

RELIANCE

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FUND

# Markets for You

01 Aug 2017

**Indices Performance**

Global Indices	31-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,891	21,830	61	0.28
Nasdaq	6,348	6,375	-27	-0.42
FTSE	7,372	7,368	4	0.05
Nikkei	19,925	19,960	-35	-0.17
Hang Seng	27,324	26,979	345	1.28
Indian Indices	31-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	32,515	32,310	205	0.63
Nifty 50	10,077	10,015	63	0.63
Nifty 100	10,418	10,354	64	0.62
Nifty Bank	25,104	24,811	292	1.18
SGX Nifty	10,102	10,037	66	0.65
S&P BSE Power	2,324	2,296	28	1.21
S&P BSE Small Cap	16,094	16,071	22	0.14
S&P BSE HC	14,195	14,414	-219	-1.52

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
31-Jul	23.70	1.20	25.69	0.95
Month Ago	22.64	1.27	24.23	1.12
Year Ago	20.54	1.39	23.62	1.27

**Nifty 50 Top 3 Gainers**

Company	31-Jul	Prev_Day	% Change <sup>#</sup>
SBI	313	299	4.48
Power Grid	223	215	4.03
ONGC	169	165	2.82

**Nifty 50 Top 3 Losers**

Company	31-Jul	Prev_Day	% Change <sup>#</sup>
Sun Pharma	532	551	-3.48
Dr.Reddy	2383	2465	-3.32
Lupin	1032	1064	-3.00

**Advance Decline Ratio**

	BSE	NSE
Advances	1266	809
Declines	1429	891
Unchanged	181	84

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-11	58515
MF Flows**	-169	49302

\*31<sup>st</sup> Jul 2017; \*\*27<sup>th</sup> Jul 2017

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.90% (Jun-17)	5.11% (Mar-17)	-0.09% (Jun-16)
IIP	1.70% (May-17)	0.80% (Feb-17)	8.00% (May-16)
GDP	6.10% (Mar-17)	7.00% (Dec-16)	9.20% (Mar-16)

Since May-17, MOSPI has revised base year of IIP & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

**Global Indices**

- Most of the Asian markets closed mixed as geopolitical concerns in the Korean Peninsula hindered investor confidence. Drop in China's manufacturing and service sector activities also weighed on sentiment. However, a banking heavyweight from Hong Kong along with its subsidiary posting better than expected interim results capped losses. Today (As on Aug 1), Asian markets opened higher following stronger corporate results and increase in oil prices. Both Nikkei Average and Hang Seng were trading up 0.30% and 0.51%, respectively (as at 8.00 a.m IST).
- As per the last close, European market ended on a mixed note amid share buyback from a European bank major and Europe's positive economic data. However, announcement by the U.S. health regulator of cutting nicotine levels in cigarettes negatively impacted the tobacco stocks.
- As per the last close, U.S markets ended on a mixed note amid geopolitical tension in North Korea and investor's cautiousness ahead of U.S. monthly jobs report on Aug 4. However, better than expected results of few companies limited the losses.

**Indian Equity Market**

- The Indian equity market continued with the upward trend and touched a fresh record high amid expectations of a rate cut by the Monetary Policy Committee in its policy meeting scheduled to end on Aug 2. Improved quarterly earning numbers of some companies and announcement of a two tier saving bank interest rate by a behemoth PSU bank also helped the markets.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.63% each to close at 32,514.94 and 10,077.10, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap moved up 0.39% and 0.14% respectively.
- The overall market breadth on BSE was weak with 1,429 scrips declining and 1,266 scrips advancing. A total of 181 scrips remained unchanged.
- On the BSE sectoral front, most of the indices closed in the green barring S&P BSE HC (-1.52%), S&P BSE FMCG (-0.99%) and S&P BSE Telecom (-0.08%). S&P BSE CD (1.86%) stood as the major gainer followed by S&P BSE Metal (1.69%) and S&P BSE CG (1.4%). S&P BSE Bankex (1.3%) gained on announcement of a two tier saving bank interest rate by a behemoth PSU bank, which raised expectations that other banks will follow the trail.

**Domestic News**

- Government data showed that India's fiscal deficit touched Rs. 4.42 lakh crore during the period from Apr to Jun of 2017 or 80.8% of the budgeted target for the current fiscal year. Fiscal deficit in the corresponding period of the previous year stood at 61.1% of the budgeted target. Net tax receipts stood at Rs. 1.77 lakh crore or 14.5% of the budgeted target for the current fiscal year. Capital expenditure accounted for 22.1% of the budgeted target for the current fiscal, which during the corresponding period of the previous year stood at 19.9%.
- Government data showed that the growth in core sector output in Jun 2017 slowed to 0.4% YoY from 4.1% in the preceding month and 7.0% in the same month of the previous year. This was the slowest growth rate over the past twelve months. The slowdown came as the coal sector witnessed a maximum contraction of 6.7% followed by cement sector and fertilizer sector, which contracted 5.8% and 3.6%, respectively. Output witnessed the maximum expansion in the natural gas sector, which grew 6.4% followed by a 5.8% growth in the steel sector.
- According to the oil minister, the government had ordered state-run oil companies to raise subsidised cooking gas (LPG) prices by Rs. 4 per cylinder every month. The objective of the move is to eliminate all the subsidies by Mar 2018.
- According to media reports, Snapdeal has officially confirmed that it has ended its merger discussions with Flipkart, and will continue to operate as an independent entity going forward.
- State Bank of India (SBI) has reduced interest on savings account deposits by 50 bps to 3.50% on balance up to Rs. 1 crore. However, SBI will continue to offer 4% interest on savings account balance of Rs. 1 crore and above.
- Tech Mahindra reported 34.3% jump in consolidated profit after tax (PAT) to Rs. 791.8 crore for the quarter ended Jun 30, 2017, from Rs. 589.7 crore in the preceding quarter. However, revenue for the quarter under review fell 2.1% to Rs. 7,331.1 crore from previous quarter's revenue of Rs. 7,495 crore.

FII Derivative Trade Statistics	31-Jul		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1591.81	3335.86	17686.25
Index Options	35751.24	35212.55	63521.96
Stock Futures	8859.64	8709.51	53275.56
Stock Options	7114.31	6916.90	3014.39
Total	53317.00	54174.82	137498.16

Derivative Statistics- Nifty Options	31-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.28	1.22	0.06
Put Call Ratio(Vol)	1.01	0.83	0.18

Debt Watch	31-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.10%	6.10%	6.11%	6.46%
CBLO	6.18%	6.23%	6.18%	6.28%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.12%	6.10%	6.28%	6.51%
364 Day T-Bill	6.22%	6.23%	6.35%	6.71%
10 Year Gilt	6.47%	6.41%	6.51%	7.16%
G-Sec Vol. (Rs.Cr)	36804	78149	53131	69437
1 Month CP Rate	6.45%	6.41%	6.56%	7.00%
3 Month CP Rate	6.60%	6.54%	6.69%	7.28%
5 Year Corp Bond	7.15%	7.14%	7.32%	7.61%
1 Month CD Rate	6.22%	6.23%	6.33%	6.49%
3 Month CD Rate	6.21%	6.24%	6.35%	6.61%
1 Year CD Rate	6.52%	6.52%	6.69%	7.23%

Currency Market	31-Jul	Prev_Day	Change
USD/INR	64.08	64.15	-0.07
GBP/INR	84.16	83.89	0.27
EURO/INR	75.22	74.98	0.24
JPY/INR	0.58	0.58	0.00

Commodity Prices	31-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	50.16	46.20	45.97	41.49
Brent Crude(\$/bl)	52.18	47.75	47.12	40.35
Gold( \$/oz)	1269	1255	1241	1351
Gold(Rs./10 gm)	28517	28539	28803	30939

Source: ICRON Research

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**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

**Derivatives Market**

- Nifty Aug 2017 Futures were at 10,103.00, a premium of 25.90 points above the spot closing of 10,077.10. The turnover on NSE's Futures and Options segment went down from Rs. 3,75,568.29 crore on Jul 28 to Rs. 3,38,647.73 crore on Jul 31.
- The Put-Call ratio stood at 0.82 compared with the previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.28 compared with the previous session's close of 1.27.
- The open interest on Nifty Futures stood at 20.89 million as against previous session's close of 20.22 million.

**Indian Debt Market**

- Bond yields rose as investors continued to book profit and remained cautious ahead of Monetary Policy Committee's review meeting scheduled on Aug 2.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 1 bps to 6.47% from 6.46% in the previous trading session. During the session, bond yields traded in the range of 6.44% and 6.48%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,475 crore (gross) on Jul 31, up from Rs. 2,005 crore (gross) borrowing on Jul 28. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 8,073 crore on Jul 28.
- Banks didn't borrow under the central bank's Marginal Standing Facility on Jul 28 as well as on Jul 27.

**Currency Market Update**

- The Indian rupee initially rose against the greenback following gains in the domestic equity market. However, gains were wiped out after major state-run banks bought the greenback. The rupee inched down 0.05% to close at 64.18 per dollar from the previous close of 64.15.
- The euro weakened against the greenback after preliminary data showed that euro zone inflation remained steady in Jul 2017, which lowered expectations of a rapid withdrawal of policy stimulus in the coming months. Euro was trading at \$1.1724, down 0.22% compared with the previous close of \$1.1750.

**Commodity Market Update**

- Gold prices inched down amid concerns over the demand prospects of the precious metal in China.
- Brent crude prices rose following media reports that some OPEC and non-OPEC members will meet on Aug 7-8 in Abu Dhabi to assess the compliance with production cuts that began on Jan 1.

**International News**

- According to the Commerce Department, U.S. real gross domestic product (GDP) came in-line with market expectations and increased 2.6% in the second quarter of 2017, up from downwardly revised 1.2% (originally reported 1.4%) in the first quarter 2017. The GDP growth was driven by positive contributions from consumer spending, non-residential fixed investment, exports, and federal government spending. Consumer spending grew 2.8% in the quarter under review from 1.9% in the first quarter of 2017.
- A report from University of Michigan showed that consumer sentiment in the U.S. deteriorated by slightly less than previously estimated and was upwardly revised to 93.4 in Jul 2017 (preliminary reading was 93.1), lower than final reading of 95.1 in Jun 2017.



Thank you for  
your time.