

Indices	11-Dec	10-Dec	% Chg.
S&P BSE SENSEX	35,150	34,960	0.54%
Nifty 50	10,549	10,488	0.58%
NIFTY Midcap 100	16,972	16,694	1.67%
NIFTY Smallcap 100	6,033	5,925	1.82%

BSE Sectoral Indices			
	11-Dec	10-Dec	% Chg.
Nifty PSU Bank	2,881	2,807	2.65%
Nifty Pharma	8,747	8,535	2.48%
Nifty Media	2,497	2,452	1.87%
Nifty FMCG	29,563	29,212	1.20%
Nifty IT	14,580	14,419	1.11%
Nifty MNC	13,439	13,298	1.06%
Nifty Auto	8,847	8,784	0.71%
Nifty Metal	3,055	3,036	0.63%
Nifty Energy	13,710	13,657	0.38%
Nifty Infrastructure	2,976	2,969	0.24%
Nifty Bank	26,163	26,103	0.23%
Nifty Financial Services	11,082	11,061	0.19%
Nifty Realty	224	223	0.04%

Major Indices			
	11-Dec	10-Dec	% Chg.
United States	24,370	24,423	-0.22%
S&P 500	2,637	2,638	-0.04%
London	6,807	6,722	1.27%
Frankfurt	10,781	10,622	1.49%

Major Asian Indices			
	11-Dec	10-Dec	% Chg.
Hong Kong	25,772	25,752	0.07%
Nikkei 225	21,148	21,220	-0.34%
Korea	2,053	2,054	-0.04%
Shanghai	2,594	2,585	0.37%
Taiwan	9,707	9,648	0.62%

FII's & DII's in equity					Rs Crs
11-Dec	Buy	Sell	Net	Total %	
FII / FPI Investments	3,764	6,185	-2,421	28%	
DII's Investments	5,183	2,928	2,256	23%	
<i>* Total % - contribution to the total turnover</i>					

FII's in Derivatives (F&O)					Rs Crs
11-Dec	Index Fut	Index Opt	Stock Fut	Stock Opt	
Net	-636	44	672	-6	
OI	25,850	61,029	83,407	7,442	
Chg.OI	0.3%	10.6%	1.4%	7.9%	
<i>FII's contribution to the total F&O turnover</i>					36%

Curr. Derivatives (NSE)	11-Dec	10-Dec	Chg.	% Chg.
USDINR 27-DEC-2018	72.03	71.50	0.53	0.74%
EURINR 27-DEC-2018	82.15	81.75	0.41	0.50%
JPYINR 27-DEC-2018	63.81	63.60	0.21	0.33%
GBPINR 27-DEC-2018	90.95	90.91	0.04	0.04%

Commodities (MCX)	11-Dec	10-Dec	Chg.	% Chg.
Aluminium(31DEC2018)	140.0	140.7	-0.70	-0.5%
Copper (28FEB2019)	446.2	440.6	5.65	1.3%
Crude (18DEC2018)	3,754	3,766	-12.00	-0.3%
Gold (05FEB2019)	31,935	32,028	-93.00	-0.3%
Silver (05MAR2019)	38,331	38,369	-38.00	-0.1%

ADR (\$)	11-Dec	10-Dec	Chg.	% Chg.
Infosys (INFY)	9.69	9.57	0.12	1.25%
Tata Motors (TTM)	10.80	10.67	0.13	1.22%
Dr. Reddy's Lab (RDY)	37.20	36.77	0.43	1.17%
HDFC Bank (HDB)	95.56	95.28	0.28	0.29%
ICICI Bank (IBN)	9.28	9.26	0.02	0.22%
Wipro (WIT)	5.05	5.07	-0.02	-0.39%

*The US markets were closed on Wednesday for former President Bush's Funeral.

Domestic Market View

Markets to make cautious start; macro-economic data eyed

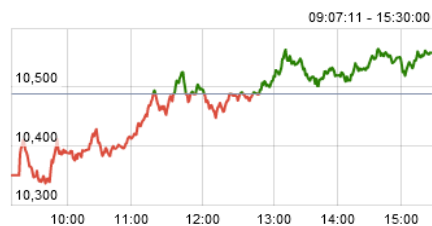
Indian markets recouped early losses and ended higher on Tuesday mainly on the back of strong buying across consumer durable pharma, banking and information technology stocks. Also, investors awaited the final outcome of the state assembly elections results. Today, the markets are likely to make a cautious start ahead of macro-economic data amid mixed global cues. Market-men will be eyeing the macro economic data of industrial production and consumer price inflation to be released after the market hours. There will be some cautiousness with the Reserve Bank of India's (RBI) data showing that the Central Bank continued to remain a net seller of the US dollar in October, as it sold \$7.204 billion of the greenback in the spot market. In the reporting month, the central bank purchased \$945 million, while sold \$8.149 billion in the spot market. RBI maintains that its intervention in the foreign exchange market is to curb volatility in the rupee and not to target a level of the domestic currency.

However, traders may take some support with Industry body CII's statement that the appointment of former bureaucrat Shaktikanta Das as the new Reserve Bank of India (RBI) Governor comes as a huge sentiment booster to the industry and expressed confidence that he will take urgent steps to address the liquidity squeeze in economy. Das was appointed as the new governor of the RBI, a day after his predecessor Urjit Patel's resignation. Moreover, CII also said that the government should consider permitting 100% foreign direct investment (FDI) in multi-brand retail trade and further improve ease of doing business for the sector to promote growth in the segment. Meanwhile, the Agriculture Ministry launched online portal Ensure to connect with direct benefit transfer and provide simple, useful and transparent system to the beneficiary.

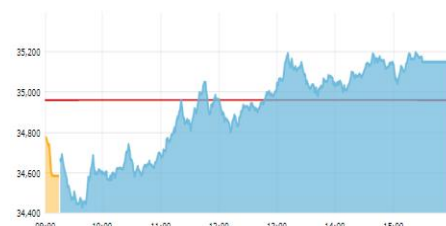
There will be some reaction in stocks related to renewable energy (RE) sector with rating agency ICRA expecting a capacity addition of 10,000 MW in fiscal year 2020, and has maintained a stable outlook for the sector. The share of renewable energy in the generation mix has increased from 5.6% in FY2015 to 7.8% in FY2018.

Domestic Market Overview

NSE NIFTY



BSE SENSEX



Markets stage recovery after steep fall

Indian equity markets heaved a sigh of relief on Tuesday, after both the larger peers, Sensex and Nifty, staged recovery to end the trading session in green terrain. The markets made a worst start of the day, as sentiments got hit with the Reserve Bank of India (RBI) governor Urjit Patel's unexpected resignation from his post on Monday. The government and the RBI have been fighting for weeks over how much autonomy the RBI should have as the administration of Prime Minister Narendra Modi seeks to reduce curbs on lending and to gain access to the RBI's surplus reserves. Adding more worries among the traders, Moody's Investors Service's said that the independence of a country's central bank is an important consideration while assessing a country's institutional strength and any attempt by the government to curtail it would be credit negative. To a query on the sovereign rating impact of the developments around RBI, Moody's said while the motivation for the RBI Governor's resignation is unclear, the independence of a country's central bank is an important consideration in their assessment of a sovereign's institutional strength.

However, in the second half of the session, the key indices erased all of their losses to settle the day on positive note, tracking firm European markets. The street took support with Commerce and Industry Minister Suresh Prabhu's statement that the New Industrial Policy, which will replace the 27-year-old existing policy, has been sent for the Union Cabinet's consideration. The new industrial policy aims to resolve bottlenecks arising from inadequate infrastructure, restrictive labour laws and complicated business environment. Some relief came after the government made the entire 60% of the corpus withdrawn at the time of retirement tax free. Investors took note of Former chief economic adviser Arvind Subramanian's statement that the inclusion of petrol and diesel in the Goods and Services Tax (GST) ambit is not possible until the revenues under the new tax regime stabilize. Meanwhile, assembly poll results showed BJP losing power in Rajasthan and Chhattisgarh, while having a close finish in Madhya Pradesh.

Airline industry stocks ended mixed, after rating agency ICRA assigned a negative outlook to the domestic airline industry even as it expects the passenger traffic growth to remain healthy at about

15-16% in the medium-term, while selected stocks of tourism industry ended higher, amid reports that the Government of India and the Asian Development Bank (ADB) signed in New Delhi a Loan Agreement for \$31 million to build-up the State Tourism Industry and boost visitor arrivals. Further, gems and jewellery related stocks remained in focus, with the Gems and Jewellery Export Promotion Council's (GJEPC) report that the gems and jewellery exports are likely to grow by up to 5% this financial year, mainly aided by improving demand in the US market during the upcoming Christmas season.

Company	LTP	Chg	% Chg
YESBANK	179	13	8.1
SUNPHARMA	424	25	6.2
ASIANPAINT	1323	49	3.8
KOTAKBANK	1239	41	3.4
BAJAJFINSV	5870	176	3.1

Company	LTP	Chg	% Chg
YESBANK	177	12	7.3
SUNPHARMA	422	23	5.8
PNB	69	4	5.7
SRTRANSFIN	1142	51	4.7
GLENMARK	665	29	4.6

Company	LTP	Chg	% Chg
KIOCL	148	10	7.4
KANSAINER	464	30	7.0
MFSL	436	28	6.8
AJANTPHARM	1074	56	5.5
GET&D	239	12	5.5

Company	LTP	Chg	% Chg
FCL	36	6	19.5
BIRLAMONEY	48	7	16.8
MOSCHIP	26	3	12.9
OMMETALS	31	3	11.8
QUESS	677	71	11.7

Company	LTP	Chg	% Chg
HINDPETRO	220	-7	-3.0
IOC	132	-2	-1.8
BHARTIARTL	290	-5	-1.6
HDFCBANK	2056	-33	-1.6
BPCL	326	-4	-1.3

Company	LTP	Chg	% Chg
HINDPETRO	220	-6	-2.7
BHARATFORG	498	-8	-1.6
BHARTIARTL	290	-4	-1.4
HDFCBANK	2061	-28	-1.4
BPCL	326	-4	-1.3

Company	LTP	Chg	% Chg
EDELWEISS	172	-8	-4.3
SUNTV	560	-15	-2.6
OBEROIRLTY	450	-10	-2.2
NLCINDIA	68	-2	-2.2
RELINFRA	292	-6	-1.9

Company	LTP	Chg	% Chg
PUNJLLOYD	4	-0.4	-9.8
KIRLOSMBROS	149	-9	-5.8
GUJAPOLLO	158	-8	-5.1
8KMILES	155	-8	-5.0
AIFL	21	-1	-4.9

NIKKEI 225 INDEX



FTSE 100 INDEX



NASDAQ NMS COMPOSITE INDEX



Global Market Overview

Asian markets trade mostly lower in early deals on Tuesday

Most of the Asian market indices are trading lower in early deals on Tuesday amid reports that China and the United States are preparing next stage of trade talks. Meanwhile, Japan's Nikkei is lower as worries about global growth pressured financial stocks and uncertainty over a US-Japan trade deal hit automakers. Among the other Asian markets, Singapore, Hong Kong, South Korea, Indonesia and Malaysia are lower. Bucking the trend, Taiwan and Shanghai are higher.

US markets end mostly lower on Tuesday

The US markets ended mostly lower on Tuesday after a contentious fight between President Donald Trump and Democratic leadership over border security. Trump threatened to shut down the government if more money was not allocated towards building a wall along the US-Mexico border. Further, cautiousness too prevailed in the markets on report that the US will condemn China over hacking and economic espionage, potentially ratcheting up tension between the two countries once again. However, down-move remain capped on report that the US and China launched formal trade talks with a phone call. The initial conversation included Treasury Secretary Steven Mnuchin, US Trade Representative Robert Lighthizer and Chinese Vice Premier Liu He, where they discussed changes to fundamental Chinese economic policies. In the call, China informed US officials that it agreed to reduce tariffs on US autos to 15%, down from 40%.

On the economic front, producer prices in the US unexpectedly showed a modest uptick in the month of November, according to a report released by the Labor Department. The Labor Department said its producer price index for final demand inched up by 0.1% in November after climbing by 0.6% in October. Street had expected prices to be unchanged. Prices for food showed another significant increase, surging up by 1.3% in November after jumping by 1.0% in October. On the other hand, the report said energy prices plunged by 5.0% in November following a 2.7% spike in the previous month. Gasoline prices plummeted by 14.0%. Excluding food and energy prices, core producer prices rose by 0.3% in November after rising by 0.5% in October. Core prices had been expected to edge up by 0.1%.

Dow Jones Industrial Average declined 53.02 points or 0.22 percent to 24370.24 and S&P 500 lost 0.94 points or 0.04 percent to 2636.78, while Nasdaq was up by 11.31 points or 0.16 percent to 7031.83.

Index Futures

(OI in '000)Shares)	Future 11-Dec	Chg (%)	Spot 11-Dec	Spot 10-Dec	Chg (%)	Prem / Disc	Total Open Interest 11-Dec	Chg (%)
NIFTY	10,581.1	0.63	10,549	10,488	0.58	32.0	22,169	-1.45
NIFTYIT	14,638.0	1.36	14,580	14,419	1.11	58.4	19	2.14
BANKNIFTY	26,231.1	-0.27	26,163	26,103	0.23	67.7	1,490	6.23

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

Symbol	Total OI 11-Dec	Chg (%)	Del Qty Cash Market			Prev % Del.	Increase Del Qty	Spot (₹)	Fut (₹)	Spot Chg (%)	Fut Chg (%)	Prem / Disc
			11-Dec	10-Dec	% Del.	% Del.						
COLPAL	1,327	13.5%	1,84,507	1,78,620	19%	44%	5,887	1,244	1,240	2.5%	3.1%	-3.6
BATAINDIA	1,902	12.0%	2,21,822	1,23,197	16%	14%	98,625	1,072	1,068	5.3%	5.1%	-3.2
ACC	1,500	8.8%	1,21,654	46,659	26%	16%	74,995	1433	1439	1.1%	1.8%	6.3
APOLLOHOSP	1,110	8.7%	84,973	67,596	16%	15%	17,377	1180	1183	0.1%	0.4%	2.8
AUROPHARMA	19,328	6.2%	18,07,006	9,84,029	39%	29%	8,22,977	735	738	0.4%	0.4%	3.7
BANKINDIA	27,246	5.8%	13,17,720	5,91,018	11%	10%	7,26,702	80	80	2.4%	2.4%	0.3
PCJEWELLER	7,987	4.7%	11,43,436	10,05,198	9%	8%	1,38,238	64	64	2.2%	2.3%	-0.1
DABUR	10,895	3.8%	8,47,035	4,02,214	36%	26%	4,44,821	412	415	1.8%	2.1%	2.1
NCC	49,768	3.8%	21,99,694	4,65,462	16%	10%	17,34,232	81	81	3.5%	4.2%	0.6

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

Symbol	Total OI 11-Dec	% Chg.	Del Qty Cash Market			Prev % Del.	Increase in Del Qty	Spot (₹)	Fut (₹)	Spot Chg (%)	Fut Chg (%)	Prem / Disc
			11-Dec	10-Dec	% Del.	% Del.						
CHOLAFIN	708	20.9%	2,29,370	39,274	50%	26%	1,90,096	1,190	1,196	-0.7%	-0.5%	6.0
RELINFRA	9,018	10.6%	22,88,163	3,96,481	34%	13%	18,91,682	293	293	-1.3%	-1.9%	0.6
BHARATFORG	10,404	5.7%	11,72,922	2,77,598	44%	16%	8,95,324	497	499	-1.7%	-1.6%	2.5
TATASTEEL	34,667	4.6%	30,79,391	10,81,458	25%	18%	19,97,933	501	504	-0.3%	0.0%	2.8
ADANI PORTS	18,948	4.3%	24,09,529	7,55,639	36%	23%	16,53,890	356	358	-1.3%	-0.7%	1.9
INDUSINDBK	5,123	2.7%	6,81,185	6,65,735	28%	42%	15,450	1553	1560	-0.2%	-0.1%	7.4
GMRINFRA	1,79,775	2.5%	45,94,680	42,86,319	27%	38%	3,08,361	15	15	-0.7%	0.0%	0.2

Corporate News

- **Zydus Wellness (ZWL)** has received approval from the Competition Commission of India (CCI) for the company's acquisition of Heinz India jointly with Cadila Healthcare. The definitive agreement in relation to this acquisition was signed on October 24, 2018.
- **Wipro** has launched an Automotive Innovation Center in Detroit, Michigan. This state-of-the-art technology hub will deepen Wipro's relationship with Detroit's automotive community, develop and showcase next-generation technologies and solutions for automotive Original Equipment Manufacturers (OEMs), tier I suppliers, insurers, technology companies and others.
- **Shalby's** unit -- Shalby Academy has signed Memorandum of Understanding (MoU) with Ahmedabad Institute of Medical Sciences, for jointly running paramedical programs affiliated with Gujarat University. Under the MoU, Shalby Hospitals will run various paramedical courses by teaching and training paramedical students pan India, across Shalby Units. The duration of such courses will be spanning from 6 months to 1 Year.
- **Power Grid Corporation** has entered into a term loan facility agreement for JPY 22 Billion with Sumitomo Mitsui Banking Corporation, Singapore Branch (SMBC), towards part financing of its capital expenditure for its on-going and new projects and renovation and modernization of its sub-stations. The facility has door to door maturity of 12 years and is on floating rate interest basis linked to JPYLIBOR.
- **Aurobindo Pharma's** wholly owned subsidiary -- Helix Healthcare B.V, Netherlands, has entered into an agreement with Shandong Luoxin Pharmaceutical Group, China (Luoxin) to establish a joint venture (JV) company in China with manufacturing facilities to manufacture nebuliser inhaler and other products for China, US and EU markets.
- **Tata Consultancy Services (TCS)** has been named a Leader and Star Performer in Everest Group's PEAK Matrix for Capital Markets BPO. TCS has been recognized as a Leader in this space for the sixth year in a row.
- The Reserve Bank of India (RBI) has levied a penalty of Rs 1 crore on **Indian Bank** for violating cyber security norms. Indian Bank was established as a part of the Swadeshi movement. The Bank provides a wide spectrum of banking products and services.
- **Manappuram Finance** has received an approval for raising funds up to an aggregate value of Rs 10 crore through issue of unlisted unrated secured Non-Convertible debentures (NCDs) having a face value of Rs 1000 each on a private placement basis.
- **Tata Motors'** wholly owned subsidiary -- Jaguar Land Rover (JLR) has launched the latest version of its SUV Discovery Sport priced at Rs 44.68 lakh (ex-showroom). The new updated Discovery Sport is now furnished with fresh features that further enhance the vehicle's capability to offer the true spirit of adventure.
- **Mindtree's** social inclusion platform-- Mindtree.org has successfully implemented its five digital platforms designed to build inclusive societies and create more opportunities for independent entrepreneurs in India and elsewhere. The platforms cater to India's informal economic sector, representing millions of workers such as farmers, artisans and waste pickers striving to increase incomes and reach end consumers, and who represent the vast majority of India's workforce.
- **Indian Hotels Company** is reportedly revamping its budget hotel brand Ginger and is looking to sell some of its assets to make it profitable by the end of FY19. As a part of strategy to achieve profits in next four years, the company is also planning to increase the number of Ginger hotels to over 100 properties.
- **Escorts'** subsidiary -- Escorts Construction Equipment (ECE) has launched three new products at Bauma CONEXPO 2018. The new product line-up comprised New Compactor EC 5511 in 11-ton class, New Mini Compactor EC 3664 in 3- ton class and Next Generation Hydra Pick And Carry Crane (PNC) Crane Hydra NXT 13.
- **United Bank of India** is planning to raise equity capital for an amount not exceeding Rs 3,000 crore by way of preferential allotment of equity shares. The Board of Directors of the bank at its meeting to be held on December 14, 2018 to consider the same.
- **Tata Consultancy Services (TCS)** and Singapore Airlines (SIA) have launched the Intelligent Airline Operations (IAO) Solution, a first-of-its-kind operations management solution that will digitally transform airlines' ground services and operations control.
- **Cadila Healthcare's** wholly-owned subsidiary -- Liva Pharmaceuticals has received the approval from the US Food and Drug Administration (USFDA) for its supplemental abbreviated new drug application (ANDA), Ranitidine Injection USP, 25 mg/mL, 2 mL Single dose vials and 6 mL Multi-dose vials. It will be manufactured at Liva Pharma's manufacturing facility at Vadodara in the state of Gujarat and is the first product to be approved from this site for marketing in the US.
- **Elecon Engineering Company** has received an approval to raise funds of up to Rs 150 crore. The Board of Directors of the company at its meeting held on December 10, 2018 has approved to delegate the powers to the Management Committee of the company for finalizing, negotiating,

- deciding terms and conditions and executing necessary documents with various authorities and to do all other things, acts required for issue and allotment of Listed Secured Redeemable Non-Convertible Debentures up to Rs 150.00 crore in one or more tranches on private placement basis.
- The President of India, acting through the Ministry of Petroleum & Natural Gas, Government of India, has sold 3,33,20,401 equity shares of Oil India to the AMC, the Reliance Nippon Life Asset Management, of Central Public Sector Enterprise Exchange Traded Fund (CPSE ETF).
 - MGN Agro Properties (MGN) has acquired 15,000 (0.01%) Equity shares of Welspun Enterprises from the open market, on December 10, 2018.
 - Infibeam Avenues (Infibeam) is going to examine and evaluate the feasibility of and options for strategic growth opportunities of the business verticals and subsidiaries of the company. The Meeting of the Board of Directors of the Company will be held on December 13, 2018, to consider the same.
 - Dr. Reddy's Laboratories has launched Omeprazole Delayed-Release Tablets, 20 mg, an over-the-counter (OTC) store-brand equivalent of Prilosec OTC (omeprazole delayed-release) Tablets, 20 mg, in the United States market as approved by the US Food and Drug Administration (USFDA). OTC Omeprazole Delayed-Release Tablets, 20 mg, is a proton pump inhibitor used to treat frequent heartburn occurring two or more days per week in adults.
 - State Bank of India (SBI) is going to examine the status and decide on long term fund raising in single/multiple tranches up to \$ 1.25 billion under Reg-S/144A through a public offer and/or private placement of senior unsecured notes in US Dollar or any other convertible currency during January to March, 2019.
 - Strides Pharma Science's Joint Venture (JV) -- Strides Vivimed Pte., Singapore has received approval for Albendazole Tablets USP 200 mg from the United States Food & Drug Administration (USFDA). This is the second generic approval by US FDA for Albendazole Tablets.
 - Kothari Sugars & Chemicals has commenced the Sugarcane crushing operations for the season 2018-2019 at its Kattur Sugar unit in Tamil Nadu on December 10, 2018.
 - Avenue Supermarts has raised fund through issuance of Commercial Paper (CP) worth Rs 100 crore. The company has issued the instrument on December 10, 2018 and will mature on March 11, 2019.
 - **Kanoria Chemicals & Industries** has acquired 10,551,560 shares in its subsidiary company, Kanoria Africa Textiles PLC, Ethiopia (KATP), at face value of 10.00 Birr per share. On acquisition of these shares, the company's shareholding in KATP was increased from the existing 78.68% to 84.45% of its equity capital.
 - **Zensar Technologies** has been selected by European Bank for Reconstruction and Development (EBRD) as their partner for Infrastructure and Network services. The future of work and the impact of digitization on developing economies is a key area of interest for EBRD and as part of a major refresh of its own technology, it has been looking for partners who are knowledgeable, experienced and reliable in their provision of IT services.
 - **Mahindra & Mahindra's (M&M)** owned -- Mahindra Racing has launched M5 Electro race car in India, ahead of the fifth season of the 2018-19 ABB FIA Formula E Championship.
 - **ICICI Bank** has received approval to raise domestic fund by way of issuance of senior unsecured long term bonds/ Basel III compliant unsecured subordinated perpetual Additional Tier 1 bonds in single/multiple tranches on private placement basis. The Committee of Executive Directors of the bank at its meeting held on December 10, 2018 has approved the same.
 - **Jet Airways** has inked an agreement with Saudi budget airline Flynas to operate codeshare flights in each other's territories. The codeshare pact is effective from December 11, 2018. Codesharing allows an airline to book its passengers on its partner carriers and provide seamless travel to destinations where it has no presence.
 - **KDDL** has received approval to acquire a Swiss Watch Hands manufacturing Company namely 'Estima AG', Switzerland through its subsidiaries 'Pylania SA' and special purpose vehicle 'Kamla International Holdings SA'.
 - **Ganesh Films India** has acquired the sole theatrical distribution rights for North India region of the upcoming Tamil language movies, Thuppakki Munai, Johnny, Maari 2 and Sarvam Thaala Mayam.
 - GMR Bajoli Holi Hydropower (GBHHPL), a subsidiary of GMR Energy and a step down subsidiary of **GMR Infrastructure** has signed definitive agreement for an investment of Rs 225.60 crore through Compulsorily Convertible Debentures (CCDs) in GBHHPL by TNB Topaz Energy SDN Bhd., a wholly owned subsidiary of Tenaga Nasional Berhad (TNB).

Economy

➤ **Inclusion of petrol, diesel in GST ambit not possible till revenues stabilise: Arvind Subramanian**

Highlighting the need of improvement in the new tax regime, Former chief economic adviser Arvind Subramanian has said that the inclusion of petrol and diesel in the Goods and Services Tax (GST) ambit is not possible until the revenues under the new tax regime stabilise and added that there will be need to have enough other revenues to cushion for the loss of putting petroleum into the GST.

Subramanian seemed optimistic about the country, as he said that India remains important in the international context, though the country's growth had slowed down in the recent years. He further noted that standards of living of majority of Indians, including at the bottom, had improved much more rapidly during the past 25-30 years.

However, Former chief economic adviser pointed that there is big reduction in the poverty, improvement in life expectancy. But it is true that disproportionately, the benefits of are concentrated at the top, noting that this is a worldwide phenomena not only for India.

➤ **Govt makes 60% pension withdrawal tax free**

Detailing on taxability of fund under National Pension Scheme (NPS), the government has said that the entire 60% of the corpus withdrawn at the time of retirement will now be tax free. Finance Minister Arun Jaitley said 'earlier, while exiting the fund (at the time of retirement), 60 % (of the corpus) was allowed to be withdrawn and the rest went to annuity. Of this 60%, 40 % was tax free and 20% was taxable... Now, this entire 60% is tax free'. He said that both entry stage contribution and 60 % of the withdrawal amount is tax exempt. Currently, 40 % of the total accumulated corpus utilised for purchase of annuity is already tax exempted. Out of 60%, of the accumulated corpus withdrawn by the NPS subscriber at the time of retirement, 40% is tax exempt and balance 20 % is taxable.

Besides, Cabinet Committee of Economic Affairs had approved amendments to the National Pension Scheme (NPS) and decided to increase the government's contribution, in the NPS tier-I, to 14% from 10%. The amendment will be applicable for all the employees registered under the scheme after 1st January 2004. This number is expected to be 18 lakh.

The scheme will be notified (come into effect) from next financial year, once amendment to Finance Bill is passed. According to government estimates, this will cost Centre close to Rs 2,840 crore in financial year 2019-20 (FY20). Providing further tax relief to employees under NPS Tier-II scheme, the cabinet cleared applicability of Section 80C of Income Tax Act to such employees.

➤ **Direct tax collections jumps 15.7% in first eight months of FY19**

The finance ministry stated that the income tax department has collected Rs 6.75 lakh crore in gross direct tax, comprising personal income tax (PIT) and corporate income tax (CIT), during the April-November period of current fiscal year (FY19), which is 15.7% higher than the gross collections for the corresponding period of last year. Direct Tax collections grew mainly on account of income tax mop-up from individuals.

Refunds worth Rs 1.23 lakh crore have been issued in the eight months of the current fiscal, which is 20.8% higher than refunds issued in the same period last year. After adjusting for refunds, net collections have increased by 14.7% to Rs 5.51 lakh crore during April-November, 2018. The net direct tax collections represent 48% of the total budget estimates of direct taxes for financial year 2018-19 (Rs 11.50 lakh crore).

Gross collections in CIT and PIT grew 17.7% and 18.3%, respectively. After adjustment of refunds, the net growth in CIT collections is 18.4% and that in PIT collections is 16%. The finance ministry said collections of the corresponding period of last fiscal also included extraordinary collections under the Income Declaration Scheme (IDS), 2016, amounting to Rs 10,833 crore (third and last instalment of IDS), which do not form part of the current year's collections.

➤ **ICRA assigns negative outlook to airline industry**

Rating agency ICRA has assigned a negative outlook to the domestic airline industry. However, rating agency is expecting that the domestic passenger traffic growth will remain healthy at around 15-16 per cent over the medium term, supported by low penetration levels, favourable macro environment, regulatory push towards regional connectivity and development of new airports.

ICRA stated that while the passenger traffic growth remained strong during the previous fiscal and the first half of the current fiscal, the industry faced a double whammy with increasing jet fuel cost and rupee depreciation. It added the cost pressures are expected to continue in the balance part of FY19, resulting in further weakening of the financial health of the industry.

Besides, it underlined that rise in aviation fuel price and rupee depreciation has squeezed revenue and cost per available seat kilometre (RASK-CASK), exerting significant pressure on operating profitability of airlines. This will result in significantly higher losses (at net level) in the fiscal 2018-19 as compared to the previous fiscal. Moreover, it added that the airline industry maintains strong capacity addition plans, as reflected in the large order book of the domestic airlines.

➤ **Curtailing independence of central bank will be credit negative: Moody's**

Amid Urjit Patel's unexpected resignation as the Reserve Bank of India (RBI) governor, Moody's Investors Service has said that independence of the central bank is an important consideration in assessing a country's institutional strength and any attempt to curtail would be credit negative. It added that while the motivation for the RBI Governor's resignation is unclear, the independence of a country's central bank is an important consideration in their assessment of a sovereign's institutional strength.

The agency further said it assumes that the RBI will continue to pursue price and financial stability and implement policies towards these goals. It said 'We would consider signs that the government attempts to curtail the central bank's independence to be credit negative. It said 'our assessment of institutional strength ultimately focuses on the quality and policy outcomes of the institutions themselves, not on the individuals leading them.'

Urjit Patel, whose three-year term was to end in September 2019, is the first governor since 1990 to step down before his term ended. Patel cited personal reasons for his resignation. Patel's resignation came four days ahead of the December 14 meeting of the central bank that is scheduled to discuss issues of simmering differences with the government.

CNX Nifty Intraday chart



Technical View

Index closed a day at 10549 after a volatile session on Tuesday and formed bullish piercing kind of candle pattern on daily chart. Index managed to close above 10500 mark suggesting strength, now index has immediate support near 10500-10440 zone holding these levels we may see some pull back in index again and resistance for index is coming near 10590-10645. Nifty bank has support near 26000-25870 and resistance is near 26300-26450 zone.

Source: LKP Research, BSE & Ace Equity

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