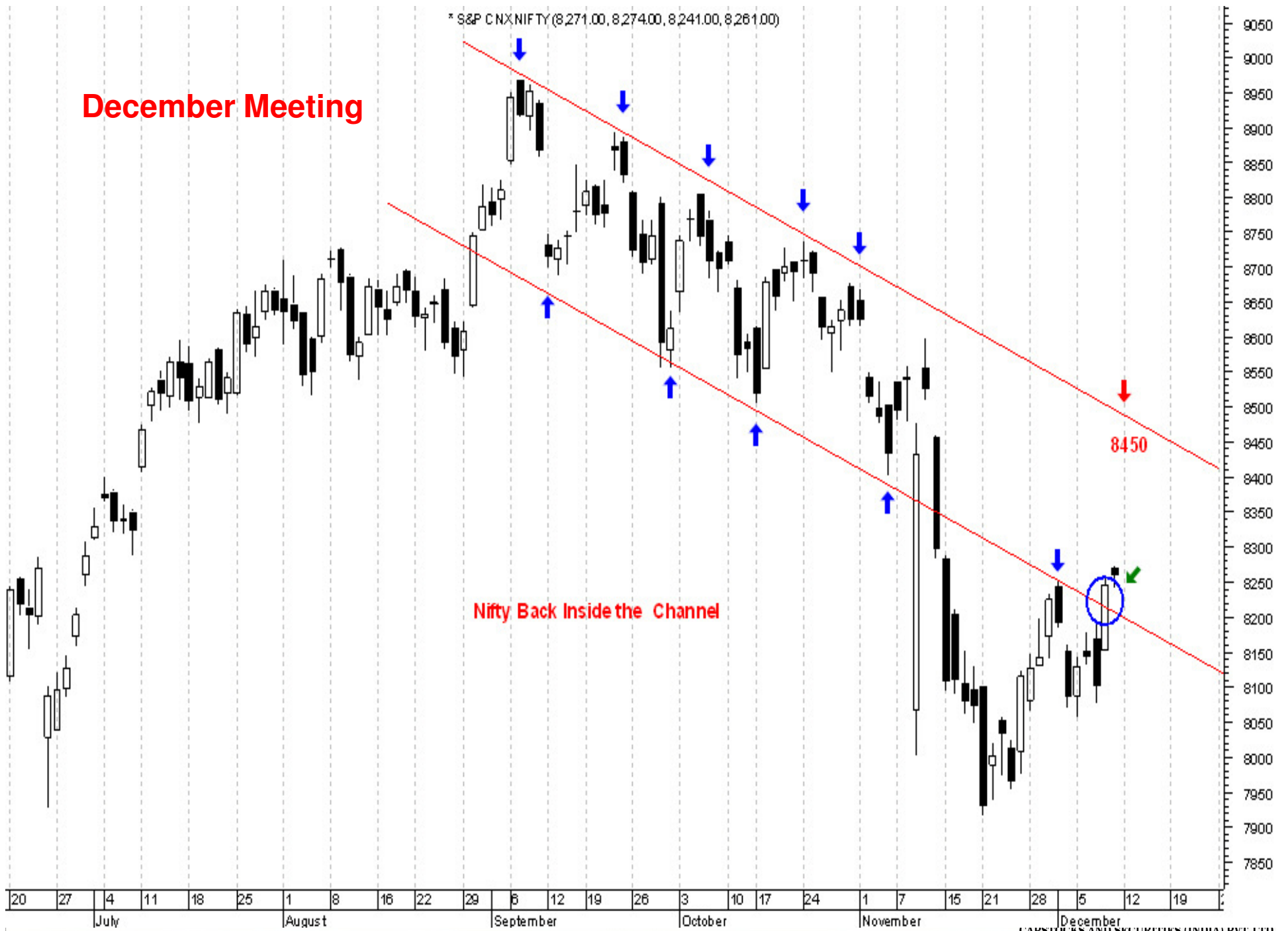




Current Market Scenario



* S&P CNXNIFTY (8,467.00, 8,461.00, 8,373.00, 8,400.00)

January Meeting



Nifty Back Inside the Channel

*S&P CNX NIFTY(8,812.00, 8,822.00, 8,781.00, 8,796.00)



* S&P CNX NIFTY (8,457.65, 8,481.05, 8,373.15, 8,400.35)

January Meeting

Double bottom at 7900

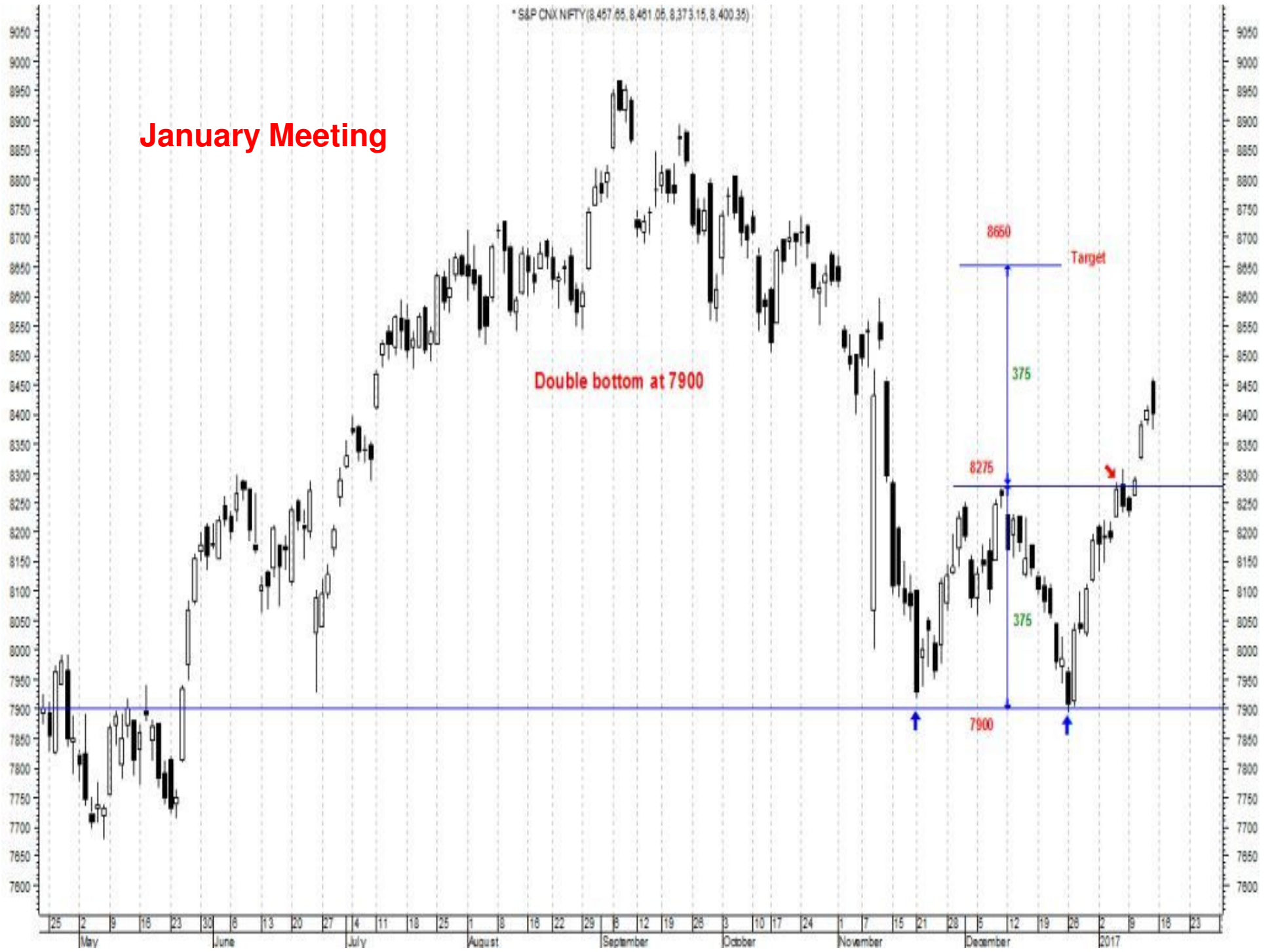
8650 Target

8275

7900

375

375



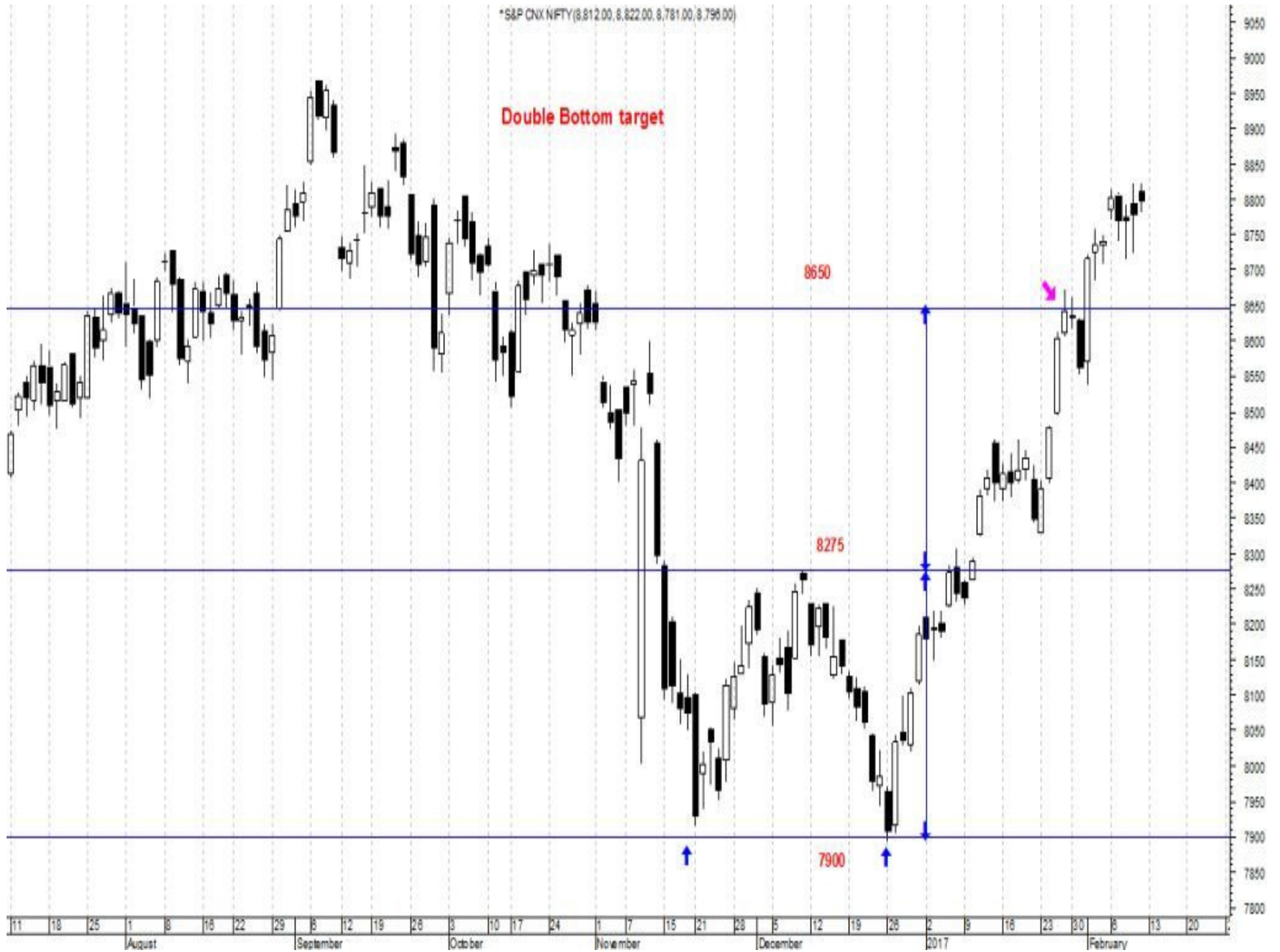
*S&P CNX NIFTY(8,812.00, 8,822.00, 8,781.00, 8,796.00)

Double Bottom target

8650

8275

7900



January Meeting



*S&P CNX NIFTY(8,812.00, 8,822.00, 8,781.00, 8,796.00)



Union Budget Highlight

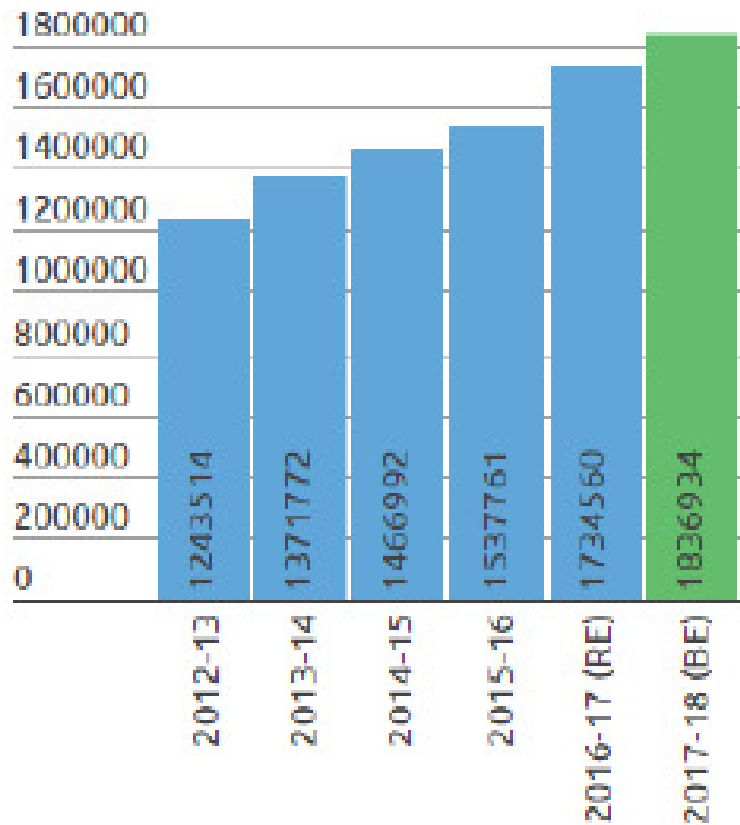


- FM Sticks to fiscal consolidation path
- Focus on Infrastructure, rural economy
- Capital Gain Tax, STT untouched
- No change in Indirect Tax
- Relief to IT payers

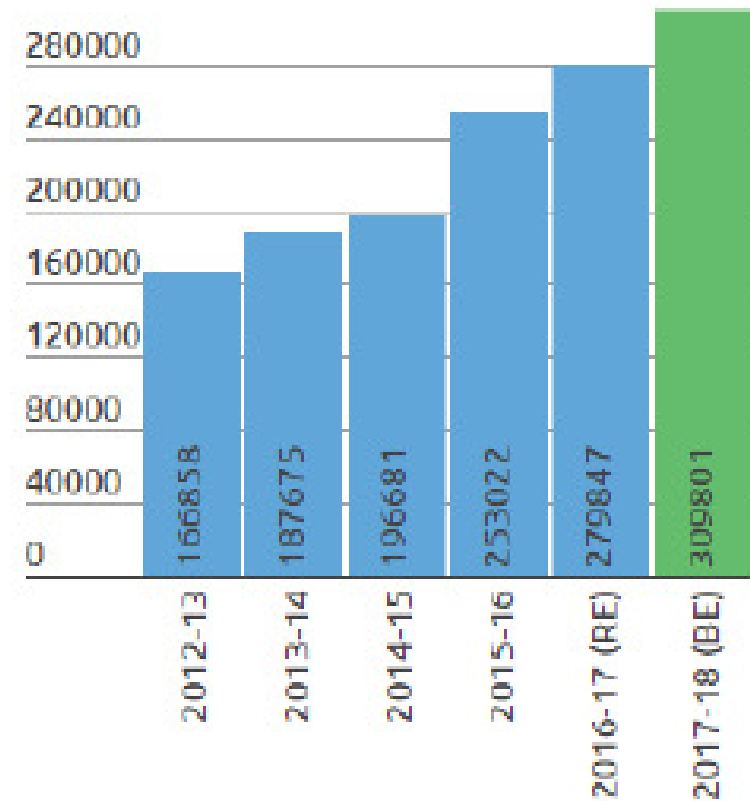
Macro Trends



Revenue Expenditure



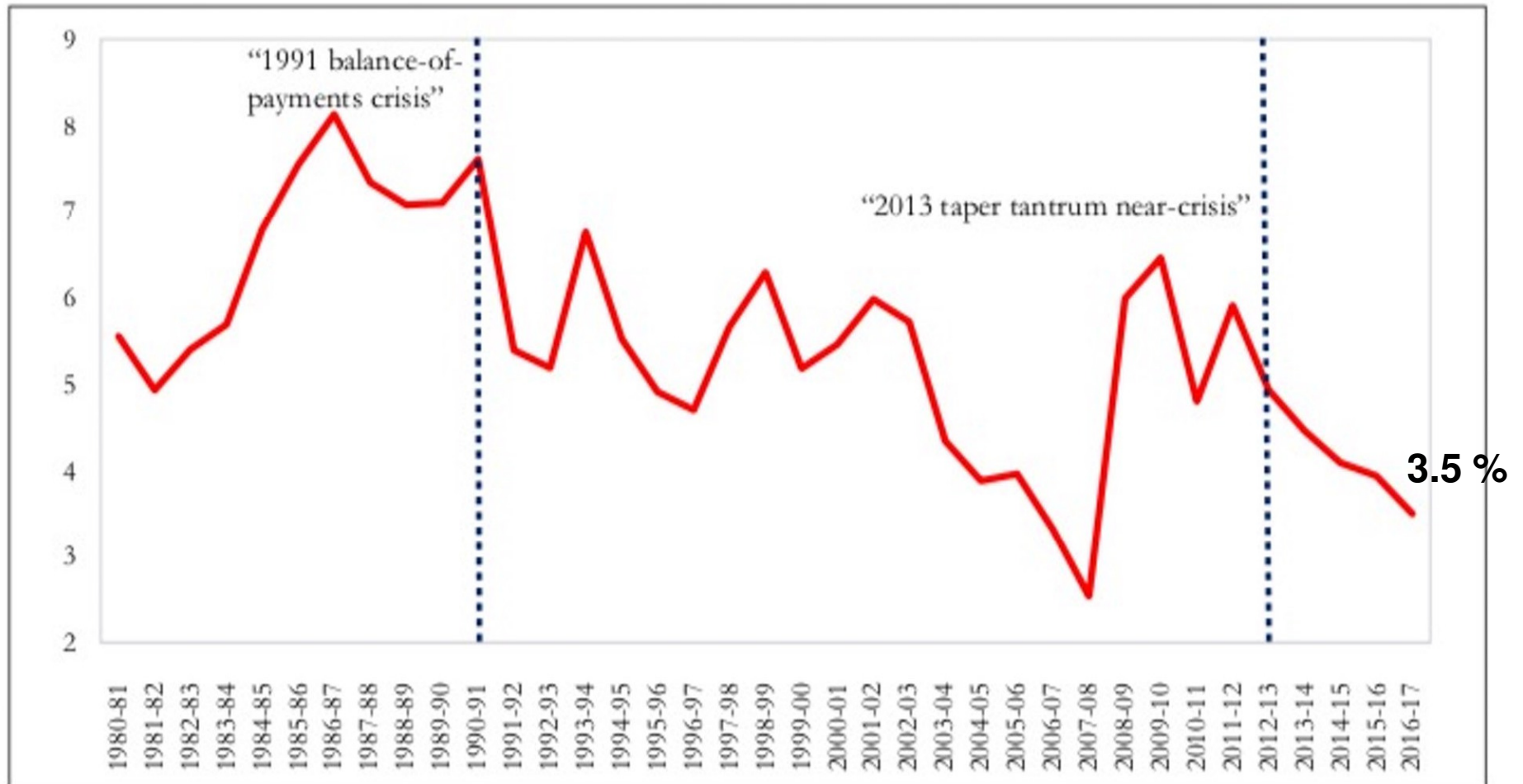
Capital Expenditure



Fiscal Deficit Trend

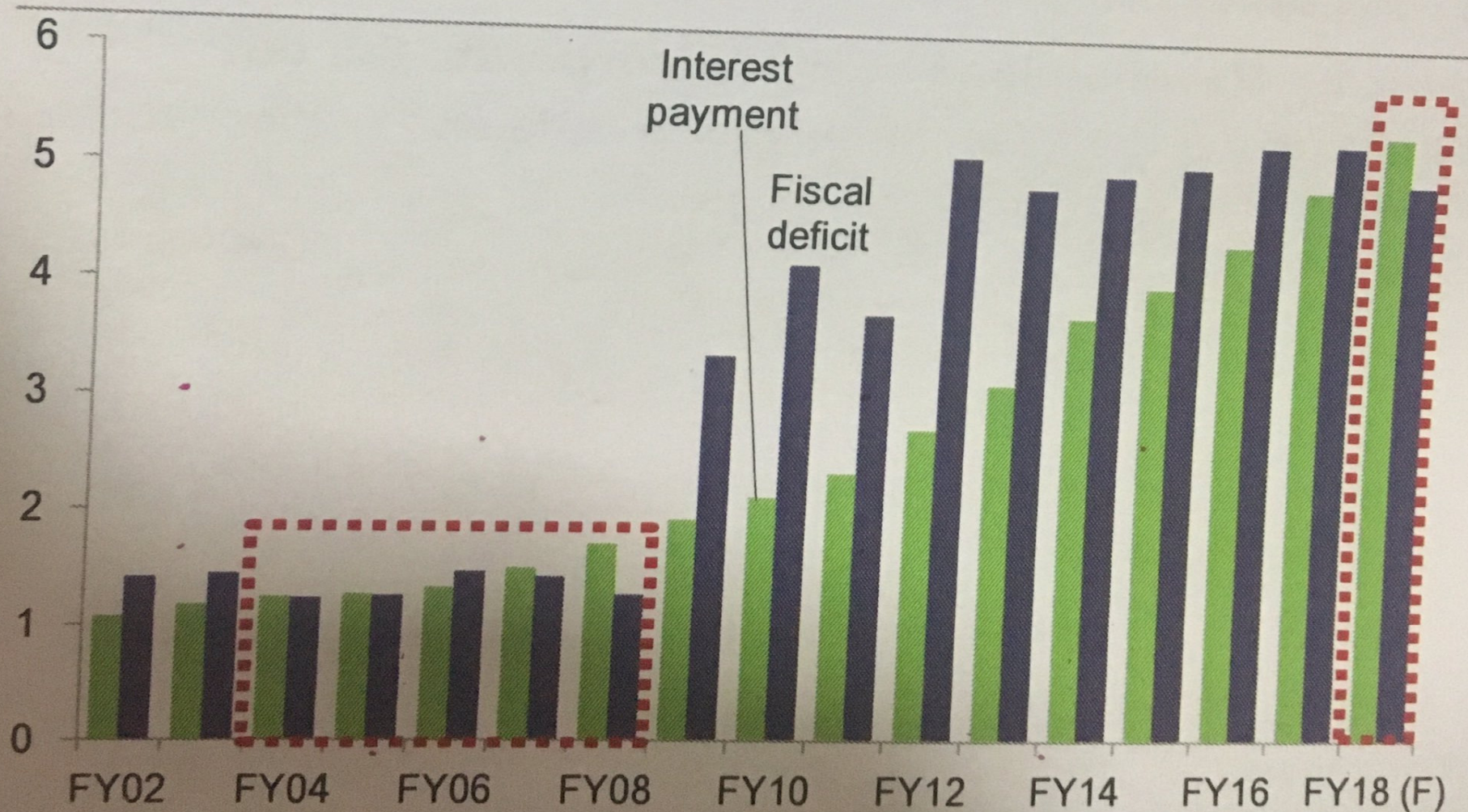


Figure 1. Gross Fiscal Deficit of Central Government (% of GDP)



Source: Budget documents .

Interest Payments Vs Fiscal Deficit



*FY18 (F) assumed fiscal deficit at 3% of GDP and interest payment estimate from medium-term expenditure framework; Source: Budget documents, CGA, Standard Chartered Research

Risk To Budget Assumption



- Crude Oil Prices
- Capital Market (72,500 Cr expected from PSU divestment in FY18)

Sector in Focus



- Housing Finance Companies
- Real Estate Sector
- Infrastructure
- Rural economy



Markets Up Sharply

- Momentum back in market
- Results better than expected
- No disappointment in Budget
- Global Markets Stable

INDEX WATCH

INDEX	11, Feb	13, Jan	% Change
Nifty	8,793	8,400	4.6
Sensex	28,334	27,238	4.0
CNX Midcap	16,227	15,178	6.9
BSE Small Cap	13,601	12,689	7.1



Results Better Than Expected

- Most of the results better than expected
- Demonitisation had limited impact on corporate performance
- Unorganised Sector affected more



Q3 Result Performance

	% Change (YoY)	
	Dec 2016	Dec 2015
Sales	9.3	- 1.0
Net Profit	23.8	1.4

Results of 986 companies



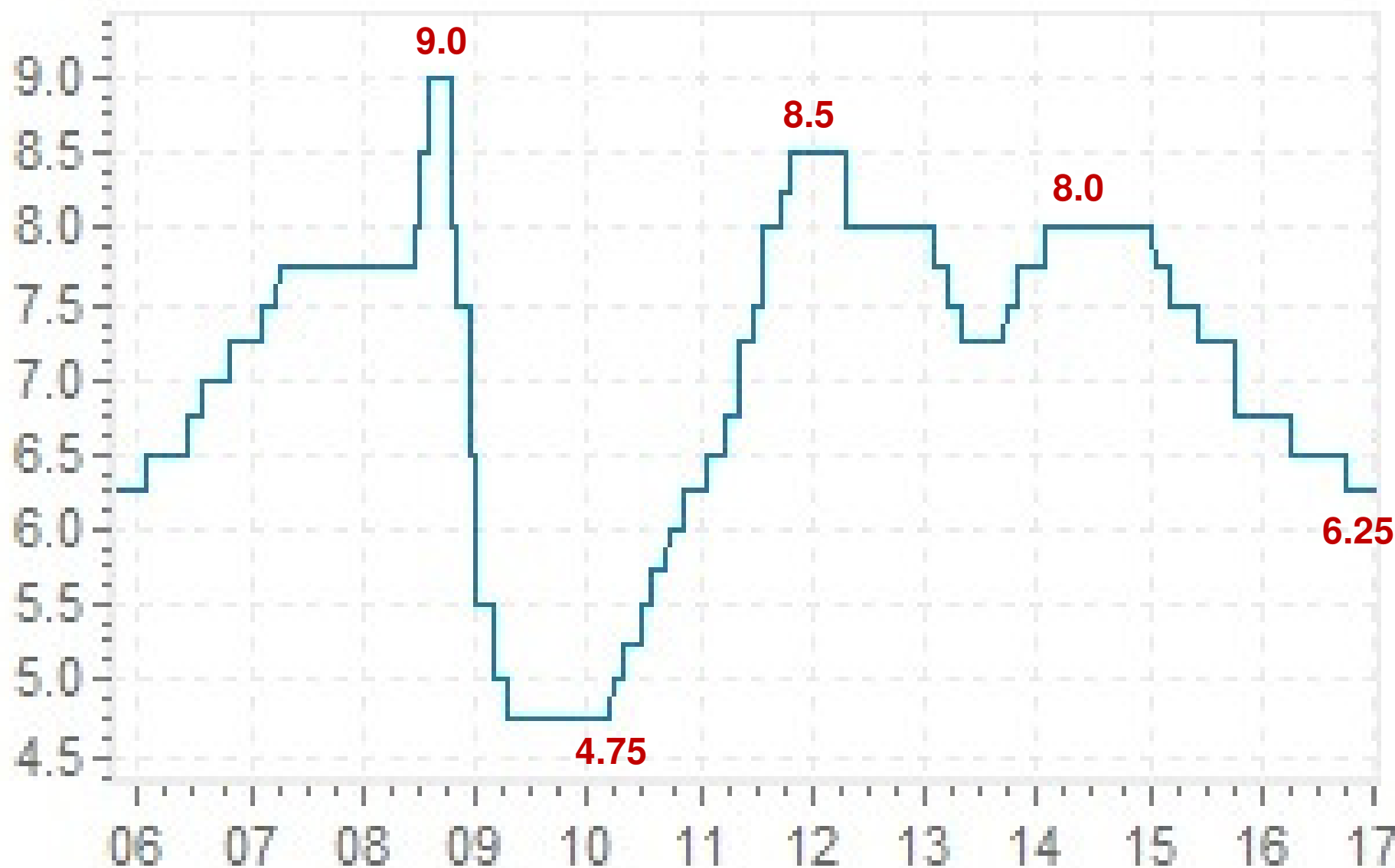
RBI Keeps Interest Rate Unchange

- RBI changes its tone from “Accommodative” to “ Neutral”
- Increase in global food and base metal prices are risk to inflation
- Interest Rate unlikely to fall steeply from here

Indian Bond Market Reaction



Repo Rate Cycle



Sugar Sector Back in LimeLight

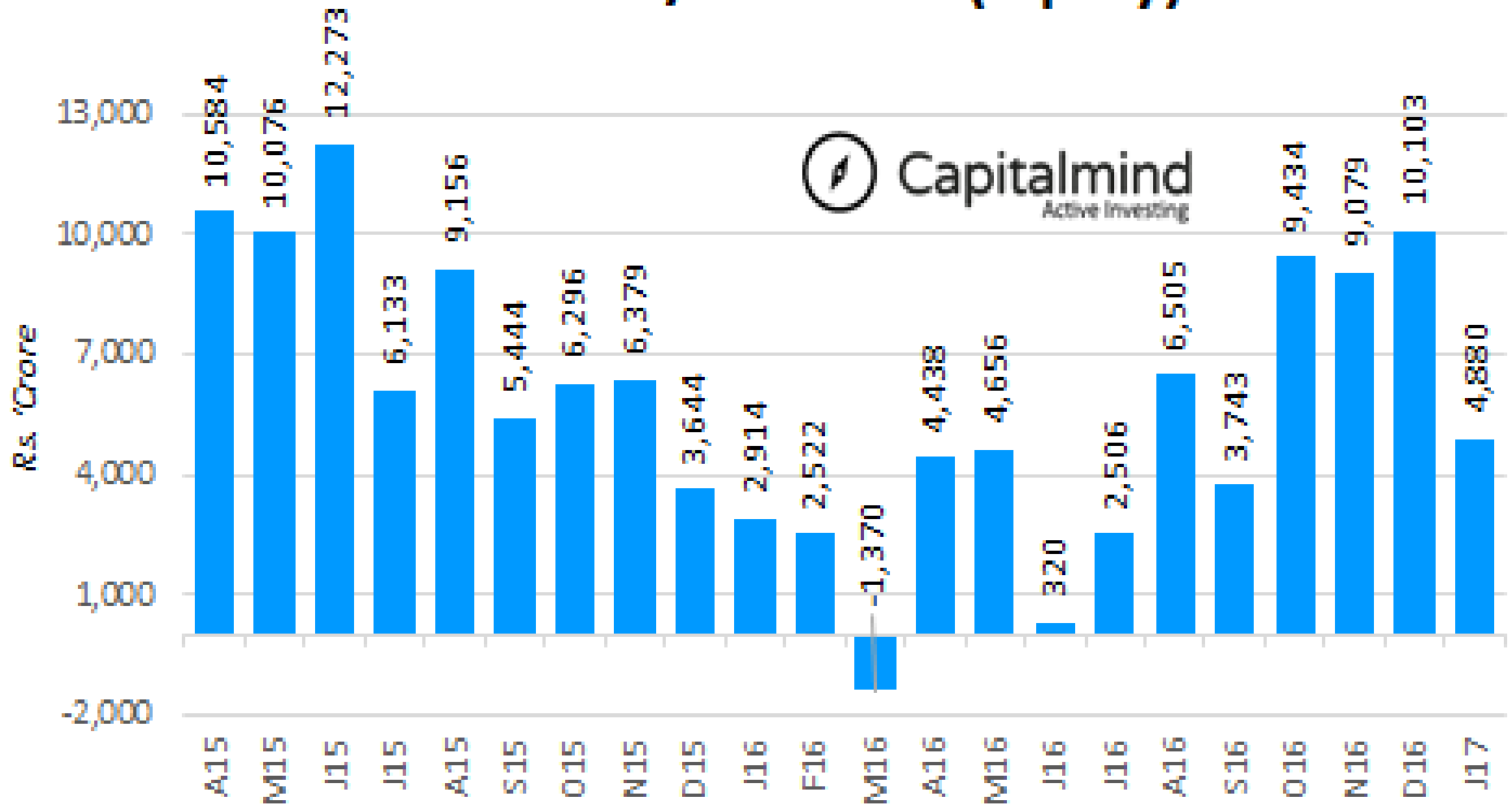


- Huge inventory gains for sugar companies on strong sugar prices
- UP based sugar companies are biggest beneficiary on good monsoon, higher recovery and good prices
- Maharashtra, Karnataka, TN based companies to post poor results for 2nd half of FY17

Mutual Fund Inflows



Net Inflow/ Outflow (Equity)



Domestic Sectors To Remain in Focus



- Fund managers bullish on domestic dependent sectors like cement, Oil & Gas, Auto, Banks, Infra
- IT & Pharma are not preferred sector for time being



IPO Market To Remain Buoyant

- Lot of exciting IPO to hit market
- PSU companies, Railway owned companies to tap market
- Strong IPO market will attract new retail investors



Events to Watch

- Q3 Results
- FPI Activity



Thank You