hurt the poor. On the other hand Reserve Bank of India former governor Duvvuri Subbarao has hailed the demonetisation measure introduced by PM Modi as creative destruction and the most disruptive policy innovation. There will be some buzz in the export oriented sector stocks, as in a major relief to exporters, the government has agreed to refund as much as 90% of their duty claims just within a week under the new goods and services tax (GST) regime.

Source: Reuters, ACE Equity & LKP Research



Domestic Market Overview

Firm global cues lift Indian benchmarks; Nifty reclaims 8,250 mark

After remaining in a consolidation mood for last two trading sessions, Indian benchmark indices showed dramatical up-move on Thursday, as trading sentiments turned bullish after US Fed minutes suggested a less hawkish stance from policymakers. Also underpinning the cautious streak of optimism has been a steady stream of upbeat factory and service sector surveys out of the US, Europe and Asia this week, prompting some banks to raise their global growth forecasts for 2017. On the domestic front, sentiments remained optimistic with the private report indicating that the government is expected to meet the fiscal deficit target of 3.5% of GDP in the current financial year, despite recent demonetisation move and potential delay in roll out of the Goods and Services Tax (GST). Fiscal deficit has been pegged at Rs 5.33 lakh crore, or 3.5% of GDP, in 2016-17.

Some support also came with Finance Minister Arun Jaitley expressing confidence that direct and indirect tax mop-up will surpass Budget estimate of Rs 16.3 lakh crore by March-end. Jaitley had in his Budget for 2016-17 fiscal put gross tax revenue estimates at Rs 16.3 lakh crore, about 11 percent higher than gross tax receipts of Rs 14.5 lakh crore for the previous fiscal. Indirect tax collections till November had shown a 26.2 percent jump to Rs 5.52 lakh crore when compared with a year ago collections. Going forward, market would be driven by corporate earnings, with Tata Consultancy Services (TCS) and Infosys scheduled to post their quarterly results on January 12 and January 13, respectively. the country is also gearing up to its annual budget, and investors hope the government would keep spending under control and promote growth after its move to ban higher-value banknotes paralysed large parts of the economy.

Global Market Overview

Asian markets end mostly in green on Thursday

Asian equity markets ended mostly in green on Thursday as the dollar retreated from 14-year highs and investors viewed the minutes of the Federal Reserve's December meeting as less hawkish than expected. The FOMC minutes noted upside risks to forecasts for economic growth as a result of prospects for more expansionary fiscal policies in coming years under President-elect Donald Trump. The minutes also revealed that Fed officials believe they might have to raise interest rates faster than the 'gradual' pace to halt a buildup in inflation that may arise if the unemployment rate undershoots the longer-run normal rate. Chinese shares ended higher after a private survey showed growth in China's services sector accelerated to a 17-month high in December, adding to recent signs of stability in the world's second-largest economy. Meanwhile, Japanese shares ended a tad weaker, hit by a stronger yen and some profit booking after the previous session's strong rally. Investors ignored the latest survey from Nikkei showing that activity in Japan's services sector expanded in December at the fastest pace in 11 months.

US markets closed mostly lower on Thursday

The US markets closed mostly lower on Thursday, while the Nasdaq Composite rebounded to close at an all-time high, but losses in financials dragged the S&P 500 lower. Mixed data on jobs also raised concerns a day before the closely watched December employment report due Friday. On the economy front, the number of Americans who applied for unemployment benefits after Christmas fell by 28,000 to the second-lowest level of the Obama era, hugging close to a 43-year low. Initial claims sank to 235,000 from a revised 263,000. New claims averaged 262,000 a week in the final year of the Obama presidency, the lowest average since 1973. And initial claims have been under 300,000 for 96 straight weeks, the longest stretch since 1970. The Labor Department said that the less volatile four-week average of initial claims declined by 5,750 to 256,750. Continuing jobless claims rose 16,000 to 2.11 million in the week ended December 24. On the other hand, the Institute for Supply Management said its services index stayed at 57.2% in December, matching a 12-month high. Any reading above 50% indicates improving activity. The new-orders component of the ISM report improved to 61.6% from 57% in November. However, the employment index decreased 4.4 percentage points in December to 53.8% from the November reading of 58.2%.

Source: Reuters, ACE Equity & LKP Research

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Index Futures

(OI in '000 Shares)	Future 5-Jan	Chg (%)	Spot 5-Jan	Chg (%)	Prem / Disc	Total Open Interest 5-Jan	Chg (%)
NIFTY	8,288	1.03	8,274	1.02	14.4	20,193	7.3
NIFTYIT	10,419	-0.73	10,400	-0.92	19.0	32	1.6
BANKNIFTY	18,138	0.69	18,116	1.26	21.5	2,159	-9.7

Increasing OI, Increasing Delivery Qty & Increasing Price in Stock Futures (Open Interest in '000 Shares)

Symbol	Total OI 5-Jan	% Chg.	Del Qty Cash Market 5-Jan	% Del.	Prev % Del.	Increase Del Qty	Spot (₹)	Fut (₹)	Spot Chg (%.)	Fut Chg (%.)	Prem / Disc
PCJEWELLER	1,073	17%	227,881	20%	19%	161,407	412	409	4.3%	5.8%	-2.7
SUNTV	8,870	12%	1,460,312	43%	22%	754,035	532	534	1.6%	1.7%	2.2
JUSTDIAL	4,639	11%	576,867	4%	12%	494,745	394	390	14.6%	13.8%	-3.7
PFC	17,178	9%	1,083,222	40%	32%	427,340	129	127	4.1%	3.6%	-2.0
MCLEODRUSS	4,785	9%	690,160	57%	49%	388,274	140	141	0.3%	0.7%	0.7
MRF	31	6%	3,051	32%	30%	752	51,711	51,795	2.9%	2.8%	84.3
AMARAJABAT	592	6%	344,007	53%	46%	167,851	921	918	2.3%	2.1%	-2.3
GRASIM	9,422	5%	236,775	49%	38%	167,713	866	869	0.4%	-0.1%	3.0
M&M	5,752	5%	903,985	62%	63%	531,075	1,227	1,232	1.0%	0.6%	4.3
EICHERMOT	224	5%	36,597	48%	43%	23,089	22,324	22,406	0.6%	0.8%	82.1

Increasing OI, Increasing Delivery Qty & Decreasing Price, (Open Interest in '000 Shares)

Symbol	Total OI 5-Jan	% Chg.	Del Qty Cash Market 5-Jan	% Del.	Prev % Del.	Increase in Del Qty	Spot (₹)	Fut (₹)	Spot Chg (%.)	Fut Chg (%.)	Prem / Disc
ICIL	3,777	13%	375,443	48%	34%	220,340	163	164	-1.9%	-1.5%	0.5
NIITTECH	689	10%	243,569	51%	56%	31,004	431	432	-1.6%	-1.7%	1.3
RELCAPITAL	11,174	5%	944,379	36%	12%	756,966	445	446	-0.1%	0.3%	1.9
TECHM	8,208	2%	1,458,119	61%	54%	316,282	488	490	-2.7%	-2.3%	2.0

Corporate News

- **GEE** has entered into Memorandum of agreed terms with Cliff Conwell LLP for setting up a Private IT Park. The proposed LLP will be named as GEE Tropical Infrastructure. GEE will bring Development rights with agreed value at Rs 69.50 crores and Cliff Conwell LLP to introduce equal capital as its contribution in phased manner. The ratio of profit and loss of GEE and Cliff shall be 50:50.
- **Vakrangee** has achieved a long term debt free status through early repayments of all the outstanding long term credit facilities sanctioned to it. Achieving long term debt free status is in line with the long term growth strategy with respect to Vision 2020 of the company.
- Lypsa Gems & Jewellery DMCC, a wholly owned subsidiary of **Lypsa Gems & Jewellery** has received a prestigious new order worth Rs 22.3 crore from customers based out of UAE, for the supply of diamonds and diamond-studded jewellery. This order will be executed over a 9-month period. The company is looking to further strengthen its presence in the International markets across the loose diamonds and jewellery segments.
- **Entertainment Network (India) (ENIL)** has commenced broadcast from its 3rd radio station at Hyderabad (3rd channel - 104 FM - acquired under Phase 3 auctions held last financial year). The 3rd channel has been branded 'Mirchi Love'. The company commenced the same with effect from January 05, 2017. ENIL is the only broadcaster to have 3 stations in any city in India.
- **Som Distilleries & Breweries** had launched 'Legend' whisky in the regular segment in the state of Madhya Pradesh and Chhattisgarh in the current year. Legend has received good acceptance from customers and has got a Market share of close to 25% in just 5 to 6 months of its Launch.
- **Tech Mahindra**, a specialist in digital transformation, consulting and business re-engineering and Midad Holdings, a part of diversified business conglomerate Al Fozan Group have incorporated a Joint Venture (JV) 'Tech Mahindra Arabia'. The JV Company in which Tech Mahindra holds majority stake would cater to the market in the Kingdom of Saudi Arabia (KSA).
- **Cupid** has received its board's approval to raise funds upto Rs 60 crore by way of issuance of securities through QIP/FCCB/FCCB/ADR/GDR etc. The company's board gave approval for the same at the meeting held on January 05, 2017.
- **Steel Authority of India (SAIL)** has reported a 16% sales growth during the April-December 2016 period over the corresponding period last year. The improved sales numbers was led by higher domestic sales as well as expanding exports, with the latter recording a remarkable rise of around more than double during this period. The company's exports rise is in keeping pace with a focus to expand its global foot prints.
- **NIIT** has been awarded the status of Accredited Learning Provider for its commitment to high quality and process improvement in the provision of learning, development and training services to clients by the Learning and Performance Institute (LPI), UK.
- **Gravita India,** the leading recycling company has commenced commercial production of Lead Metal from its new Recycling plant situated at Chittoor, Andhra Pradesh. This plant is having production capacity of 12000 MTPA and will grab the opportunity of domestic scrap available with the large telecom players, UPS batteries from I.T. offices in and around southern markets by having long term contracts to collect their PAN India scrap in cost effective manner and by exporting the finished goods using the nearest Chennai port, being near to the Port will help in reducing logistics cost. The projected cost for the said plant is approximately Rs 25 crore for which around Rs 15.46 crore is funded by way of Secured Term Loan from Punjab National Bank and balance from internal accruals of the Company. This plant will help the company to further strengthen its presence in Southern market and for exports in Far East Markets.
- **Insilco** has restarted operation at its plant from January 04, 2017. The company had shut its plant from December 19, 2016 due to high inventory and low sales volume.
- **Dewan Housing Finance Corporation (DHFL),** one of India's premier housing finance companies, has reduced its home loan lending rates by 0.5% in line with competitors. Following the reduction, rates on home loan for various maturities will vary from 8.60 percent per annum to 9.10 percent per annum.

Source: Reuters, ACE Equity & LKP Research

- **Fortis Healthcare**, one of the country's largest hospital chains, is reportedly planning to add another five to six hospitals in the next 18 months. The company is focusing to expand its network in the metros as well as the smaller towns. The company is likely to take over the operations and management of two hospitals in Rajasthan with more than 100 beds.
- **MBL Infrastructures** is reportedly planning to raise Rs 300 crore in mezzanine funding (a non-conventional form of funding that shares the characteristics of both debt and equity) to infuse additional equity into some of its newly acquired projects to attain financial closure. The company is executing three projects on a build-operate-transfer (BOT) basis through special purpose vehicles (SPV). MBL Infra has also recently won three projects under the hybrid annuity model from the National Highways Authority of India.
- **Wipro's** Digital TV Middleware solution has successfully enabled Hisense 4K TVs in Japan. Hisense Co. is a multinational white goods, brown goods and electronics manufacturer. The Wipro solution supports Hisense 4K TV product features - ISDB-T/S Broadcast and HD-PVR - to enable a premium viewing experience for customers.
- **Tata Elxsi**, a leading global services design and technology services provider for the automotive industry, has entered into a partnership with DiSTI Corporation Florida, USA, the creators of user interface tool, GL Studio. This partnership will help the continued effort to provide best in-class user interface solutions to the company's automotive clients delivering high end HMI design, innovative and appealing visual content for futuristic displays in vehicles. As the first step of this partnership, Tata Elxsi has developed an integrated e-cockpit solution with IVI, IC, HUD, and ADAS features, all integrated on a single Renesas R-Car H3 platform, with the UX developed completely using DiSTI's GL Studio. This solution will be on showcase at the Tata Elxsi and DISTI booths at CES 2017 in Las Vegas.
- **PAE** has entered into share purchase agreement on December 29, 2016 with Bhuvan K. Ajmera for sale of 100% holding of its Subsidiary Company namely PAE Renewables, consisting of 93,85,000 equity shares.
- **Som Distilleries & Breweries** is promoting a brewery in Karnataka in the name of Woodpecker Distilleries and Breweries and the establishment and construction of brewery plant at Karnataka is on schedule. The company has already availed required Licenses, permission and approvals from statutory departments and shall be starting its production in the month of June / July 2017 approximately.
- **Prima Plastics'**Joint Venture (JV) - Prima Dee-Lite Plastics sarl (Cameroon, West Africa) has successfully completed expansion project undertaken to enhance its capacity of production. The existing capacity of the company of 4,500 tons per annum is increased to 8,500 tons per annum. It has commenced commercial production at the plant on January 03, 2017.
- **Bombay Dyeing & Manufacturing Company** reportedly expects its retail business to turn profitable in 2017-18. The company expects an organizational restructuring - with young blood from a variety of other sectors coming in - coupled with Rs 100-crore spends on a brand-refreshment (and re-branding) exercise to help the division get back on track.
- **Nucleus Software,** the leading provider of lending and transaction banking solutions to the global financial services industry, has delivered PauSe Digital Cash in three new forms. The company has introduced its PaySe Digital Cash solution in smart watch, band and micro SD card.
- **Tata Elxsi**, a key global player in the automotive ecosystem, has entered into a partnership with Irdeto, the world leader in digital platform security, to provide automakers with secure in-car display systems for automobiles

Economy

- **Private sector records higher growth in sales, profit in Q2: RBI report**

  Listed private sector companies have shown a robust growth in net profit and in their sales in the second quarter. According to the Reserve Bank of India's (RBI) report, net profit of these companies improved to 16 per cent from 11.2 per cent in the second quarter of the fiscal compared to the previous quarter. Among the sectors, manufacturing continued to record high net profit growth, whereas services (Non-IT) sector witnessed contraction in net profits but at a much lower rate.

Source: Reuters, ACE Equity & LKP Research

The RBI report said that the listed non-government non-financial (NGNF) companies' aggregate sales growth (Year-on-Year) increased by 1.9 per cent in Quarter two of 2016-17, after near stagnation seen in the first quarter of the current financial year. However, raw material expenses increased in the current quarter in line with the general pause in falling global commodity prices. This resulted in a deceleration of operating profit growth at the aggregate level.

The data based on abridged financial results of 2,702 listed non-government non-financial companies for second quarter of 2016-17, further said that interest expenses remained unchanged in the second quarter which helped in a robust growth of 16 per cent in net profits at the aggregate level. Sales growth improved significantly (3.7 per cent) for the manufacturing sector after contraction in the previous quarter. On the other hand, sales of the services (Non-IT) sector continued to contract and IT sector witnessed deceleration of sales growth.

- **Tax collection to exceed Budget estimate in FY17: Arun Jaitley**

Finance Minister Arun Jaitley has expressed confidence that government will exceed its budget estimate of Rs 16.3 lakh crore for both direct and indirect tax collections this year. In the Budget for 2016-17 fiscal, Jaitley had put gross tax revenue estimate at Rs 16.3 lakh crore, about 11 percent higher than gross tax receipts of Rs 14.5 lakh crore for the previous fiscal. Of total estimate, 12.64 percent growth in direct tax to Rs 8.47 lakh crore and 10.8 percent in indirect tax at Rs 7.79 lakh crore.

Jaitley's statement came after many states expressed concern about the fall in value-added tax revenues for the last two months on account of demonetisation's impact on businesses. Responding to statements made by West Bengal finance minister Amit Mitra on the massive impact of demonetisation on tax revenues, Jaitley said that this trend is not reflected in all states. On digital economy, he said that his assessment is that the larger integration of informal economy with the formal economy that will happen in the following quarter which will lead to higher revenues of all and this is the purpose of this exercise.

As per the data, during April 1-December 19, indirect tax collections, which are made up of Central excise, customs and service tax, has shown a 26.2 percent jump to Rs 5.52 lakh crore as compared to the year ago collections. This constituted 71.1 per cent of the Budget estimate. On other hand, direct tax collections, which are made up of individual income tax and corporate tax, jumped to Rs 5.57 lakh crore to meet 65 percent of the Budget estimates.

- **FinMin clears 29 investment proposals worth Rs 2,11,049 crore**

The Expenditure Finance Commission (EFC) under Finance Ministry has cleared 29 Investment proposals or schemes of various Ministries including expenditure amounting Rs 2,11,049 crore during calender year 2016. Also, during the period, Public Investment Board (PIB) chaired by Expenditure Secretary has cleared 12 proposals including expenditure of Rs 28,673 crore.

Department of Expenditure (DOE) under Ministry of Finance in its year-end review for 2016 has said that the EFC chaired by Expenditure Secretary recommended 29 investment proposals of various ministries and departments costing Rs 2,11,049 crore, during the period from January 1 to November 30, 2016. It also noted that out of these proposals, 3 proposals of Ministry of Power amounting Rs 8,612 crore were cleared by the board during year 2016. It also said that proposals of Ministry of External Affairs and Ministry of Road, Transport and Highway involving investment of Rs 7,291 crore and Rs 6,461 crore, respectively, were also cleared.

Commenting on the Public Financial Management System (PFMS), it said that this web-based online software application has been fully implemented at the central government level for all plan and non-plan scheme releases. It also said that so far around 18 lakh implementing agencies are registered on PFMS and the total number of beneficiaries bank accounts registered in PFMS is 19.07crore till November 30, 2016. It added that PFMS treasury integration is currently operational in 12 states and integration process has been initiated in other states also. It is expected to be completed by March 31, 2017.

- **FDI in India surges by 27% in April-October FY16**

In a positive surprise Foreign Direct Investment (FDI) in India increased by 27% at $27.82 billion during the April-October period of the current fiscal as against $21.87 billion in the same period last fiscal. The FDI numbers indicates that the government has been able to create a suitable climate in which the foreign investors feel confident that interest is protected.

Source: Reuters, ACE Equity & LKP Research

According to Department of Industrial Policy and Promotion (DIPP), manufacturing constituted around 41.5% of the equity inflows, while non-manufacturing were around 58.5% during April 2014 to Sept 2016. Total FDI in the country in the last financial year was $55.6 billion, up by 23% over previous year. DIPP also stated that trademarks filing has increased by 10% and its examination grew by 250% so far this fiscal till November and added that trademark pendency has come down to 3 months and is expected to be 1 month by March 2017.

The main sectors including services, telecom, trading, computer hardware and software and automobile were the major areas which attracted FDI inflows. The country receives maximum FDI from Singapore, Mauritius, the Netherlands and Japan. FDI is considered crucial for country, which needs around $1 trillion for overhauling its infrastructure sector such as ports, airports and highways to boost growth. Growth in foreign investments will also help improving the country's balance of payments (BoP) situation and strengthen the rupee value against other global currencies, especially the US dollar.

- **GST Council meeting ends without breaking deadlock over dual control issue**

The eighth Goods and Services Tax (GST) Council meeting ended without breaking deadlock over the issue of dual control of assesses under the new indirect tax regime, an issue that has been holding up supporting bills essential for the GST rollout from April 1 next year. The next meeting of the GST Council will take place on January 16, wherein the issue of sharing of administrative powers will be discussed. Union Finance Minister Arun Jaitley said that GST's primary drafts for Central Goods and Service Tax (CGST) and State Goods and Service Tax (SGST) have been approved. However, no consensus was reached on the issues of dual control and cross empowerment issues still remain to be resolved. He further said that it was not possible to meet April 1, 2017, roll out deadline.

Kerala Finance Minister Thomas Isaac said that the other remaining issues before the GST Council include ways to fund the compensation to states for GST rollout and states participation in Integrated GST (IGST). He said 'working overtime, it should be possible to meet the deadline of September. I am not very optimistic about rolling GST out in June/July. Because it is a new tax and lot of complexity involved, it would be better to move in after full preparation. So, to my understanding GST will be implemented from September'.

Isaac also said that some states wanted the GST revenue from the highest tax bracket to be shared in 60:40 ratio with the Centre, instead of the present 50:50 sharing. As regards the treatment of IGST, Isaac said one interpretation of the Constitutional amendment is that IGST tax is levied, collected and assigned by the Centre. During the meeting states said that IGST cannot be implemented without states' participation and dual control. He said certain states continue to demand sole control over assessees with turnover of below Rs 1.5 crore. The total share in revenue of assessees below Rs 1.5 crore turnover is 15 per cent.

Source: Reuters, ACE Equity & LKP Research

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Tech View

CNX Nifty

Technical View

Nifty future closed bullish in daily charts near the hurdle area 8302. Also if has left a bullish gap at 8223 - 8236. Till the gap is held and clears 8302 will rally towards 8347-8374. Weekly Charts have come out of the bearish zone which can help it move upwards. On the lower side the bullish gap left is a strong support and close below 8200 will drag it down towards 8178-8145. Intraday Level for upside 8302-8313 and downside 8274-8260

IMPORTANT LEVELS FOR THE DAY			
Support	BSE	NSE	BANKNIFTY
S1	26,734	8224	17971
S2	26,598	8179	17829
Resistance			
R1	26,955	8296	18201
R2	27,092	8342	18343
Pivot	26,845	8,260	18,086

PIVOT POINTS

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
ACC	1333	1357	1342	1331	1319	1305
ADANIENT	79	81	80	79	78	77
ADANIPORTS	288	302	292	284	276	265
ADANIPOWER	33	34	33	32	32	31
ALBK	63	64	63	63	62	62
AMBUJACEM	214	219	216	213	211	208
ANDHRABANK	48	49	49	48	48	47
APOLLOHOSP	1207	1252	1231	1214	1196	1175
APOLLOTYRE	188	192	189	187	185	183
ARVIND	366	374	369	364	360	355
ASHOKLEY	84	87	85	84	83	81
ASIANPAINT	917	938	924	913	901	887
AUROPHARMA	686	711	694	680	667	650
AXISBANK	458	473	465	458	452	444
BAJAJ-AUTO	2723	2775	2741	2713	2685	2651
BANKBARODA	151	154	152	151	149	147
BANKINDIA	110	112	110	109	108	107
BATAINDIA	470	479	473	469	464	458
BHARATFORG	922	943	932	923	913	902
BHARTIARTL	321	336	326	318	310	300
BHEL	128	131	129	128	126	124
BIOCON	946	970	954	942	929	913
BPCL	673	696	680	667	653	637
CAIRN	254	266	258	251	245	237
CANBK	266	271	269	267	265	262
CENTURYTEX	837	854	845	837	829	819
CESC	647	662	655	649	643	636
CIPLA	580	594	584	577	569	560
COALINDIA	308	315	312	309	306	302
COLPAL	899	908	903	900	896	891
CROMPGREAV	62	63	63	62	61	60
DABUR	279	283	280	279	277	274
DISHTV	86	90	88	86	84	81
DIVISLAB	764	790	775	763	750	735
DLF	127	131	128	126	124	122
DRREDDY	3136	3214	3162	3119	3076	3024
EXIDEIND	184	187	185	184	182	181
FEDERALBNK	68	70	68	67	66	64

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
GAIL	442	451	446	442	439	434
GLENMARK	898	919	909	901	893	883
GMRINFRA	13	13	13	13	13	12
GODREJIND	435	446	440	436	431	425
GRASIM	866	898	882	869	856	840
HAVELLS	360	378	366	355	345	333
HCLTECH	845	892	870	852	833	811
HDFC	1217	1235	1224	1214	1205	1193
HDFCBANK	1186	1204	1195	1188	1181	1172
HDIL	64	66	64	64	63	61
HEROMOTOCO	3072	3154	3100	3056	3012	2958
HEXAWARE	209	220	215	211	206	201
HINDALCO	162	165	163	162	160	158
HINDPETRO	473	489	478	469	460	449
HINDUNILVR	833	849	839	830	822	811
HINDZINC	262	271	265	260	255	249
IBREALEST	79	83	81	80	78	76
ICICIBANK	257	265	260	256	252	247
IDBI	71	73	72	71	70	69
IDEA	75	77	76	74	73	72
IDFC	57	60	58	57	55	53
IFCI	28	29	29	28	27	26
IGL	931	963	947	935	923	907
INDIACEM	126	131	128	125	122	119
INDUSINDBK	1128	1156	1136	1120	1105	1085
INFY	996	1027	1011	998	985	969
IOB	25	25	25	25	24	24
IOC	353	363	356	350	345	338
IRB	214	226	219	213	207	200
ITC	247	251	249	246	244	241
JINDALSTEL	76	81	78	74	71	68
JISLJALEQS	93	95	94	93	93	92
JPASSOCIAT	11	12	11	10	10	9
JPPOWER	4	5	4	4	4	4
JSWENERGY	62	63	62	62	61	60
JSWSTEEL	176	190	180	172	164	154
JUBLFOOD	861	889	874	861	849	834
JUSTDIAL	394	451	412	380	348	309

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
KOTAKBANK	699	709	703	699	695	690
KTKBANK	116	118	117	116	115	114
L&TFH	93	96	95	93	92	90
LICHSGFIN	523	534	527	522	516	509
LT	1392	1412	1399	1388	1378	1365
LUPIN	1512	1549	1525	1506	1486	1462
M&M	1227	1261	1240	1223	1206	1185
M&MFIN	283	294	287	281	275	267
MARUTI	5635	5776	5680	5603	5526	5431
MCDOWELL-N	1941	2001	1970	1945	1920	1888
MCLEODRUSS	140	143	141	140	139	138
MRF	51711	53407	52307	51417	50527	49427
NHPC	28	28	28	28	27	27
NMDC	135	139	137	135	133	130
NTPC	165	168	167	165	164	162
OFSS	3215	3292	3252	3220	3188	3149
ONGC	200	205	201	198	195	192
ORIENTBANK	110	113	111	109	107	105
PETRONET	378	386	382	379	376	372
PFC	129	134	130	127	124	120
PNB	118	120	118	117	116	115
POWERGRID	191	197	193	189	186	182
PTC	78	84	80	77	74	70
RCOM	35	35	35	35	34	34
RECLTD	127	131	128	127	125	123
RELCAPITAL	445	457	450	446	441	434
RELIANCE	1077	1091	1082	1075	1068	1060
RELINFRA	491	504	497	491	485	478
RPOWER	43	44	44	43	42	42
SAIL	52	53	52	52	51	50
SBIN	245	248	246	245	244	242
SIEMENS	1142	1170	1153	1139	1125	1108
SRTRANSFIN	915	937	925	916	907	895
SUNPHARMA	643	653	648	644	640	635
SUNTV	532	547	538	530	523	513
SYNDIBANK	62	63	63	62	62	61

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
TATACHEM	508	518	512	508	503	497
TATACOMM	637	655	643	634	624	612
TATAGLOBAL	125	127	126	125	124	124
TATAMOTORS	502	511	505	500	496	490
TATAMTRDVR	323	332	326	321	316	310
TATAPOWER	77	78	77	77	76	75
TATASTEEL	419	437	426	416	407	395
TCS	2334	2444	2391	2348	2305	2252
TECHM	488	523	507	494	481	465
TITAN	358	367	362	358	355	350
UBL	809	832	819	808	797	783
UCOBANK	34	35	34	34	34	33
ULTRACEMCO	3383	3492	3420	3362	3304	3232
UNIONBANK	128	131	129	128	126	124
UNITECH	5	5	5	5	4	4
UPL	675	689	680	672	665	656
VOLTAS	344	355	348	342	337	330
WIPRO	480	493	487	481	476	469
YESBANK	1210	1270	1231	1199	1168	1129
ZEEL	471	489	477	468	459	448

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