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Morning Notes

9 Jan 2017

Indices	6-Jan	5-Jan	% Chg.
S&P BSE SENSEX	26,759	26,878	-0.44%
S&P CNX NIFTY	8,244	8,274	-0.36%
NIFTY MID100	14,854	14,876	-0.15%
NIFTY SML100	6,063	6,088	-0.40%

BSE Sectoral Indices			
NIFTY BANK	18,264	18,116	0.82%
NIFTY PSU BANK	2,970	2,954	0.54%
NIFTY FIN SERVICE	7,368	7,334	0.47%
NIFTY PHARMA	10,473	10,458	0.14%
NIFTY METAL	2,798	2,798	-0.01%
NIFTY AUTO	9,507	9,522	-0.16%
NIFTY ENERGY	10,469	10,505	-0.35%
NIFTY INFRA	2,796	2,807	-0.38%
NIFTY CONSUMPTION	3,603	3,618	-0.41%
NIFTY REALTY	178	179	-0.84%
NIFTY FMCG	20,867	21,071	-0.97%
NIFTY MEDIA	2,684	2,714	-1.13%
NIFTY IT	10,110	10,400	-2.79%

Major Indices	6-Jan	5-Jan	% Chg.
Dow Jones Industrial	19,964	19,899	0.32%
Nasdaq Composite Ind	5,521	5,488	0.60%
CAC 40 Index	4,764	4,735	0.60%
FTSE 100 Index	6,954	6,932	0.33%
DAX Index	11,599	11,585	0.12%

Major Asian Indices	6-Jan	5-Jan	% Chg.
Hong Kong	22,503	22,457	0.21%
Nikkei 225	19,454	19,521	-0.34%
Korea	2,049	2,042	0.35%
Shanghai	3,154	3,165	-0.35%
Taiwan	9,372	9,358	0.15%

Commodities (MCX)	6-Jan	5-Jan	% Chg.
Aluminium (31JAN201	116.7	115.5	1.00%
Copper(28FEB2017)	383.6	380.5	0.81%
Crude (19JAN2017)	3,682	3,636	1.27%
Gold (03FEB2017)	27,887	27,948	-0.22%
Silver (3MAR2017)	40,342	40,448	-0.26%

FII's & DII's in equity			₹ Crs
06-Jan	Buy	Sell	Net
FII / FPI Investments	3,502	3,757	-255
DII's Investments	2,563	2,398	165
FII's contribution to the total turnover			33%
DII's contribution to the total turnover			23%

FII's in Derivatives (F&O)				₹ Crs
06-Jan	Index Fut	Index Opt	Stock Fut	Stock Opt
Net	510	831	169	-19
OI	13,003	58,036	52,930	3,422
Chg.OI	5.1%	3.7%	-0.4%	9.9%
FIIs' contribution to the total F&O turnover				30%

Curr. Derivatives (NSE)	6-Jan	5-Jan	% Chg.
USDINR 27-JAN-2017	68.11	68.12	0.00%
EURINR 27-JAN-2017	72.20	71.54	0.93%
JPYINR 27-JAN-2017	58.82	58.47	0.60%
DJIA (20-JAN-2017)	21,175	19,885	6.49%
S&P500 (20-JAN-2017)	2,264	2,265	-0.08%

Top Gainers CNX Nifty

Company	LTP	Chg	% Chg
YESBANK	1250	39	3.3
KOTAKBANK	715	16	2.3
EICHERMOT	22832	508	2.3
BANKBARODA	154	3	1.9
ASIANPAINT	931	14	1.5

Top Losers CNX Nifty

Company	LTP	Chg	% Chg
HCLTECH	814	-31	-3.7
IDEA	72.85	-2	-2.6
WIPRO	470	-11	-2.3
TCS	2284	-50	-2.2
ULTRACEMCO	3319	-64	-1.9

Top Gainers BSE 100

Company	LTP	Chg	% Chg
CADILAHC	379	13	3.7
YESBANK	1247	38	3.1
KOTAKBANK	716	17	2.4
SIEMENS	1164	23	2.0
EICHERMOT	22715	390	1.8

Top Losers BSE 100

Company	LTP	Chg	% Chg
TECHM	470	-19	-3.8
HCLTECH	814	-30	-3.6
DIVISLAB	737	-27	-3.5
JINDALSTEL	73	-2	-2.7
M&MFIN	276	-7	-2.6

Top Gainers BSE Midcap

Company	LTP	Chg	% Chg
JSWENERGY	65	4	6.0
WOCKPHARMA	711	37	5.6
BERGEPAINT	220	6	2.6
INDIANB	233	5	2.2
3MINDIA	11306	207	1.9

Top Losers BSE Midcap

Company	LTP	Chg	% Chg
DIVISLAB	737	-27	-3.5
JINDALSTEL	73	-2	-2.7
OBEROIRLTY	305	-8	-2.7
M&MFIN	276	-7	-2.6
OFSS	3135	-80	-2.5

Top Gainers BSE Smallcap

Company	LTP	Chg	% Chg
ESTER	48	8	20.0
STAMPEDE	28	4	16.8
KOHINOOR	91	12	15.7
LYKALABS	61	6	11.9
MBECL	58	6	11.9

Top Losers BSE Smallcap

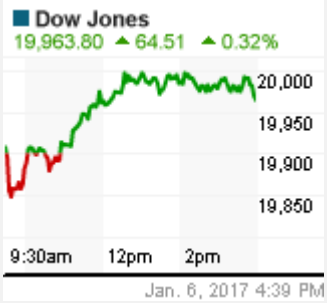
Company	LTP	Chg	% Chg
GMBREW	481	-30.2	-5.9
APARINDS	613	-36	-5.6
SONATSOFTW	197	-11	-5.4
ZENTEC	76	-4	-5.0
FEDDERLOYD	68	-4	-4.9

Domestic Market View

Markets to make positive start on firm global cues

The Indian markets despite a good start lost its momentum and ended with around half a percent of losses in last session mainly due to slump in IT stocks. Today the start is likely to be on a positive side amid firm global cues. Traders will take some support with Finance minister Arun Jaitley's statement that the impact of demonetization on the economy would be "transient" but in the medium and long run, the GDP would be "bigger and cleaner" and it will also help lower interest rates. However, traders will be concerned with the first advance estimates, released by the Central Statistics Office (CSO) on Friday that the economic growth is expected to be 7.1 percent in FY 2016-17 as compared to the growth rate of 7.6 percent in FY 2015-16. Manufacturing sector is estimated to grow by 7.4 percent as compared to growth of 9.3 percent in 2015-16. The growth rate in per capita income is estimated at 5.6 percent during 2016-17, as against 6.2 percent in the previous year. There will be some buzz in the sugar stocks on report that the government does not have any immediate plans to cut import duty on sugar as the country would have sufficient supply of the sweetener considering fall in consumption this year and a likely bumper crop next year.

Source: Reuters, ACE Equity & LKP Research



Domestic Market Overview

Indian benchmarks erase all early gains; Sensex ends below 26,800 mark

Indian equity markets showed a volte-face on the last day of the week as what started on a cheerful note ended as a dismal show. The optimism in local markets petered out completely by the end of trade and the indices even drifted in to the negative territory, despite getting off to a gap-up opening. Sentiments got a hit after President Pranab Mukherjee issued a note of caution that the Narendra Modi government's demonetization decision could likely lead to a temporary slowdown in the economy and hurt the poor. The President called for policymaking that would reduce the suffering of the poor, and seemed to question the focus shift in the government's poverty alleviation programmes and policies from an entitlement-based approach to an entrepreneurial one. Furthermore, a private report highlighted that India's GDP is likely to have grown at a much slower-than-expected pace of 5 percent in the October-December period and may see a 6 percent growth in the following quarter due to a slowdown in manufacturing and services sectors post demonetization.

Besides, sharp selling in IT counter also weighed on investor sentiments. Technology stocks came under pressure on reports that two US Congressmen have reintroduced a bill to curb the use of H-1B visas, on which the Indian IT sector is particularly dependent. The new bill would require workers on the H-1B visa pay a minimum of $100,000, up from $60,000 currently. However, losses remained capped in local markets with the report of Financial Stability and Development Council (FSDC), headed by Finance Minister Arun Jaitley indicated 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 percent in the first half of the next financial year. Market participants got some relief with the report that Reserve Bank of India (RBI) replaced as much as 44% of the currency extinguished by demonetisation with new notes by December 30, 2016.

Global Market Overview

Asian markets end mostly in green on Friday

Asian equity markets ended mostly in green on Friday, except for Chinese and Japanese shares that ended in red, tracking exchange rate fluctuations ahead of the closely-watched US jobs report due later on Friday that Fed officials will factor into future decisions on interest rate policy, with expectations for a gain of 178,000 in December. But a soft reading on Thursday of 153,000 from ADP, the private sector payroll processor, is sowing some doubt. While China's yuan gave up some gains after a two-day surge, the Japanese yen strengthened further against the dollar on expectations of slow pace of rate hikes in the US.

US markets closed higher on solid jobs data

The US markets closed higher on Friday, with Dow ending a fraction below the closely watched 20,000 level, following a December US jobs report that investors interpreted as generally positive. All three benchmarks posted solid weekly gains, continuing the post-election rally on Wall Street. The main indexes maintained gains even after news reports that multiple people have been shot and killed at the Fort Lauderdale-Hollywood International Airport. On the economy front, the US added 156,000 new jobs in the final month of 2016 and worker pay rose at the fastest pace since the Great Recession, reflecting a surge in employment over the past six years that's left many companies complaining about a shortage of skilled labor. The increase in hiring last month was spearheaded by health-care providers, financial firms, manufacturers, restaurants and shipping companies. The unemployment rate, meanwhile, edged up to 4.7% from 4.6% as more people entered the labor force in search of work. The steady gains in employment have finally started to push worker pay higher over the past year and a half. Average hourly wages jumped 0.4% in December to push the annual gain in 2016 to 2.9%, marking the fastest increase since a recovery that began in mid-2009.

On the other hand, the US trade deficit rose almost 7% in November as imports hit the highest level in nearly a year and a half, largely because of a gush of foreign oil. The nation's trade gap climbed to $45.2 billion from a revised $42.4 billion in October. Imports increased 1.1% to $231.1 billion in November, marking the highest level since August 2015.

Source: Reuters, ACE Equity & LKP Research

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Index Futures

(OI in '000 Shares)	Future 6-Jan	Chg (%)	Spot 6-Jan	Chg (%)	Prem / Disc	Total Open Interest 6-Jan	Chg (%)
NIFTY	8,268	-0.25	8,244	-0.36	23.9	20,237	0.2
NIFTYIT	10,132	-2.75	10,110	-2.79	21.6	45	40.2
BANKNIFTY	18,308	0.54	18,264	0.82	44.0	1,998	-7.5

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

Symbol	Total OI 6-Jan	% Chg.	Del Qty Cash Market 6-Jan	% Del.	Prev % Del.	Increase Del Qty	Spot (₹)	Fut (₹)	Spot Chg (%.)	Fut Chg (%.)	Prem / Disc
PFC	19,068	11%	3,982,391	47%	40%	2,899,169	129	129	0.9%	2.3%	0.0
MCLEODRUSS	5,139	7%	980,622	46%	57%	290,462	141	142	0.7%	0.5%	0.7
BATAINDIA	3,055	7%	333,701	51%	36%	253,880	472	464	0.4%	-0.9%	-8.3
CEATLTD	1,628	6%	121,474	9%	10%	65,096	1,197	1,200	0.4%	0.3%	2.5
JSWENERGY	35,992	5%	3,119,628	18%	40%	2,104,713	65	66	6.3%	6.2%	0.4
CANBK	17,556	3%	720,519	16%	15%	374,793	270	268	1.6%	1.1%	-2.1
WOCKPHARMA	3,473	3%	541,249	7%	15%	407,458	711	712	5.8%	5.5%	1.3
ANDHRABANK	21,510	3%	763,919	34%	35%	220,100	48	49	0.1%	0.2%	0.2
SIEMENS	767	2%	62,416	20%	18%	13,043	1,164	1,163	1.7%	1.7%	-1.4
UNIONBANK	22,616	2%	929,244	24%	17%	394,485	129	125	0.6%	0.6%	-3.9

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

Symbol	Total OI 6-Jan	% Chg.	Del Qty Cash Market 6-Jan	% Del.	Prev % Del.	Increase in Del Qty	Spot (₹)	Fut (₹)	Spot Chg (%.)	Fut Chg (%.)	Prem / Disc
NCC	16,632	20%	1,516,945	34%	18%	1,065,337	83	84	-3.4%	-3.4%	0.5
PETRONET	3,639	19%	975,873	49%	52%	552,183	374	375	-1.4%	-1.1%	1.4
DIVISLAB	4,942	16%	1,290,629	33%	27%	453,127	737	740	-3.5%	-3.5%	2.9
MINDTREE	2,227	11%	754,809	58%	31%	510,872	500	496	-4.6%	-5.1%	-3.9
CONCOR	855	8%	54,376	43%	33%	35,339	1168	1166	-0.8%	-0.7%	-1.7
TORNTPOWER	2,757	8%	211,498	46%	50%	16,985	179	180	-1.6%	-1.3%	0.9
TECHM	8,774	7%	1,739,879	49%	61%	281,760	470	471	-3.6%	-3.8%	1.7
IDEA	86,863	6%	2,130,610	38%	37%	66,342	73	72	-2.7%	-3.1%	-0.9
HCLTECH	5,979	5%	1,483,063	52%	53%	337,179	814	816	-3.6%	-3.3%	1.6
OFSS	210	4%	15,719	56%	54%	7,226	3139	3148	-2.2%	-2.4%	8.9

Corporate News

- **Lakshmi Vilas Bank** has been imposed a penalty amounting to Rs 3 crores by the Reserve Bank of India (RBI) in exercise of powers conferred under Section 47A (1)(c) read with Section 46(4)(i) of the Banking Regulations Act, 1949 for the contraventions of various guidelines/directions in respect of opening of current accounts without obtaining No-objection Certificate (NOC), extending bill discounting facilities to non-constituents and walk-in customers and non-adherence to KYC norms.
- **Aurobindo Pharma** has received final approval from the US Food & Drug Administration (USFDA) to manufacture and market Levetiracetam in Sodium Chloride Injection, 500 mg/100 mL (5 mg/mL), 1000 mg/100 mL (10 mg/mL), and 1500 mg/100 mL (15 mg/mL) (Single-use bags). This product is a generic equivalent of HQ Specialty Pharma Corp's Levetiracetam in Sodium Chloride Injection. The product will be launched in Jan 2017. This product is a CNS drug and indicated for partial onset seizures in adults (16 years and older) with epilepsy; myoclonic seizures in adults with juvenile myoclonic epilepsy; primary generalized tonic-clonic seizures in adults with idiopathic generalized epilepsy. The approved product has an estimated market size of $32 million for the twelve months ending November 2016 according to IMS.
- **Aurobindo Pharma's** wholly owned step-down subsidiary Agile Pharma B.V., Netherlands has entered into a binding agreement to acquire 100% shareholding in Generis Farmaceutica S.A., a Portuguese company engaged in manufacture and marketing of pharmaceutical products in Portugal. This acquisition will be completed by February 2017 and the cost of acquisition will be 135 Million Euro. This acquisition establishes Aurobindo as the leading generics group in Portugal.
- The Government of India, Ministry of Defence, has given 'in-principal' approval of the Cabinet Committee on Economic Affairs (CCEA), for strategic disinvestment of 26% equity shares in **BEML** out of Government of India shareholding of 54.03%. The said shareholding would be sold to the strategic buyer/s to be identified by the Government of India by following due procedure.
- **JSW Energy** has successfully secured an order from Power Company of Karnataka (PCKL) for supply of 650 MW upto May 31, 2017 for short term sale of power
- **Pokarna**'s wholly owned subsidiary - Pokarna Engineered Stone (PESL) has entered into partnership with IKEA India, to serve as IKEA's exclusive quartz surfaces supply and installation partner. Under the agreement, the company will supply engineered quartz surfaces countertop and will also undertake measuring, planning, installation and home delivery of its products to IKEA's customer.
- **Brigade Group** has over the past 30 years created many landmark and innovative projects across South India. Brigade Pinnacle, Brigade's first luxury apartment project in Mangaluru is ready and was inaugurated on January 6, 2017.
- **Great Eastern Shipping Company**'s (GE Shipping) wholly owned-subsidiary - Greatship (India) (GIL), has received an approval for acquiring full ownership of its Singapore subsidiary, Greatship Global Energy Services (GGES). The board of directors of GIL at its meeting held on January 06, 2017 has approved for the same.
- **Foods & Inns** has acquired 12,000 equity shares of Pharmpak, a Pharma company at a cost of Rs 17.10 crore and the said company has now become 100% subsidiary of Foods and Inns.
- **Voltaire Leasing & Finance'**s wholly owned subsidiary company – Purpikite Innovations has successfully completed 10,154 deliveries for the month of December 2016 for all the company's clients. Moreover, the company has successfully tied up with 10 additional Restaurants.
- **VST Tillers Tractors** has reported sales of Power Tillers and Tractors of the company for month of December, 2016. The company has sold 611 units of Tractors for the month, while the Power Tillers sales of the company stood at 1,407 units for the month ended December 2016.
- **Granules India** has received the inspection report from INFARMED (InstitutoNacional da Farmacia E Do Medicamento), Portugal with 11 observations. The Gagillapur facility manufactures Pharmaceutical Formulation Intermediates (PFIs) and Finished Dosages (FDs). INFARMED Portugal had conducted a renewal inspection on the company's facility located at Gagillapur, Telangana, India.

Source: Reuters, ACE Equity & LKP Research

- Tata Steel has inaugurated the second phase of Cold Rolling Mill (CRM) Complex BARA at Jamshedpur on January 5, 2017. During Phase I, the reversing mill of 0.25 MnTPA capacity was installed at CRM BARA to meet the full hard cold rolled (FHCR) requirement of Tata Blue Scope (TBSL).
- **Natco Pharma** has received the final approval of Abbreviated New Drug Application (ANDA) containing a paragraph IV certification filed with the US Food and Drug Administration (USFDA) for generic version of Bendamustine Hydrochloride powder for Injection, 25 mg/Vial and 100 mg/Vial (Singe-Dose Vial). The pharma major and its marketing partner Breckenridge Pharmaceutical, Inc., plans to launch this drug in the USA market on November 1, 2019.
- Moody's Investors Service has affirmed the Baa3 ratings of state-owned oil refining and marketing company **Hindustan Petroleum Corporation (HPCL).** The outlook on the rating of oil refining and marketing company is positive.
- Moody's Investors Service has affirmed the Baa3 ratings of state-owned oil refining and marketing company **Indian Oil Corporation (IOC).** The outlook on the rating of oil refining and marketing company is positive.
- **Mastek**'s wholly owned subsidiary Digility Inc. has acquired of US-based leading digital commerce solution provider, TAISTech. This acquisition will create a platform for Mastek's accelerated growth in the US market and will augment company's 2020 vision to be a global leader in digital transformation services.
- **Suzlon Group**, one of the leading global renewable energy solutions providers in the world, has received an order of 105 MW wind power project from Hyderabad based Axis Energy Group. Axis Energy Ventures India is the flag ship company of the Axis Energy Group and the project is being undertaken by a Special Purpose Vehicle - Axis Wind Farms (Anantapur). The project consists of 50 units of S111 90m tubular tower with rated capacity of 2.1 MW. Located in Anantapur district of Andhra Pradesh, the project is scheduled for completion in two phases, first phase will be completed in March 2017 and the second phase will be completed in June 2017.
- **SRS group** is planning to sell its multiplex business to pare debt. The company has appointed SBI Capital to sell off the asset. **SRS Multiplex,** which operates under the SRS Cinemas brand, is a mid-size chain operating in tier-II and III cities in the Delhi-NCR region and northern India.
- **Jagran Prakashan** has received its board's approval for a buyback proposal, involving purchase of up to 1.55 crore equity shares at a price of Rs 195 a share, for an aggregate amount of Rs 302.25 crore. This represents 4.74 per cent of the total number of outstanding equity shares of the company.
- **Mahindra and Mahindra's (M&M)** South Korean subsidiary SsangYong Motor, has sold a total of 16,705 units in December 2016. It is the best monthly sales performance in the company's history, driven by its top-selling car Tivoli brand - Tivoli and XLV. Sales of Tivoli brand exceeded 9,000 units in December for the first since its launch. In 2016, the company also achieved its highest annual sales since 2002 at 155,844 units, up 7.7% compared to 2015. It is the second time that the company's yearly sales surpassed 150,000 units. SsangYong's best year is 2002 when the company sold a total of 160,010 units. The Tivoli brand led this significant growth by selling 85,821 vehicles in 2016, up 34.7% compared to 2015.
- **Indo Borax & Chemicals** will restart production activity at its Pithampur plant from January 06, 2017. Earlier, the company had shut down its plant on December 20, 2016 for clearance of inventory.
- In order to increase its footprints in the world's fastest growing aerospace market, budget airline **SpiceJet** is reportedly planning to order at least 92 Boeing Co 737 jetliners. The order could be worth about $10.1 billion. The deal, which would more than double SpiceJet's 40-plane fleet, may be closed within weeks.
- **Sagar Cements** has reported the cement production and sales figures for December 2016. The company's consolidated Cement production for December 2016 stood at 151965 million tonnes (MT), down by 5.60% compared to 160988 MT produced in December 2015. Moreover, the company's consolidated Cement sales for December 2016 stood at 154196 MT, down by just 0.36% compared to 154757 MT sold in December 2015.

Source: Reuters, ACE Equity & LKP Research

- **Axis Bank** has launched its path breaking, first of its kind Academies with best in class partners to build proficiency for its 56,000 workforce. Axis Banks wants to nurture the traditional banking skills with a new age lens, calling it 'Twin-Tracking'. This initiative aims at nurturing the skill-sets and encouraging its employees to self-identify and select areas of specialization that will enable them to become future-ready digital bankers. The Bank has partnered with renowned institutes such as INSEAD, CRISIL, INSOFE to integrate the core banking skills such as credit & risk with the new age lens of digitization powered by data driven analytics.
- **Wockhardt** has been issued EU GMP Certificate by the competent authority, Berlin, Germany confirming that the company's manufacturing facility at 138, GIDC Estate, Ankaleshwar, Gujarat, complies with the principles and guidelines of Good Manufacturing Practices. The certificate issued in this regard is valid for 3 years.
- GE Power India has been awarded a contract by NTPC ALSTOM Power Services (a 50:50 Joint Venture between **NTPC** & GE) (NASL), of approximately Rs 198.80 crore approximately $29.22 million including duties and taxes for Steam Turbine Upgrade Project at NTPC's Ramagundam Super Thermal Power Plant in the State of Telangana.
- **Piramal Enterprises** has received an approval to enter the retail housing finance market. The board of directors at its meeting held on January 5, 21016 has given its approval for Piramal Finance to make an application to the National Housing Bank (NHB) for incorporating a Housing Finance Company (HFC) as its subsidiary.

Economy

- **Demonetisation likely lead to a temporary economic slowdown: Pranab Mukherjee**

  For the first time since demonetisation of high-value currency notes, President Pranab Mukherjee has cautioned that the government's demonetisation decision could likely lead to a temporary slowdown in the economy and hurt the poor. Addressing to Governors and Lieutenant Governors, President has said that demonetisation, while immobilising black money and fighting corruption, may lead to temporary slowdown of the economy.

  On the effects of demonetisation among the poor, the President said that extra care must be taken to alleviate sufferings of the poor triggered by economic slowdown which has become unavoidable post demonetisation. The President said that he appreciates the thrust on transition from entitlement approach to an entrepreneurial one for poverty alleviation, but he is not too sure that the poor can wait that long. He added that they need to get succor here and now, so that they can also participate actively in the national march toward a future devoid of hunger, unemployment and exploitation. He also said that the recent package announced by the Prime Minister Narendra Modi including major tax rebates for farmers, small traders, senior citizens and women will provide some relief to them.

  Mukherjee termed 2016 as a year of mixed fortunes and said that it began on a very promising note with the economy performing well, overcoming the weak global economic trends. GDP growth of 7.2% in the first half of 2016-17 same as that of last year is a pointer to the fact that our economic recovery has been on solid grounds. In 2014 and 2015 below normal rains had caused rural distress. A good monsoon in 2016 is expected to improve agricultural production and increase rural employment and incomes.

- **Govt likely to carry on 3% interest subsidy scheme in upcoming Budget**

  In a bid to help exporters to rein in rapidly widening tough global trade and to enhance the ease of doing business, the Finance Ministry is expected to carry on 3 per cent interest subsidy scheme in the forthcoming Budget which was announced in November 2015 for exporters. At present, this subsidy is available to all exports of micro, small and medium enterprises among others. Continuation of the scheme would help exporting sectors such as handicrafts, carpets, tea and rice.

  In this regard, Commerce and Industry Minister Nirmala Sitharaman has stated that the scheme has been very successful and the Finance Ministry too share this view. She said "... Even now there is lot of goodwill about this programme in the finance ministry. We are reminding them ... so even in the coming budget, I do not see any issue about this".Earlier urging the government to continue with this scheme, Federation of Indian Export Organisations (FIEO) has said that the scheme is helping exporters in this tough global

Source: Reuters, ACE Equity & LKP Research

situation and we are expecting Rs 2,500 crore in this Budget from the finance ministry. It is important because the cost of credit is still very high in India compared to global benchmarks.

- **Exporters to get 90% duty refund within a week under GST regime: Nirmala Sitharaman**

In order to provide some relief to Indian exporters, the revenue department of the finance ministry has decided to refund as much as 90% of their duty claims within seven days under the proposed Goods and Services Tax (GST) regime. Addressing a major concern of the sector, Commerce and Industry Minister Nirmala Sitharaman has said that ninety percent of the amount claimed by exporters as credit drawbacks will be refunded within seven days. She added that in an undue delay beyond two weeks, interest will be paid on the amount due.

Sitharaman has said that exporters have been demanding exemption from new tax regime on the grounds that delay in refunds often takes months and also results in blocking of working capital. She also said that exports need to be encouraged in view of the global slowdown. In GST council meeting with finance minister Arun Jaitley and others, Sitharaman had stressed there was a need to review the current time-consuming process of refunds claimed by exporters against the duty paid on imports of raw materials or other items under various schemes in the new tax regime. The Commerce and Industry Ministry has recently suggested to the GST Council to exempt leather and plantations sector from the GST ambit.

Commenting on the issue, Commerce Secretary Rita Teaotia has also said that the Department of Commerce has been taking up this matter with the Department of Revenue (DoR). The Secretary also said that the issue about interest payment, what that amount would be and whether it would kick in after two weeks that detail DoR would decide.

- **India better placed today due to improvement in macroeconomic fundamentals: FSDC**

The Financial Stability and Development Council (FSDC) chaired by Finance Minister Arun Jaitley has said that the country seems to be much better placed today on the back of improvement in its macro-economic fundamentals. The council also noted that the government's measures to eliminate the shadow economy and tax evasion are likely to have a positive impact on the country's gross domestic product and fiscal consolidation in the long run.

At its 16th meeting, the FSDC, which has all financial sector regulators as members, reviewed major issues and challenges facing the economy after the demonetisation of high-value currency notes from November 9, 2016. The council also reviewed the present status of NPAs in banks and measures taken by the government and RBI for dealing with the stressed assets and discussed on further action in this regard. The FSDC discussed about the various initiatives taken by the Government and Regulators for promoting financial inclusion/financial literacy efforts and discussed further measures for promoting the same. Issues pertaining to fintech, digital innovations and cyber security were discussed. The council took note of the initiatives taken in this regard by the government and the regulators. Also, the regulators offered their suggestions/ proposal for the upcoming Budget for 2017-18, which were deliberated upon by the Council.

- **Estimates of demonetised notes may be incorrect, will release data at earliest: RBI**

After different reports suggested different amount of scrapped Rs 500 and Rs 1,000 notes that had been deposited back to the banks by the December 30 deadline, the Reserve Bank of India (RBI) has said that the total quantum of scrapped Rs 500 and Rs 1000 currency notes deposited in banks and post offices by the December 30, deadline is being reconciled and the final tally will be released soon. It also said that it is taking all steps to complete the process expeditiously so as to release firm figures of specified bank notes (SBNs) received at an early date. Referring to various estimates on scraped notes, the RBI said, such estimate may not indicate the actual numbers.

The RBI further said that its earlier figures were based on aggregation of accounting entries done at the large number of currency chests all over the country. It said that now the scheme has come to an end on December 30, these figures would need to be reconciled with the physical cash balances to eliminate accounting errors/possible double counts etc. Till this is completed, any estimate may not indicate the actual numbers of the SBNs that have been returned. As per RBI's last declared data, as of December 10, withdrawn banknotes amounting to Rs 12.44 lakh crore had been returned to the RBI and currency chests.

Source: Reuters, ACE Equity & LKP Research

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Tech View

CNX Nifty

Technical View

NA

IMPORTANT LEVELS FOR THE DAY			
Support	BSE	NSE	BANKNIFTY
S1	26,663	8216	18145
S2	26,452	8160	18016
Resistance			
R1	27,005	8307	18353
R2	27,216	8363	18481
Pivot	26,834	8,261	18,249

PIVOT POINTS

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
ACC	1334	1364	1349	1338	1326	1311
ADANIENT	79	81	80	79	78	77
ADANIPORTS	286	297	292	288	283	278
ADANIPOWER	33	34	33	33	32	31
ALBK	63	65	64	64	63	62
AMBUJACEM	213	218	215	213	211	209
ANDHRABANK	48	50	49	48	48	47
APOLLOHOSP	1197	1244	1220	1201	1182	1159
APOLLOTYRE	189	196	192	189	186	182
ARVIND	361	376	369	363	357	350
ASHOKLEY	85	88	86	85	83	81
ASIANPAINT	930	950	937	926	914	901
AUROPHARMA	692	732	712	695	678	658
AXISBANK	455	468	462	457	452	446
BAJAJ-AUTO	2707	2774	2741	2715	2688	2655
BANKBARODA	153	158	155	153	151	148
BANKINDIA	111	114	112	111	109	108
BATAINDIA	472	484	476	470	464	456
BHARATFORG	912	956	935	919	902	881
BHARTIARTL	320	339	330	323	315	307
BHEL	126	130	128	127	126	124
BIOCON	960	993	974	959	943	924
BPCL	665	696	681	669	657	642
CAIRN	256	264	259	256	252	247
CANBK	270	280	275	270	266	260
CENTURYTEX	823	857	841	828	815	799
CESC	640	662	652	643	635	624
CIPLA	583	603	592	584	575	565
COALINDIA	306	315	311	307	304	300
COLPAL	899	910	905	900	895	889
CROMPGREAV	62	64	63	62	61	60
DABUR	277	284	281	278	274	271
DISHTV	86	89	87	86	85	84
DIVISLAB	737	796	769	748	726	699
DLF	127	133	130	127	124	121
DRREDDY	3159	3250	3206	3170	3134	3089
EXIDEIND	187	191	189	186	184	181
FEDERALBNK	67	70	69	68	67	65

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
GAIL	443	458	451	445	439	431
GLENMARK	893	918	906	896	886	874
GMRINFRA	13	13	13	13	12	12
GODREJIND	443	456	447	440	434	425
GRASIM	855	876	866	857	848	838
HAVELLS	361	374	368	362	357	351
HCLTECH	814	867	841	820	800	774
HDFC	1222	1243	1233	1224	1216	1206
HDFCBANK	1194	1208	1200	1193	1187	1179
HDIL	63	66	65	64	63	62
HEROMOTOCO	3068	3172	3121	3080	3038	2987
HEXAWARE	201	216	209	204	198	191
HINDALCO	161	167	164	162	159	156
HINDPETRO	467	488	477	469	461	451
HINDUNILVR	834	906	873	847	820	787
HINDZINC	265	272	268	265	262	258
IBREALEST	80	82	81	80	78	77
ICICIBANK	258	265	262	259	256	253
IDBI	71	73	72	71	71	70
IDEA	73	77	75	74	72	70
IDFC	57	58	57	57	56	55
IFCI	28	29	28	28	28	27
IGL	923	955	939	927	914	899
INDIACEM	125	131	128	126	123	120
INDUSINDBK	1144	1177	1158	1143	1128	1109
INFY	972	1022	999	980	961	937
IOB	25	25	25	25	24	24
IOC	346	363	355	349	342	334
IRB	214	219	216	213	211	208
ITC	243	254	249	245	240	235
JINDALSTEL	74	80	77	75	72	69
JISLJALEQS	92	95	94	92	91	89
JPASSOCIAT	10	11	11	10	10	10
JPPOWER	4	5	4	4	4	4
JSWENERGY	65	71	68	65	62	58
JSWSTEEL	175	184	179	176	172	167
JUBLFOOD	839	896	870	849	828	802
JUSTDIAL	376	430	405	384	364	338

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
KOTAKBANK	717	744	725	710	694	675
KTKBANK	117	120	119	117	115	114
L&TFH	93	97	95	93	92	90
LICHSGFIN	525	538	531	526	520	514
LT	1391	1416	1404	1394	1384	1372
LUPIN	1512	1545	1529	1515	1502	1485
M&M	1220	1256	1239	1226	1212	1195
M&MFIN	275	298	288	279	270	259
MARUTI	5616	5707	5661	5623	5586	5540
MCDOWELL-N	1919	1969	1945	1927	1908	1884
MCLEODRUSS	141	147	144	142	140	137
MRF	51579	53955	52762	51797	50832	49639
NHPC	27	28	28	27	27	27
NMDC	136	141	139	136	134	132
NTPC	164	168	166	165	163	161
OFSS	3139	3298	3225	3166	3107	3033
ONGC	203	213	207	203	199	194
ORIENTBANK	110	115	113	111	109	107
PETRONET	374	396	386	377	369	359
PFC	129	136	132	130	127	124
PNB	119	124	122	119	117	114
POWERGRID	189	196	193	190	187	184
PTC	78	80	79	78	77	75
RCOM	34	35	34	34	33	33
RECLTD	129	131	130	129	128	126
RELCAPITAL	448	458	453	448	443	438
RELIANCE	1075	1094	1085	1078	1070	1061
RELINFRA	493	508	500	494	487	479
RPOWER	44	45	44	44	43	42
SAIL	52	53	53	52	52	51
SBIN	246	252	249	247	245	242
SIEMENS	1164	1191	1175	1162	1149	1132
SRTRANSFIN	928	967	946	930	913	893
SUNPHARMA	641	658	650	643	637	629
SUNTV	532	546	539	533	527	519
SYNDIBANK	63	65	64	63	62	61

Scrip Name	CMP	RB2	RB1	PP	SB1	SB2
TATACHEM	508	521	515	509	504	498
TATACOMM	634	655	645	636	628	618
TATAGLOBAL	125	129	127	125	123	121
TATAMOTORS	498	517	508	501	493	484
TATAMTRDVR	319	331	325	321	316	310
TATAPOWER	77	79	78	77	77	76
TATASTEEL	420	434	426	420	414	407
TCS	2281	2389	2334	2289	2245	2189
TECHM	470	505	488	475	461	445
TITAN	355	371	363	357	351	343
UBL	801	829	815	804	794	780
UCOBANK	34	35	34	34	34	33
ULTRACEMCO	3323	3458	3394	3343	3292	3229
UNIONBANK	129	133	131	129	128	126
UNITECH	5	5	5	5	5	4
UPL	660	693	677	665	653	638
VOLTAS	336	358	348	340	331	321
WIPRO	470	488	480	473	466	458
YESBANK	1247	1289	1261	1238	1215	1187
ZEEL	463	484	475	467	459	449

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