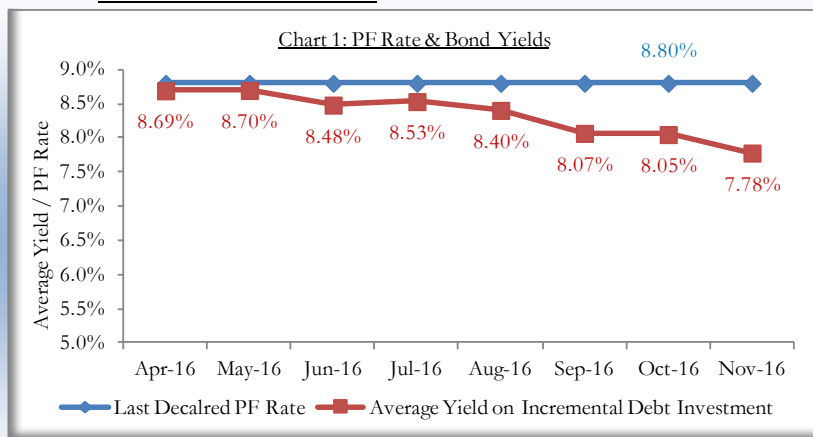
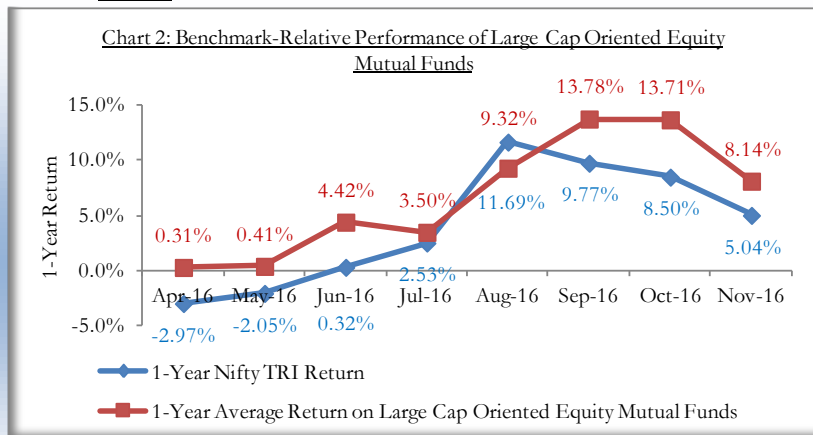




A. PF Rate & Bond Yields



B. Performance of Large Cap Oriented Equity Mutual Funds



C. Market Developments

1. Post announcement of demonetization measure by the Government of India (on 8<sup>th</sup> November), yields on Government Securities fell by an average of 0.54% where as yields on highly rated corporate bonds fell by an average of 0.17%. Large cap equity indices too declined; the NSE Nifty 50 declined by 3.73% whereas the BSE Sensex declined by 3.40%.
2. A total of INR 48,633 crore of State Development Loans (SDLs) were auctioned by the RBI on 8<sup>th</sup>, 10<sup>th</sup> 22<sup>nd</sup> and 29<sup>th</sup> of November. The weighted average yield stood in the range of 6.63% to 7.42%.
3. The annual rate of inflation (provisional), as measured by CPI, stood at 4.20% in October 2016 as against 4.39% in September 2016.
4. As per the news article published on 29<sup>th</sup> November in The Economic Times, EPFO's investment in equity ETFs stood at INR 9,723 crores till 31<sup>st</sup> October, yielding an absolute return of 9.17%.



## D. Regulatory Developments

1. The Ministry of Labour, Government of India vide its gazette notification dated 11<sup>th</sup> November amended the definition of *inoperative* accounts. Following this amendment, all such accounts will be eligible for interest (at the rate declared by the Government of India from time-to-time) with effect from November 11, 2016 except the accounts of those who have left / retired from service after attaining the age of 55 years, deceased or have permanently settled abroad.
2. The Securities and Exchange Board of India (SEBI) issued a circular on 1<sup>st</sup> November to enhance standards for Credit Rating Agencies.

### Notes:

1. In Chart 1 average yield on incremental investment is a weighted average of average yields on Government Securities and AAA rated Corporate Bonds (quoted by cross-section of market participants during the months) with weights being 52.66% and 47.34%, respectively.
2. In Chart 2 average return on large cap oriented equity mutual funds is the average of 1-year return on 24 schemes shortlisted by India Life using India Life's Equity Mutual Fund Selection framework.

### Disclaimer:

1. *This bulletin has been prepared with the sole objective of providing an update; it is not a recommendation to buy or sell any financial asset. India Life Capital Pvt. Ltd. (India Life) has taken due care and caution in compiling the data used in this bulletin. Information has been obtained by India Life from sources it considers reliable. However, India Life does not guarantee the accuracy, adequacy or completeness of the information and is not responsible for any errors or omissions or for the results arising out of usage of information provided in this bulletin.*
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