

**RELIANCE**

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FUND

# Markets for You

01 Aug 2018

Indices Performance

| Global Indices    | 31-Jul | Prev_Day | Abs. Change | % Change <sup>#</sup> |
|-------------------|--------|----------|-------------|-----------------------|
| Dow Jones         | 25,415 | 25,307   | 108         | 0.43                  |
| Nasdaq            | 7,672  | 7,630    | 42          | 0.55                  |
| FTSE              | 7,749  | 7,701    | 48          | 0.62                  |
| Nikkei            | 22,554 | 22,545   | 9           | 0.04                  |
| Hang Seng         | 28,583 | 28,733   | -150        | -0.52                 |
| Indian Indices    | 31-Jul | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| S&P BSE Sensex    | 37,607 | 37,494   | 112         | 0.30                  |
| Nifty 50          | 11,357 | 11,320   | 37          | 0.33                  |
| Nifty 100         | 11,634 | 11,595   | 39          | 0.34                  |
| Nifty Bank        | 27,764 | 27,843   | -78         | -0.28                 |
| SGX Nifty         | 11,377 | 11,344   | 33          | 0.29                  |
| S&P BSE Power     | 1,975  | 1,974    | 1           | 0.06                  |
| S&P BSE Small Cap | 16,584 | 16,540   | 44          | 0.26                  |
| S&P BSE HC        | 14,206 | 14,123   | 83          | 0.59                  |

P/E Dividend Yield

| Date      | Sensex |            | Nifty |            |
|-----------|--------|------------|-------|------------|
|           | P/E    | Div. Yield | P/E   | Div. Yield |
| 31-Jul    | 23.61  | 1.17       | 28.22 | 1.18       |
| Month Ago | 22.54  | 1.26       | 25.90 | 1.22       |
| Year Ago  | 23.70  | 1.20       | 25.69 | 0.95       |

Nifty 50 Top 3 Gainers

| Company       | 31-Jul | Prev_Day | % Change <sup>#</sup> |
|---------------|--------|----------|-----------------------|
| Tech Mahindra | 681    | 655      | 3.86                  |
| RIL           | 1186   | 1151     | 3.01                  |
| Dr.Reddy      | 2128   | 2067     | 2.93                  |

Nifty 50 Top 3 Losers

| Company        | 31-Jul | Prev_Day | % Change <sup>#</sup> |
|----------------|--------|----------|-----------------------|
| Axis Bank      | 550    | 570      | -3.38                 |
| Indiabulls HFC | 1297   | 1341     | -3.26                 |
| Eicher Motors  | 27799  | 28595    | -2.78                 |

Advance Decline Ratio

|           | BSE  | NSE  |
|-----------|------|------|
| Advances  | 1465 | 1007 |
| Declines  | 1185 | 776  |
| Unchanged | 158  | 83   |

Institutional Flows (Equity)

| Description (Cr) | Inflow/Outflow | YTD   |
|------------------|----------------|-------|
| FII Flows*       | -145           | -3781 |
| MF Flows**       | -199           | 74115 |

\*31<sup>st</sup> Jul 2018; \*\*20<sup>th</sup> Jul 2018

Economic Indicator

| YoY(%) | Current           | Quarter Ago       | Year Ago          |
|--------|-------------------|-------------------|-------------------|
| CPI    | 5.00%<br>(Jun-18) | 4.28%<br>(Mar-18) | 1.46%<br>(Jun-17) |
| IIP    | 3.20%<br>(May-18) | 6.90%<br>(Feb-18) | 2.90%<br>(May-17) |
| GDP    | 7.70%<br>(Mar-18) | 7.00%<br>(Dec-17) | 6.10%<br>(Mar-17) |

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

- Asian markets traded in mixed ahead of the U.S. Federal Reserve and Bank of England's monetary policy announcements later in the week. Lower-than-expected Chinese manufacturing data for Jul and slower industrial output in Japan for Jun weighed on the sentiments. Today (as of Aug 1), Asian markets opened almost higher following positive cues from Wallstreet's last session and amid reports that U.S. and China might restart official talks on resolving trade dispute. Nikkei and Hangseng grew 0.49% and 0.46%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed higher following reports that U.S. and China are attempting to restart trade talks to avoid a trade war. Positive corporate earnings from some major companies boosted the indices.
- As per the last close, U.S markets closed almost higher following reports that U.S. and China are trying to restart talks aimed to resolve the trade conflict between the two countries. Meanwhile, investors preferred to remain on the sidelines ahead of Fed's monetary policy announcement on Aug 1, 2018.

Indian Equity Market

- Domestic equity market initially traded lower as investors remained cautious ahead of the third bi-monetary policy meet due on Aug 1, 2018 and the fiscal deficit figures for Q1FY19. Upcoming policy rates decision from major central banks across the globe also kept investors wary. However, trend reversed towards the end and key benchmark indices touched new highs. One of the leading large cap companies set a new record by crossing Rs. 7.51 lakh crore in market value.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.30% and 0.33% to close at 37,606.58 and 11,356.50, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 0.33% and 0.26%, respectively.
- The overall market breadth on BSE was strong with 1465 scrips advancing and 1185 scrips declining. A total of 158 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Energy stood as the major gainer, up 1.89% followed by S&P BSE Realty that grew 1.1%. S&P BSE Consumer Durables and S&P BSE Capital Goods grew 1.01% and 0.95%. S&P BSE Information Technology and S&P BSE Fast Moving Consumer Goods grew 0.81% and 0.72%.

Domestic News

- Government data showed that India's fiscal deficit for Apr-Jun 2018 came in at Rs. 4.29 lakh crore, or 68.7% of the budgeted target for FY19 against 80.8% in the year-ago period. Net tax receipts were Rs. 2.37 lakh crore or 16.0% of the budget estimate for FY19 compared to 14.5% in the corresponding period of the previous year. The government's total expenditure for the period from Apr to Jun of 2018 stood at Rs. 7.08 lakh crore or 29% of the budget estimate for FY19 compared to 30.3% in the in the corresponding period of the previous year. Capital expenditure stood at Rs. 8.70 lakh crore or 29.0% of the budget estimate for FY19, more than 22.1% in the same period of the previous year. India aims to cut the deficit to 3.3% of GDP in 2018-19. In 2017-18, India's fiscal deficit was at 3.5% of GDP.
- Government data showed that the growth of index of eight core industries rose to a seven-month high of 6.7% in Jun 2018 from 4.3% in the previous month and 1.0% in the same month of the previous year. The cement sector witnessed a maximum growth of 13.2% during the period under review followed by refinery products sector and coal sector which grew 12.0% and 11.5% respectively. However, crude oil sector and natural gas sector witnessed a contraction of 3.4% and 2.7% respectively. Crude oil sector and natural gas sector thus contracted for the seventh consecutive month and second consecutive month respectively.
- Jindal Steel and Power Ltd (JSPL) has won 20% of the Rs. 2,500 crore global tender by the Indian Railways. The tender is for supply of long rails of around 4.87 lakh metric tonne to fulfil the shortfall of supply from Steel Authority of India Ltd. This is the first time in 30 years that private sector has been included in railways procurement.
- According to media reports, Tata Motors Ltd. consolidated net loss stood at Rs. 1,902.4 crore in the quarter ended Jun compared to a net profit of Rs. 3,199 crore in the same period of the previous year. The loss can be attributed to its Jaguar Land Rover in U.K. that sold less luxury cars to dealerships in China while cost of raw materials grew in the same time.

| FII Derivative Trade Statistics |          | 31-Jul   |           |
|---------------------------------|----------|----------|-----------|
| (Rs Cr)                         | Buy      | Sell     | Open Int. |
| Index Futures                   | 2405.72  | 2647.89  | 21117.95  |
| Index Options                   | 49720.70 | 49575.01 | 49229.43  |
| Stock Futures                   | 13521.32 | 12517.70 | 78679.19  |
| Stock Options                   | 7041.45  | 7068.21  | 4789.25   |
| Total                           | 72689.19 | 71808.81 | 153815.82 |

| Derivative Statistics- Nifty Options |        |          |        |
|--------------------------------------|--------|----------|--------|
|                                      | 31-Jul | Prev_Day | Change |
| Put Call Ratio (OI)                  | 1.73   | 1.72     | 0.01   |
| Put Call Ratio(Vol)                  | 1.11   | 1.04     | 0.07   |

| Debt Watch         |        |         |          |          |
|--------------------|--------|---------|----------|----------|
|                    | 31-Jul | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate          | 6.16%  | 6.27%   | 6.21%    | 6.10%    |
| CBLO               | 6.24%  | 6.38%   | 6.20%    | 6.18%    |
| Repo               | 6.25%  | 6.25%   | 6.25%    | 6.25%    |
| Reverse Repo       | 6.00%  | 6.00%   | 6.00%    | 6.00%    |
| 91 Day T-Bill      | 6.69%  | 6.63%   | 6.48%    | 6.12%    |
| 364 Day T-Bill     | 7.24%  | 7.21%   | 7.11%    | 6.22%    |
| 10 Year Gilt       | 7.77%  | 7.78%   | 7.90%    | 6.47%    |
| G-Sec Vol. (Rs.Cr) | 26766  | 25975   | 27152    | 36804    |
| FBIL MIBOR         | 6.25%  | 6.39%   | 6.25%    | 6.25%    |
| 3 Month CP Rate    | 7.50%  | 7.80%   | 7.55%    | 6.60%    |
| 5 Year Corp Bond   | 8.64%  | 8.72%   | 8.79%    | 7.43%    |
| 1 Month CD Rate    | 6.89%  | 6.64%   | 6.81%    | 6.22%    |
| 3 Month CD Rate    | 7.30%  | 7.04%   | 7.00%    | 6.21%    |
| 1 Year CD Rate     | 8.06%  | 7.97%   | 8.08%    | 6.52%    |

| Currency Market |        |          |        |
|-----------------|--------|----------|--------|
| Currency        | 31-Jul | Prev_Day | Change |
| USD/INR         | 68.61  | 68.75    | -0.15  |
| GBP/INR         | 90.09  | 90.15    | -0.06  |
| EURO/INR        | 80.37  | 80.16    | 0.21   |
| JPY/INR         | 0.62   | 0.62     | 0.00   |

| Commodity Prices   |        |        |          |          |
|--------------------|--------|--------|----------|----------|
| Commodity          | 31-Jul | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 69.25  | 70.02  | 74.08    | 50.16    |
| Brent Crude(\$/bl) | 74.80  | 74.17  | 76.78    | 52.18    |
| Gold( \$/oz)       | 1223   | 1224   | 1252     | 1269     |
| Gold(Rs./10 gm)    | 29726  | 29897  | 30341    | 28513    |

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty August 2018 Futures closed at 11,371.6, a premium of 15.10 points, above the spot closing of 11,356.50. The turnover on NSE's Futures and Options segment increased to Rs. 5,29,372.26 on Jul 31 from Rs. 5,15,736.20 on Jul 30.
- The Put-Call ratio stood at 0.97 against previous session's close of 0.96.
- The Nifty Put-Call ratio stood at 1.73 compared with the previous session's close of 1.72.
- Open interest on Nifty Futures stood at 26.10 million as against the previous session's close at 24.80 million.

#### Indian Debt Market

- Bond yields fell after going up for two consecutive days as market participants resorted to bargain hunting ahead of the outcome of the third bi-monthly monetary policy review due Aug 1, 2018. The market perception also remained divided regarding the outcome of the same. While a section of market participants was of the view that the Monetary Policy Committee may hike interest rates, others expect a rate hike by the end of 2018 or in the fourth quarter of FY19
- Yield on the 10-year benchmark paper (7.17% GS 2028) went down 2 bps to close at 7.77% as against its previous close of 7.79%. During the session, bond yields traded in the range of 7.77% and 7.80%.
- Banks borrowed Rs. 2,115 crore under the central bank's Marginal Standing Facility on Jul 30 compared with borrowing of Rs. 600 crore on Jul 27.

#### Currency Market Update

- The rupee rose against the greenback as foreign banks sold dollars. Expectation of inflows from share sale in a major domestic bank also supported Indian currency. The rupee rose 0.19% to close at a two-week high of 68.54 against previous close of 68.67.
- The euro was almost steady against the greenback as market participants remained on the sidelines and awaited the outcome of the Fed's monetary policy review due Aug 1, 2018. Euro was last seen trading at \$1.1710, up 0.05% compared with the previous close of \$1.1704.

#### Commodity Market Update

- Gold prices inched up as investors remained cautious ahead of the U.S. FOMC rate decision which will provide further cues on the economic outlook.
- Brent crude prices lowered on oversupply concerns after a survey revealed that the OPEC output in Jul was the highest in 2018.

#### International News

- National Association of Realtors data showed U.S. pending home sales rebounded more than expected in Jun 2018. The pending home sales index increased 0.9% to 106.9 in Jun after falling 0.5% to 105.9 in May 2018. Expectations were for pending home sales to increase 0.1%. Annually, pending home sales decreased 2.5%, the sixth consecutive YoY decrease.
- According to official data, second quarter saw the euro area economy growing at the slowest pace in two years. Inflation surpassed the European Central Bank's target yet again in Jul 2018. Eurostat's preliminary flash estimate showed gross domestic product grew 0.3% in the second quarter against 0.4% in the first quarter. On an annual basis, GDP growth eased to 2.1 percent from 2.5 percent in the previous quarter.

Thank you for  
your time.