



India's Road to a Flourishing Economy: ...through the lens of **NIFTY50 Index**



Monthly Report – November 2017

 **aranca**
Research Partner

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Executive Summary

November 2017 was an active month for Indian equities market, with a mix of positive and negative news all around.

Credit rating agency, Moody's Investors Service, upgraded India's sovereign bond rating from Baa3 to Baa2 with a 'stable' outlook stating that government reforms has reduced the risk of a significant increase in debt.

India's September 2017 quarter GDP also saw an upward trend at 6.3% as compared to previous quarter's GDP of 5.7%. The improvement in growth rate indicated that the economy may have shrugged off the effects of demonetisation and GST.

In November, realty stocks jumped on Government's move to increase in carpet area for houses eligible for interest subsidy under the Credit Linked Subsidy Scheme, for middle income groups under the Pradhan Mantri Awas Yojana (PMAY). NIFTY realty index recorded the highest sectoral return of 6.9% on a month-on-month basis.

While the good news helped the benchmark indices move up intermittently, a host of unfavourable developments led to NIFTY50 Index

ending the month on a negative return. The decline was a result of a combination of several factors, which included expectations of widening of fiscal deficit, rising crude oil prices, weak INR and nervousness over GDP data.

Effects of negative news were also reflected in trading activity at NSE, which grew at a slower pace in November 2017 as compared to the growth rate seen in October 2017.

Notwithstanding the not-so-favourable news, Foreign Institutional Investors (FII) and Domestic Institutional Investors (DII) continued to have faith in the Indian markets leading to significant net inflows. Net FII inflows reached USD 3.1 billion in November from USD 471 million in October. Net DII inflows were recorded at USD 1.6 billion, 3.8% more than DII inflows of USD 1.5 billion in October.

India Index Services and Products Ltd. (IISL) launched the NIFTY LargeMidcap 250 Index, which will track the performance of 100 large-cap and 150 mid-cap companies listed on the NSE. The index assigns equal aggregate weight to large and mid-cap stocks so as to ensure balanced exposure for both segments and a well-diversified index.

1. Returns and Valuation Ratios

- NIFTY 50 ended the month at 10,227 points, down 1.1% month-on-month, as majority of the sectors delivered weak performance
- The NIFTY Realty index (up 6.9% month on month) outperformed other sectoral indices, led by Cabinet's approval of increase in carpet area of affordable housing flats

Returns and Valuation

Key Index Returns

(%)	1M	3M	6M	12M	YTD	2YR*	5YR*
NIFTY 50	-1.1	3.1	6.3	24.3	24.9	13.5	11.7
NIFTY Next 50	0.4	6.1	14.4	34.2	39.2	23.2	20.3
NIFTY 100	-0.8	3.5	7.5	25.8	27.1	15.0	13.0
NIFTY Free Float Midcap 100	1.6	8.9	13.6	33.5	38.6	22.5	19.6
NIFTY Bank	1.3	4.2	8.1	36.0	39.4	20.6	15.8
NIFTY PSU Bank	1.9	17.2	9.7	21.3	29.3	9.2	3.0
NIFTY CPSE	-4.5	6.3	6.3	11.1	11.8	12.9	6.8
NIFTY Infrastructure	-1.8	5.8	9.5	26.0	29.7	12.7	6.0
NIFTY India Consumption	2.8	6.9	12.0	35.1	37.2	16.7	15.8
NIFTY 50 Sharia	-2.7	2.0	9.9	30.2	29.2	16.9	14.8
NIFTY Dividend Opportunities 50	-1.3	2.7	5.1	20.7	21.2	15.7	8.7
NIFTY 50 Value 20	0.6	7.3	11.2	26.5	25.8	13.3	NA
NIFTY 50 Equal Weight	-2.8	2.4	6.2	19.8	22.1	NA	NA
NIFTY Quality 30	0.3	4.3	5.1	14.7	10.2	8.4	NA
NIFTY 50 Low Volatility	-0.2	4.3	8.1	23.2	25.3	14.9	NA
NIFTY 8-13 yr G-Sec	-0.3	-1.1	1.0	0.4	2.3	NA	NA
NIFTY 10 yr Benchmark G-Sec	-0.7	-1.9	0.6	0.2	1.6	NA	NA

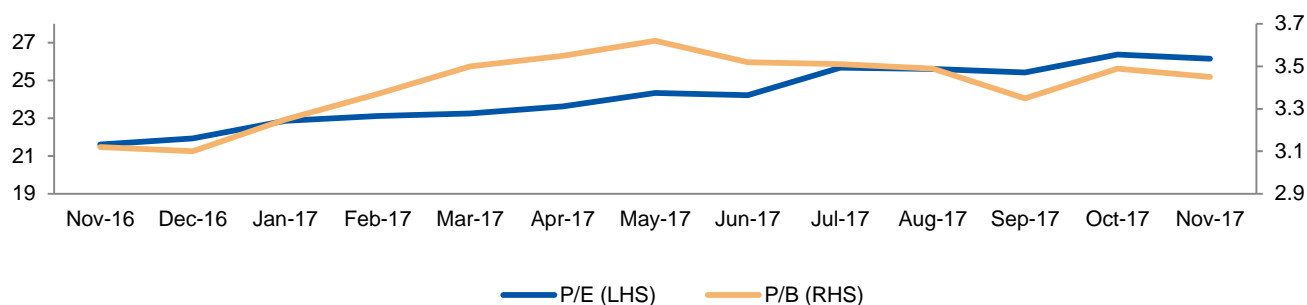
Source: IISL, Note: * - Annualised percentage returns, YTD (Jan-Nov 2017)

- NIFTY 50 reached a fresh intra-day high of 10,490 points on November 6, before falling to end the month at 10,226.
- NIFTY 50 posted its biggest single day fall since September 2017 in November as the index dipped 1.1% month-on-month. Expectations of widening of fiscal deficit, rupee depreciation, surge in crude oil prices and outcome of OPEC meeting expected to support higher crude prices caused benchmark indices to fall in November.

Index Valuations

- The valuation of NIFTY 50 edged lower as several sectors delivered weak performances in the previous month.
- At the end of November 2017, NIFTY 50's valuation on Price-to-Book (P/B) basis decreased nominally to 3.45 from 3.49 in October. Moreover, on P/E basis, the index's valuation declined to 26.16 from 26.38 in October.

Figure 1:NIFTY50 Index Valuation (x)



Source: NSE

Sectoral Index Returns

- The NIFTY Realty Bank index recorded strong monthly performance in November as compared to other sectors. The index jumped 6.9% month-on-month after the Cabinet approved an increase in carpet area of houses eligible for interest subsidy under the Credit Linked Subsidy Scheme (CLSS).
- The NIFTY Media index, which includes companies belonging to media and entertainment sector including printing and publishing, gained 5.3% during the month. Strong performance by Zee Entertainment propelled the index higher during the month.
- The NIFTY Pharma Index and NIFTY Metal index declined 5.3% and 5.1%, respectively, in November. Metal stocks suffered as metal prices decreased in the global markets. NDecline in NIFTY Pharma was led by a significant drop in index’s major constituent company, Sun Pharmaceutical Industries.

Index Returns

(%)	1M	3M	6M	12M	YTD	2YR*	5YR*
NIFTY50	-1.1	3.1	6.3	24.3	24.9	13.5	11.7
NIFTY Auto	-0.7	6.4	3.9	23.9	23.5	15.4	19.9
NIFTY Bank	1.3	4.2	8.1	36.0	39.4	20.6	15.8
NIFTY Financial Services	0.9	2.2	8.6	36.0	39.4	20.5	15.4
NIFTY Energy	-2.7	7.4	18.4	42.1	37.5	30.9	12.8
NIFTY FMCG	0.5	-0.1	-0.1	26.0	24.4	12.8	10.7
NIFTY Infrastructure	-1.8	5.8	9.5	26.0	29.7	12.7	6.0
NIFTY IT	2.6	5.3	5.4	10.2	6.9	-0.4	12.2
NIFTY Media	5.3	11.9	8.2	26.1	27.1	16.8	14.5
NIFTY Pharma	-5.3	4.3	2.4	-16.6	-10.0	-10.3	9.5
NIFTY Metal	-5.1	5.9	24.6	31.4	38.7	45.6	6.3
NIFTY Realty	6.9	16.1	30.0	94.0	96.9	37.1	4.1
NIFTY Services Sector	0.9	3.1	7.5	28.0	29.2	14.3	13.6

Source: Thomson Reuters, Note: * - Annualised percentage returns

2. Earnings and Growth Estimates; Analysis of Ratios and other Key Parameters

- NIFTY50 reported USD 24.5 billion in earnings for September 2017 quarter. The constituent companies' earnings grew at 9.4% year-on-year during the quarter.
- Basic Materials and Consumer cyclical sectors performed well in the second quarter, posting 64.2% and 45.3% year-on-year gain in earnings.
- Telecom and Healthcare sectors earnings fell the most among all constituent sectors, by 48.2% and 30.9% year-on-year.
- In last full financial year (April 2016-March 2017), NIFTY50 earnings had risen 19.8% over previous year to USD 50.7 billion.

Financial Performance of NIFTY50 for year ending March 2017

NIFTY50 aggregate earnings totalled USD 50.7 billion growing 19.8% in FY17 year-on-year compared to USD 40.8 billion in FY16; earnings are expected to grow at 16.2% CAGR through 2019 (as per consensus estimates from Thomson Reuters). Looking at the last 5 years, earnings for constituent companies have improved at a CAGR of 6.5%, mirroring a 6.7% CAGR in revenue. Aggregate operating margins stood at 19.1%, with strong net profit margins of 14.5% in FY17, leading to a robust 18.1% Return on Equity (ROE). NIFTY50 earnings totalled USD 24.5 billion, growing 9.4% year-on-year. Overall, better than estimated earnings by remaining companies is expected to boost investor sentiment.

Index constituent sector highlights

- FY17 witnessed healthy earnings growth across a large group of companies included in the NIFTY50. With net profit margins of 21.8% and 19.9%, banks and software companies (aggregating to 38.9% weightage in NIFTY50 index), respectively lifted the overall bottom-line of the NIFTY50 aggregate. Oil, Gas and Petroleum Products companies saw solid earnings growth led by the recovery in global oil prices and supply cuts initiated by OPEC.
- However, Basic Materials and Consumer cyclical sectors outperformed in 2QFY18, while Telecom and Healthcare sectors lagged among all constituent sectors. Metals, mining, industrials and energy sectors witnessed robust earnings during the second quarter.
- Over the next two years, Banks and non-ferrous sectors are expected to expand bottom-line by 38.1% and 70.8% CAGR, as per Thomson Reuters consensus estimates. NBFC/financial firms were the most levered during FY2017, with HDFC and Indiabulls housing finance having a net leverage of 4.5x and 3.5x, respectively, due to their focus on increasing business in the affordable housing.
- During FY2017, Transportation was the most profitable sector with operating and net profit margins of 50.5% and 46.1%, respectively, followed by Media and Entertainment, Power, and Banks sectors. However, Ferrous Metals lagged across the sectors, recording just 6.4% operating margin and -0.3% net profit margin.
- Media and Entertainment sector emerged as the leader during FY2017 in terms of returns profile, reporting a robust 38.8% ROE and 24.7% ROA, while Software sector witnessed highest ROIC of 34.9%. In terms of turnover, Consumer Non-durables and Petroleum products sectors were gainers with total asset turnover ratio of 1.7 and 1.5, respectively during FY2017, while Media and Entertainment sector recorded fixed asset turnover ratio of 5.9 and Ferrous Metals recorded working capital turnover ratio of 202.1.

- Oil companies had operating cash flow ratio of 0.8 followed by Gas and Auto ancillaries firms in FY2017, while Media and Entertainment companies were most liquid with a current ratio of 4.6 followed by Software firms. Transportation sector recorded highest cash flow margin ratio of 61.4.

Revenue and Earnings Forecasts (in USD billion)

(in USD billion)	Weightages (%)	Revenue				Earnings			
		FY2017	FY2018E	FY2019E	Past 5YR Revenue CAGR (%)	FY2017	FY2018E	FY2019E	Past 5YR PAT CAGR (%)
NIFTY50	100.0	538.8	521.5	579.4	6.7	50.7	55.4	67.8	6.5
Banks	27.4	58.3	42.9	48.9	14.4	6.8	8.9	12.8	3.5
Software	11.5	42.5	51.6	56.3	17.6	9.5	9.4	10.2	17.0
Auto	10.4	78.7	74.9	86.5	10.4	4.2	5.0	6.7	-7.1
Petroleum Products	9.3	160.9	152.2	168.3	1.1	9.2	9.5	10.8	12.6
Consumer Non-durables	8.5	14.8	12.6	14.1	13.6	2.3	2.5	2.9	11.1
Finance	8.2	11.0	3.0	3.6	18.6	1.8	1.9	2.1	22.9
Pharmaceuticals	4.1	14.6	14.3	16.2	20.5	2.3	1.7	2.2	18.8
Construction Projects	3.8	17.2	18.8	21.3	11.3	1.1	1.1	1.2	7.5
Power	2.8	20.9	23.2	25.9	8.0	2.8	3.3	3.8	6.2
Mining/Minerals	2.3	25.0	26.4	29.4	17.7	3.2	3.1	4.1	3.3
Telecom - Services	2.2	15.9	16.1	17.3	4.6	1.1	0.9	1.3	10.4
Cement	2.1	7.7	8.7	10.1	4.1	0.7	0.9	1.2	-4.4
Chemicals	1.4	2.7	2.7	3.2	12.1	0.3	0.3	0.4	14.7
Oil	1.2	22.3	23.2	25.2	-0.7	3.4	3.7	4.1	-3.0
Ferrous Metals	1.1	18.4	19.6	20.0	-2.4	-0.0	0.9	1.1	-168.4
Transportation	0.9	1.3	1.6	1.8	25.6	0.6	0.6	0.7	28.7
Non Ferrous Metals	0.9	16.1	17.9	18.6	4.9	0.3	0.7	0.9	-11.1
Media and Entertainment	0.8	1.0	1.0	1.2	16.2	0.3	0.2	0.3	30.4
Gas	0.6	7.7	8.7	9.6	2.2	0.6	0.7	0.8	1.6
Auto Ancillaries	0.6	1.8	1.9	2.1	5.4	0.2	0.2	0.3	NM

Source: Thomson Reuters, FY2018E and FY2019E forecasts are consensus from various brokers on Reuters. IISL and Aranca are not responsible for any deviations from the estimates, exchange rate as of November 30, 2017

Figure 2: Profitability Ratios (%)

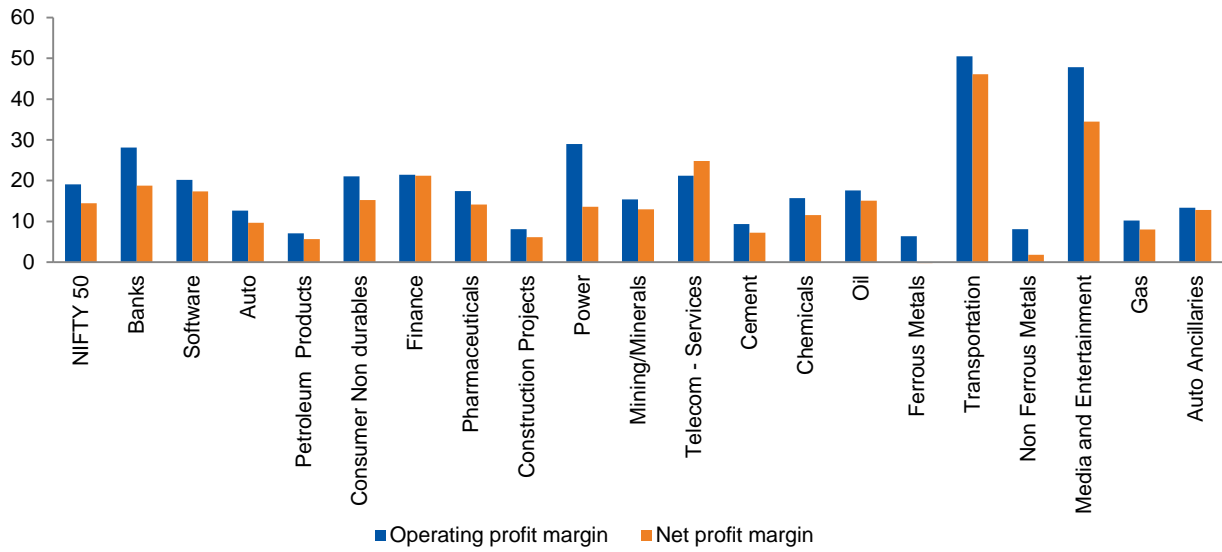


Figure 3: Returns Profile (%)

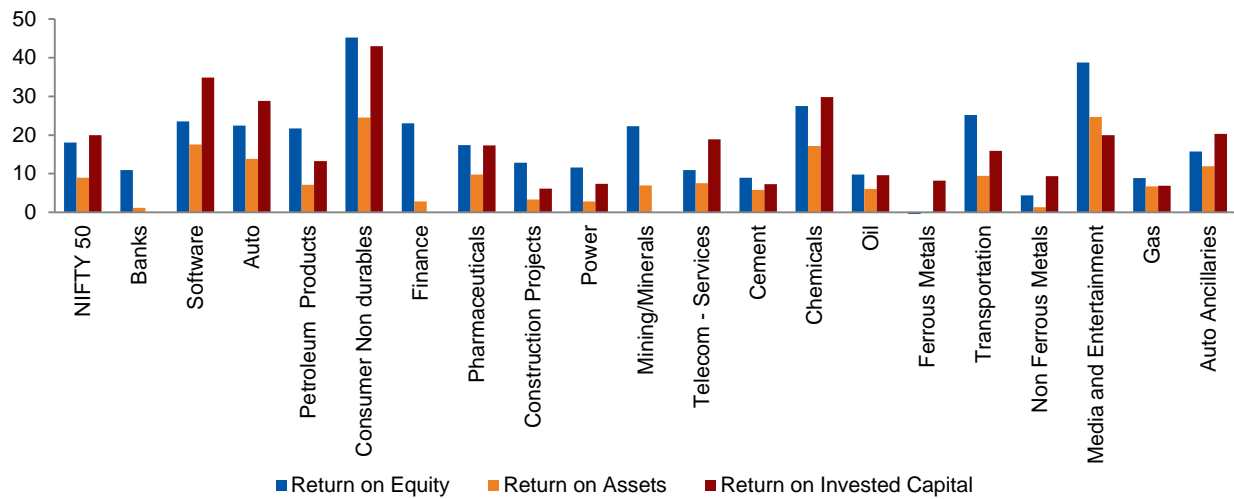


Figure 4: Leverage Ratios (x)

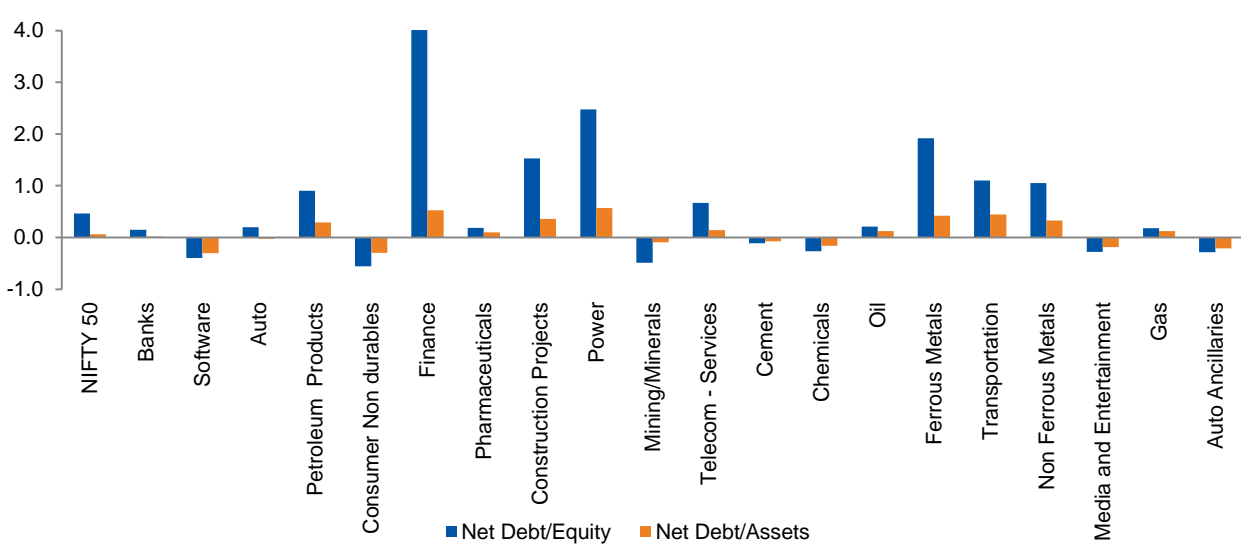


Figure 5: Turnover Ratios (x)

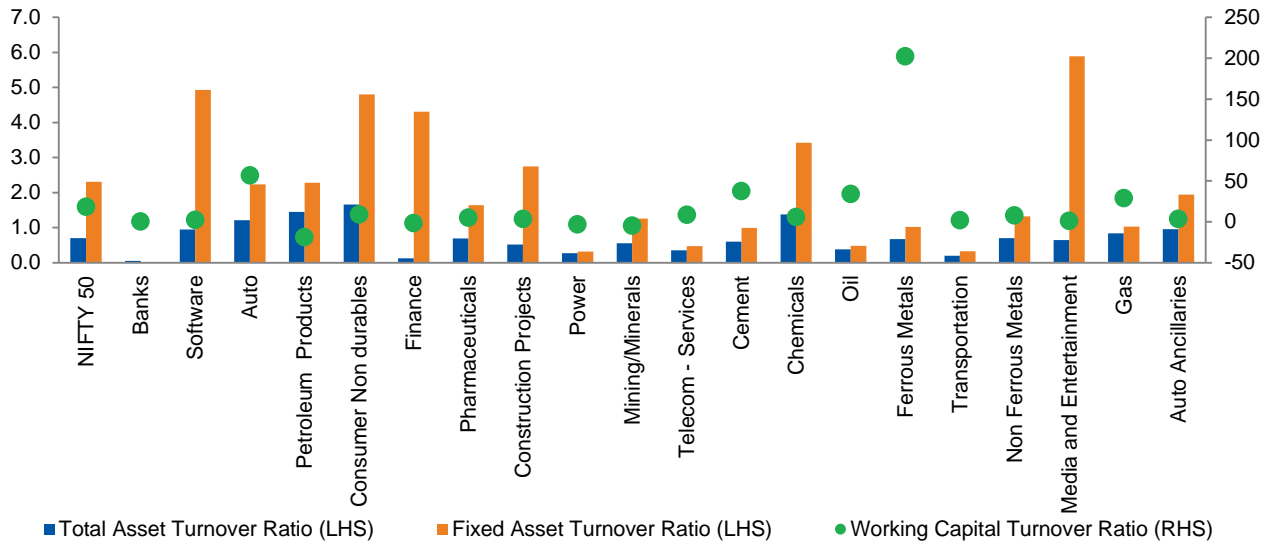
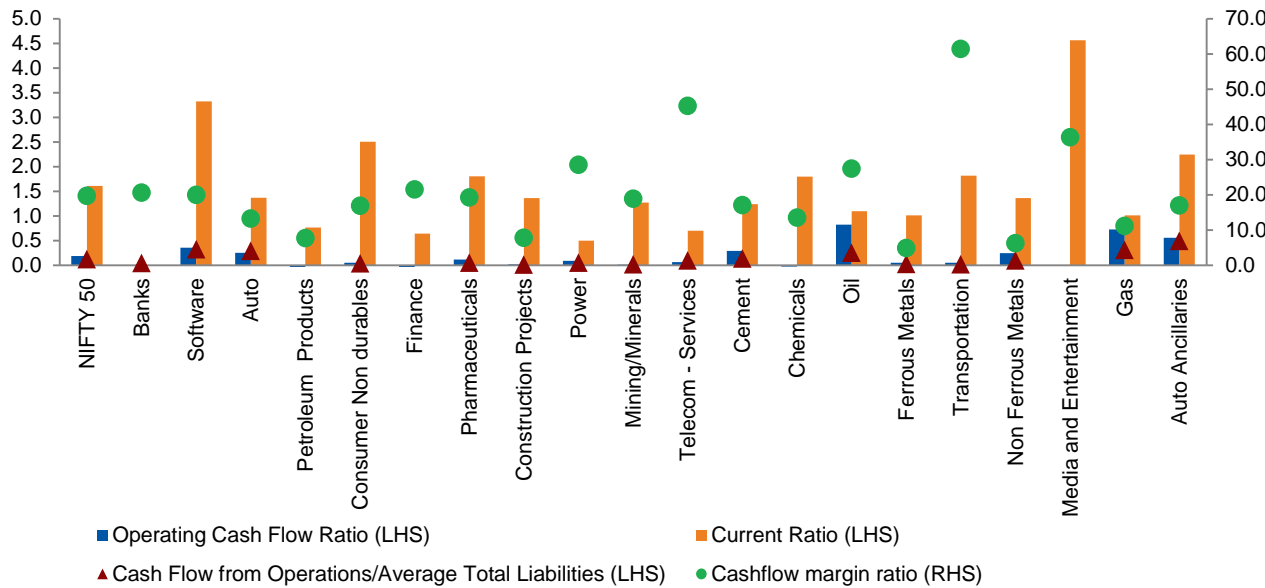


Figure 6: Cash Flow Ratio (x)



Source: Thomson Reuters

3. News Updates (Macro economy, Regulations, Key developments)

- India's GDP growth recovers to 6.3% in quarter ended September
- FPI inflows hit 8-month high in November
- NSE group firm launches NIFTY LargeMidcap 250 index
- Modi government receives boost as Moody's upgrades India's credit rating
- India to overtake Japan to become third largest economy worldwide by 2028
- FDI in India touched USD 114.4 billion over 2015–17: report
- India scores 'perfect 10' in protecting shareholders' rights
- NSE SME platform to touch 100-mark, score 50 IPOs in 6 months

Top India News – November 2017

India's GDP growth recovers to 6.3% in September quarter

India's GDP growth rate rose to 6.3% in the September-ended quarter after registering a three-year low of 5.7% in the preceding quarter. The rebound in the growth rate indicates that the country has dusted off the effects of last November's demonetisation and the GST rollout in July this year. The manufacturing sector registered an accelerated growth rate at 7% this quarter as against 1.2% in the previous quarter due to restocking of warehouses by companies after the temporary GST-led disruption. Mining output and electricity generation also recorded a higher growth rate at 7.6% vis-à-vis the 5.5% rate recorded in the previous quarter.

Source: Live Mint (Nov 30, 2017)

FPI invest USD 2.6 billion in Indian markets

A jump in India's ranking in the World Bank's 'Ease of Doing Business' and the government's announcement on recapitalising public-sector banks resulted in Foreign Portfolio Investors' (FPI) inflows reaching USD 2.6 billion from 1st November to 26th November. The increase was also supported by a jump in core sector growth. In 2017, FPIs have until now invested USD 8.29 billion in equities and USD 22.5 billion in debt markets.

Source: Business Line (Nov 26, 2017)

NSE group firm launches NIFTY LargeMidcap 250 index

India Index Services and Products Ltd. (IISL), a subsidiary of the National Stock Exchange of India (NSE), launched the NIFTY LargeMidcap 250 Index. The index will track the performance of 100 large-cap and 150 mid-cap companies listed on the NSE and assign equal aggregate weight to large and mid-cap stocks so as to ensure balanced exposure for both segments and a well-diversified index. The index is reconstituted semi-annually. The base date for the index is 1 April 2005 and the base value is 1,000.

Source: Press Trust of India (Nov 30, 2017)

Central government gets a boost as Moody's upgrades India's credit rating

In November, Moody's Investors Service upgraded India's credit rating for the first time in 14 years, from the lowest grade of Baa3 to Baa2. Supporting the Central government's reforms, the rating agency stated that continued progress on economic and institutional reforms would help India hasten its growth. Moody's also changed the outlook for the country from stable to positive. The ratings upgrade has improved sentiments among investors as the long-awaited upgrade is likely to attract more FPIs and make external borrowing cheaper.

Source: Live Mint (Nov 18, 2017)

India to overtake Japan to be third largest economy by 2028

According to a foreign brokerage report, India is likely to register robust growth over the next decade and become world's third largest economy, overtaking Japan, by 2028. The report also stated that the Indian economy is assumed to grow at 10% (in nominal US GDP) over the next decade as against Japan's 1.6%. India is the second largest BRIC economy after China and is also expected to surpass France and Britain to become the fifth largest economy globally by 2019.

Source: Press Trust of India (Nov 13, 2017)

FDI into India touches USD 114.4 billion in 2015-17: report

According to a report by KPMG, the cumulative value of foreign direct investment (FDI) in India reached USD 114.4 billion during financial years 2015-16 and 2016-17. This represents a 40% increase over the USD 81.8 billion recorded in the preceding three years, i.e., 2011-12 to 2013-14. In 2016-17, India received its highest-ever FDI inflow at USD 43.5 billion. Cumulative FDI into India during April 2000 to June 2017 stood at USD 498.9 billion.

Source: Press Trust of India (Nov 03, 2017)

India scores 'Perfect 10' in protecting shareholders' rights

In The World Bank's recent 'Ease of Doing Business' report, India scored a 'Perfect 10' in terms of protecting shareholders' rights compared with the 4/10 scored by the US, 5/10 by Australia and 7/10 scored by the UK, Singapore and New Zealand each. In terms of protecting minority shareholders, India stands fourth, while its overall position is 100.

Source: Press Trust of India (Nov 02, 2017)

NSE SME platform touches 100-mark; sees 50 IPOs in next 6 months

The NSE's small and medium-sized enterprise (SME) platform touched the 100-mark and expects another 50 initial public offerings (IPO) over the next 6 months. The NSE has already approved 10-15 firms, which are expected to debut over the next 1-2 months. In 2012, the NSE became one of the only two bourses nationwide to launch such a platform.

Source: Press Trust of India (Nov 18, 2017)

4. Trading Statistics

- Turnover in equity markets showed an increase in November, on a month-on-month basis
- Number of trades in equity market increased by 27% in November, compared to October
- Foreign Institutional Investors' inflow increased by 17.8% on a month-on-month basis
- Volatility index (VIX) significantly increased to 13.55 in November, due to nervousness over GDP data

Trends in Equity Trading Activity

Trading Volumes and Turnover

- November 2017 witnessed a balanced trading activity with 279 million number of equity contracts being traded, both in the cash and derivatives, above the YTD average of 241 million contracts. Average Daily Turnover (ADT) showcased an upward trend in cash segment over the last 4 months.

Figure 7: Number of Equites Contracts Traded at NSE – Cash Market (in millions)

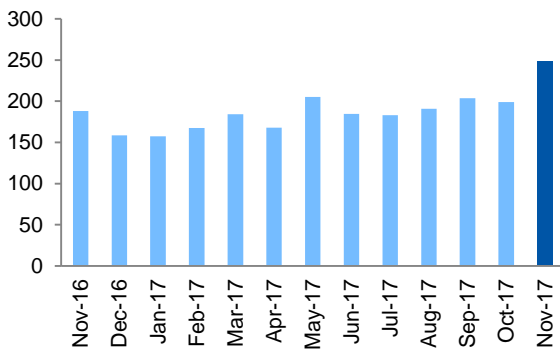


Figure 8: Value of Futures and Options Transactions at NSE– Cash Market (in USD billion)

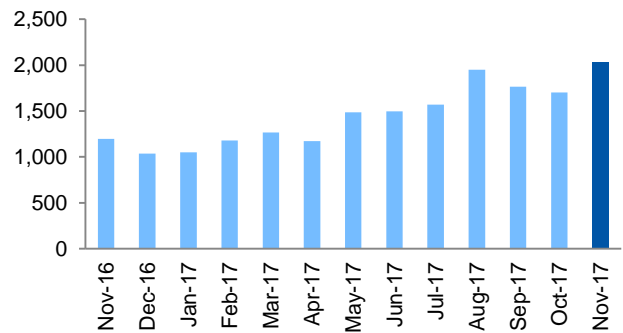


Figure 9: Average Daily Turnover in Cash Market at NSE (in USD billion)

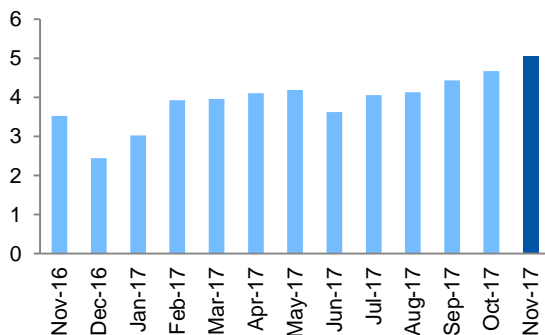
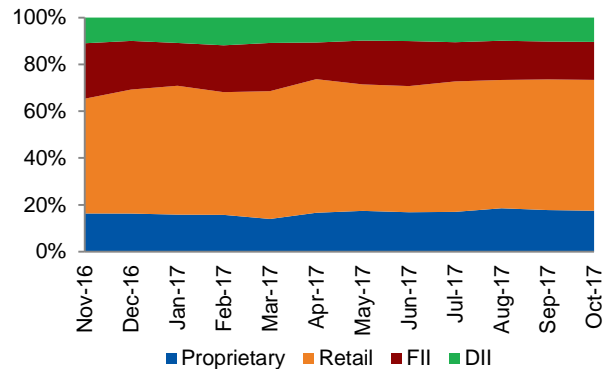


Figure 10: Cash Market – Breakup of trades by participants at NSE



Source: NSE

Trends in Derivative Trading Activity

- Equity options market increased to USD 132 billion in November 2017, marking a 53% increase on year-on-year basis during the month. Equity Futures increased to USD 215 billion marking a 48% year-on-year increase with an Average Daily Turnover (ADT) of INR 635 billion (USD 9.8 billion). Index option volumes increased by 29% while stock options increased by 43%, on a year-on-year basis.
- NIFTY50 Equity Index Futures volume on SGX declined by 5.7% on a year-on-year basis and registered 1.9 million in volume in November 2017.
- November 2017 saw a net Foreign Institutional Investors (FIIs) inflow of USD 3.1 billion, after a net inflow of 471 million in October 2017. FII's purchases of equity position in the cash market grew by 17.8% on a month-on-month basis while gross sales increased by 2.7% during the same period.
- Similarly, November 2017 witnessed a net inflow from Domestic Institutional Investors (DIIs) worth USD 1.6 billion as compared to net inflow of USD 1.5 billion in October 2017. DIIs purchases of equity position in the cash market increased to USD 8.1 billion in November 2017 from USD 7.8 billion in October 2017, registering a growth of 4% on month-on-month basis.
- During the same period, gross sales by DIIs increased to USD 6.5 billion from USD 6.3 billion in October 2017.

Figure 11: Number of Stock Contracts Traded at NSE – Futures & Options (in millions) **Figure 12: Notional Value of Stock Contracts Traded at NSE – Futures & Options (in USD billion)**

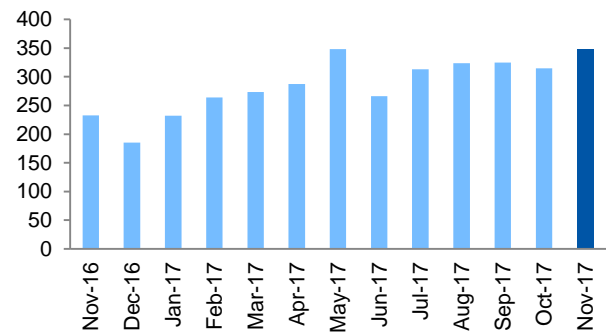
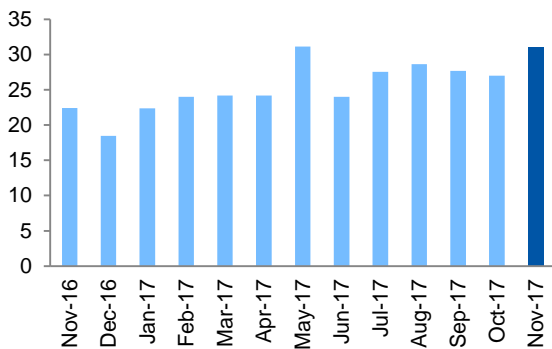


Figure 13: Number of NIFTY50 Contracts Traded - Futures and Options (in millions)

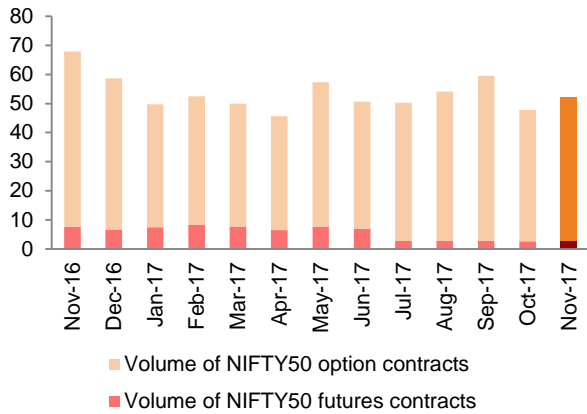


Figure 14: Notional Value of NIFTY50 Contracts Traded - Futures and Options (in USD billion)

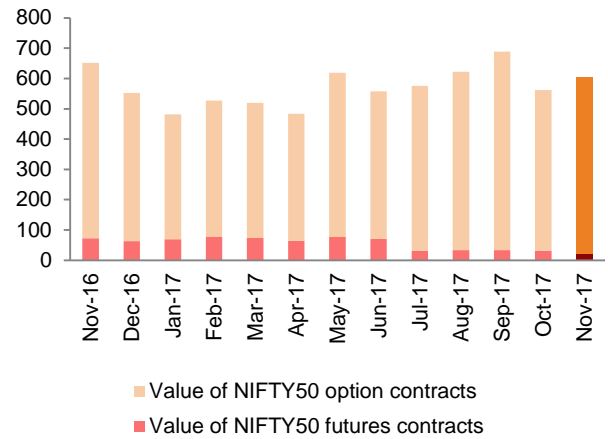


Figure 15: Open Interest of NIFTY50 Contracts - Futures (in millions)

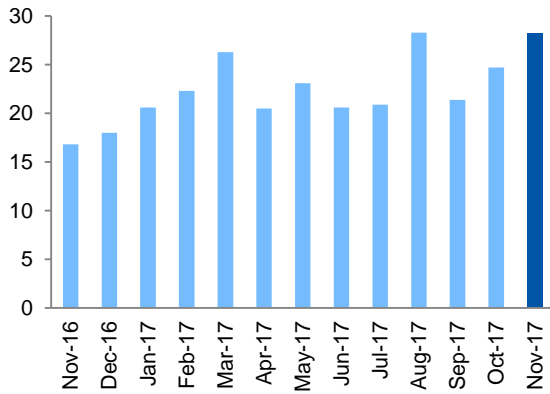


Figure 16: Open Interest of NIFTY50 Contracts - Options (in millions)

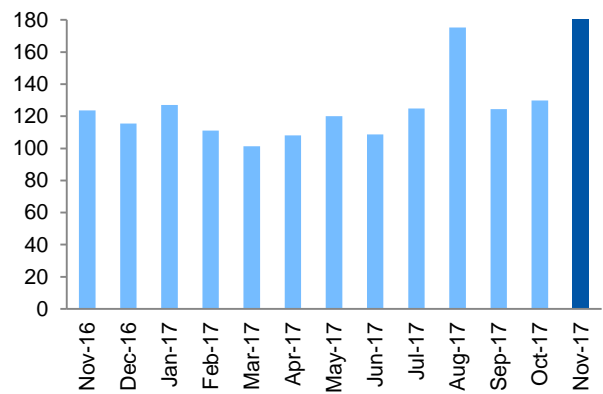


Figure 17: Average Daily Turnover in Futures & Options Market (in USD billion)

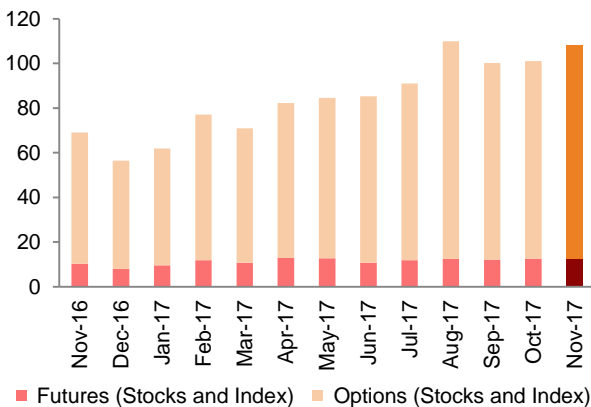


Figure 18: Equity Derivatives - Breakup of trades by participants

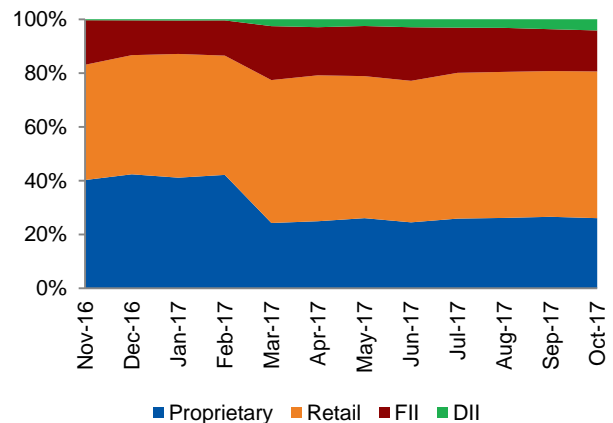


Figure 19: FII Activity in India – Gross Purchases and Sales (Percentage share)

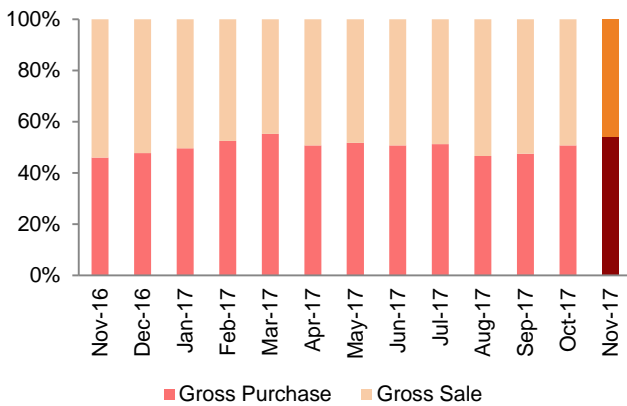


Figure 20: DII Activity - Gross Purchase & Gross Sales (Percentage share)

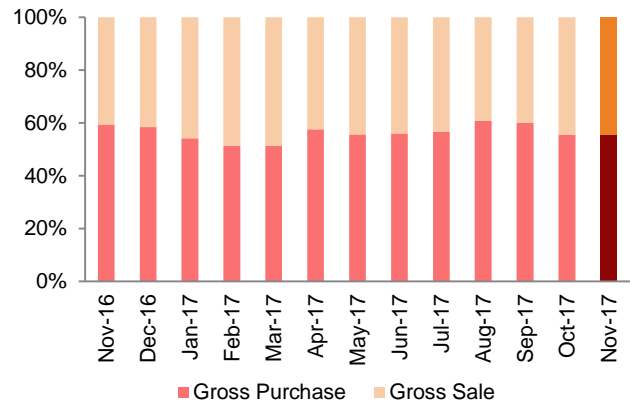


Figure 21: NIFTY50 Futures and Options Volumes at Singapore Exchange ('000s)

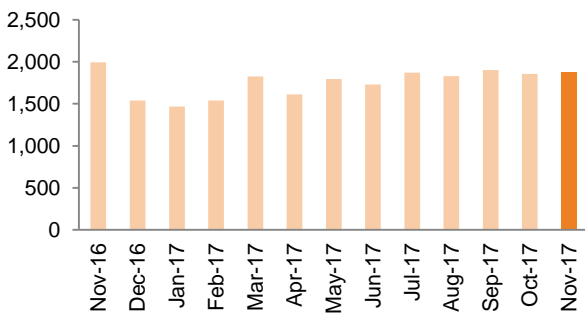
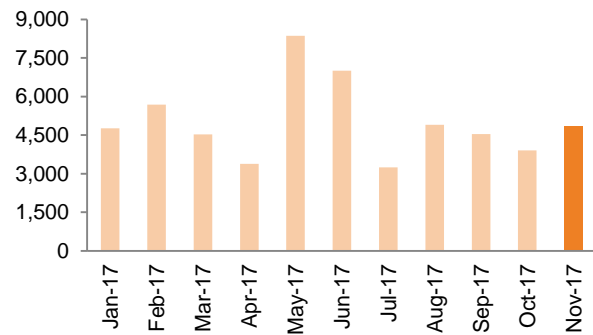


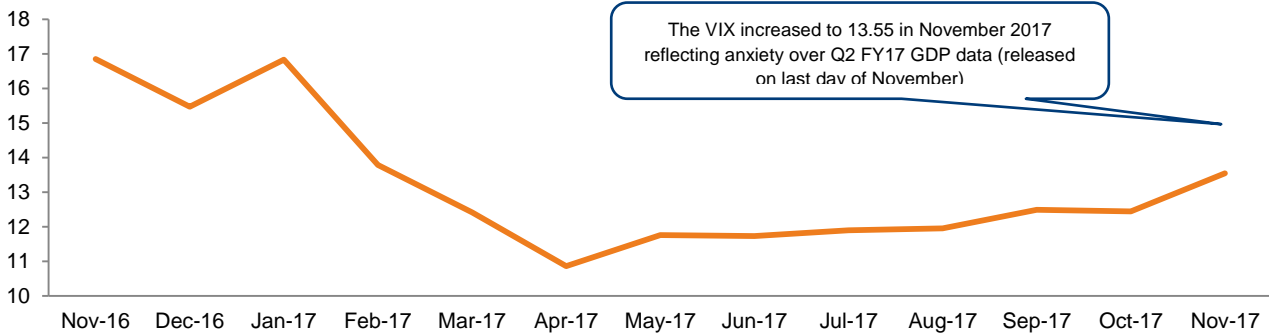
Figure 22: NIFTY50 Futures Volumes at Taiwan Futures Exchange



VIX Movement

- The Indian Volatility Index (VIX) closed at 13.55 at the end of November 2017, experiencing an intra-day high of 13.91 and a low of 11.97.

Figure 23: India Volatility Index



Source: NSE

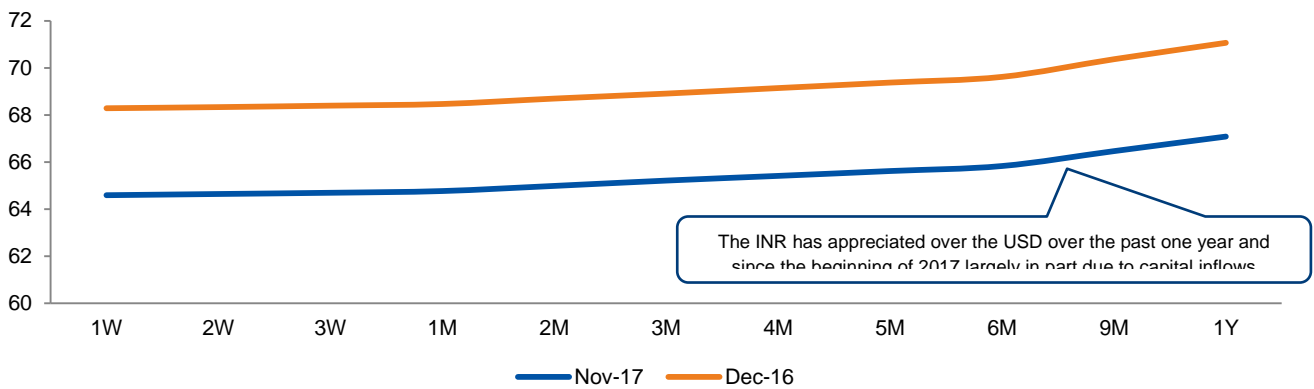
5. Currency Movement - INR

- INR appreciated against USD to 64.5 as on November 30, 2017, compared to 64.8 on October 31, 2017

INR Movement

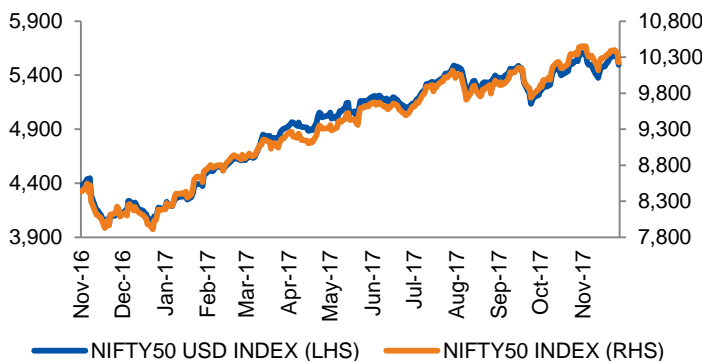
- Rupee showcased a weak November month performance in cross currency trades, especially against the EURO and GDP.
- Indian rupee appreciated marginally against the USD to INR 64.5 as on November 30, 2017 on the back of increase in dollar supply from exporters and banks. Weakening of USD against some global currencies and a firm domestic market also supported the rupee.
- The rupee, however, weakened against Euro and British Pound to end at 76.7 and 87.3, respectively, as on November 30.
- The Indian rupee depreciated against Yen, closing at 57.3 per 100 yens, as on November 30.

Figure 24: INR-USD Forward Curve



Source: Bloomberg; W- Week, M-Month, Y-Year

Figure 25: NIFTY50 USD Index vs NIFTY50 Index



The NIFTY50 USD Index has closely mirrored the NIFTY50 Index for quarter ending March 2017, but has witnessed slight divergence since then for rest of 2017 till date due to periodical strengthening and weakening of INR vs USD

Source: Bloomberg

6. Correlation with Key Global Indices

- NIFTY50 showed high correlation with emerging market economies like Taiwan and South Africa while lower correlation with developed market economies
- In case of development economies, NIFTY50 showed high correlation with the US and Germany markets, while it showed no linear relationship with Singapore markets.

Correlation of Key Indices Across Developed and Emerging Markets

	Developed Markets									
	NIFTY50	S&P500	FTSE 100	DAX	CAC40	NIKKEI 225	STI	S&P ASX200	KOSPI	
NIFTY50	1.0									
S&P500	0.9	1.0								
FTSE 100	0.6	0.7	1.0							
DAX	0.9	0.9	0.8	1.0						
CAC40	0.8	0.9	0.7	1.0	1.0					
NIKKEI 225	0.8	0.8	0.4	0.9	0.8	1.0				
STI	0.0	0.0	0.4	0.1	0.2	-0.1	1.0			
S&P ASX 200	0.7	0.8	0.8	0.8	0.8	0.6	0.4	1.0		
KOSPI INDEX	0.7	0.7	0.7	0.7	0.7	0.6	0.3	0.6	1.0	

	Emerging Markets								
	NIFTY50	BOVESPA	MICEX	HANG SENG	JALSH	IDX	S&P IPC	TAIWAN	
NIFTY50	1.0								
BOVESPA	0.5	1.0							
MICEX	0.8	0.5	1.0						
SHANGHAI COMPOSITE	0.7	0.2	0.6	1.0					
HANG SENG	0.6	0.7	0.2	0.5	1.0				
JALSH	0.9	0.4	0.7	0.6	0.5	1.0			
IDX COMPOSITE	0.8	0.7	0.6	0.5	0.7	0.7	1.0		
S&P IPC	0.8	0.8	0.8	0.5	0.5	0.7	0.8	1.0	
TAIWAN WEIGHTED	0.9	0.7	0.6	0.5	0.8	0.8	0.9	0.7	1.0

Source: Thomson Reuters

7. Key Statistics about Indian economy

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018E
GDP (USD bn)	1823.1	1827.6	1856.7	2035.4	2089.9	2262.5	2414.1
GDP growth (%)	6.6	5.5	6.4	7.5	8.0	7.1	6.7
Fiscal deficit (% GDP)	5.8	4.9	4.5	4.1	3.9	3.2	3.2

	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18
GDP (USD bn)	468.0	452.6	458.3	467.8	496.7	478.5	479.5
GDP growth (% yoy)	6.1	7.9	7.5	7.0	6.1	5.7	6.3
GDP - Agri (% yoy)	2.3	2.5	4.1	6.9	5.2	2.3	1.7
GDP - Services (% yoy)	8.7	9	7.8	6.9	7.2	8.7	7.1
GDP - Industry (% yoy)	7.9	7.4	5.9	6.2	3.1	1.6	5.8
All India House Price Index (%y)	-1.2	5.5	8.1	8.3	10.5	8.7	8.7

	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Inflation - CPI (%)	2.18	1.54	2.36	3.28	3.28	3.58	NR
Inflation - WPI (%)	2.26	0.9	1.88	3.24	2.6	3.59	NR
PMI - Composite	52.5	52.7	46	49	51.1	51.3	50.3
PMI - Manufacturing	51.6	50.9	47.9	51.3	51.2	50.3	52.6
PMI - Services	52.2	53.1	45.9	47.5	50.7	51.7	48.5
IIP (% yoy)	2.9	-0.2	0.9	4.5	3.8	NR	NR
Core Sector (% yoy)	3.6	0.4	2.4	4.9	5.2	4.7	NR
Automobile volume (% yoy)	11.6	5.7	10.8	13.6	8.1	2.2	19.0
Electricity generation (% yoy)	7.2	-0.1	3.5	7.9	4.6	2.8	NR
Net imports (USD bn)	13.8	13.0	11.5	11.6	9.0	14.0	NR
Forex reserves (USD bn)	381	387	393	395	402	400	401

Source: Ministry of Statistics, Ministry of Finance, RBI, Markit, SIAM, CEA, Ministry of Commerce and Industry, IMF, The World Bank

Note: NR – Data not yet released; FY2018 GDP growth forecast as per The World Bank, FY - Financial year from April to March

About India Index Services & Products Ltd. (IISL):

India Index Services & Products Ltd. (IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. IISL focuses on the index as a core product. IISL owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. IISL equity Indices comprises broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. IISL also maintains fixed income indices based on Government of India securities, corporate bonds and money market instruments. Many investment products based on IISL indices have been developed within India and abroad. These include index based derivatives traded on NSE, Singapore Exchange Ltd. (SGX), Chicago Mercantile Exchange Inc. (CME), Osaka Exchange Inc. (OSE), Taiwan Futures Exchange (TAIFEX) and a number of index funds and exchange traded funds. The flagship 'NIFTY 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

For more information, please visit: www.niftyindices.com

Key NSE Indices

Broad Based Indices	Sectoral Indices	Thematic Indices	Strategy Indices
NIFTY50*	NIFTY AUTO	NIFTY ADITYA BIRLA GROUP	NIFTY 100 EQUAL WEIGHT
NIFTY NEXT 50*	NIFTY BANK*	NIFTY COMMODITIES	NIFTY 100 LOW VOLATILITY 30*
NIFTY100*	NIFTY FINANCIAL SERVICES	NIFTY CPSE*	NIFTY50 ARBITRAGE
NIFTY200	NIFTY FMCG	NIFTY ENERGY	NIFTY50 FUTURES PR
NIFTY500	NIFTY IT	NIFTY INDIA CONSUMPTION*	NIFTY50 FUTURES TR
NIFTY MIDCAP 150	NIFTY MEDIA	NIFTY INFRASTRUCTURE*	NIFTY ALPHA 50
NIFTY MIDCAP 50	NIFTY METAL	NIFTY MAHINDRA GROUP	NIFTY ALPHA LOW VOLATILITY 30
NIFTY FULL MIDCAP 100	NIFTY PHARMA	NIFTY MIDCAP LIQUID 15	NIFTY ALPHA QUALITY LOW VOLATILITY 30
NIFTY FREE FLOAT MIDCAP 100*	NIFTY PRIVATE BANK	NIFTY MNC	NIFTY ALPHA QUALITY VALUE LOW VOLATILITY 30
NIFTY SMALL CAP 250	NIFTY PSU BANK*	NIFTY PSE	NIFTY DIVIDEND OPPORTUNITIES 50*
NIFTY SMALL CAP 50	NIFTY REALTY	NIFTY SERVICES SECTOR	NIFTY GROWTH SECTORS 15
NIFTY FULL SMALL CAP 100		NIFTY SHARIAH 25	NIFTY HIGH BETA 50
NIFTY FREE FLOAT SMALL CAP 100		NIFTY TATA GROUP	NIFTY LOW VOLATILITY 50
NIFTY MIDSMALLCAP 400		NIFTY TATA GROUP 25% CAP	NIFTY QUALITY 30*
NIFTY LARGEMIDCAP 250		NIFTY100 LIQUID 15	NIFTY QUALITY LOW VOLATILITY 30
		NIFTY50 SHARIAH*	NIFTY50 DIVIDEND POINTS
		NIFTY500 SHARIAH	NIFTY50 EQUAL WEIGHT
			NIFTY50 PR 1X INVERSE*
			NIFTY50 PR 2X LEVERAGE*
			NIFTY50 TR 1X INVERSE*
			NIFTY50 TR 2X LEVERAGE*
			NIFTY50 USD
			NIFTY50 VALUE 20*

*index used as a benchmark for ETFs

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