

RELIANCE

MUTUAL
FUND

Markets for You

01 Aug 2019

Indices Performance

| Global Indices | 31-Jul | Prev_Day | Abs. Change | % Change [#] |
|-------------------|--------|----------|-------------|-----------------------|
| Russell 3000 | 1,309 | 1,323 | -14 | -1.07 |
| Nasdaq | 8,175 | 8,274 | -98 | -1.19 |
| FTSE | 7,587 | 7,647 | -60 | -0.78 |
| Nikkei | 21,522 | 21,709 | -188 | -0.87 |
| Hang Seng | 27,778 | 28,147 | -369 | -1.31 |
| Indian Indices | 31-Jul | Prev_Day | Abs. Change | % Change [#] |
| S&P BSE Sensex | 37,481 | 37,397 | 84 | 0.22 |
| Nifty 50 | 11,118 | 11,085 | 33 | 0.29 |
| Nifty 100 | 11,221 | 11,180 | 42 | 0.37 |
| Nifty 500 | 9,045 | 9,004 | 41 | 0.45 |
| Nifty Bank | 28,876 | 28,792 | 84 | 0.29 |
| S&P BSE Power | 1,966 | 1,954 | 12 | 0.63 |
| S&P BSE Small Cap | 12,692 | 12,650 | 42 | 0.34 |
| S&P BSE HC | 12,704 | 12,585 | 120 | 0.95 |

P/E Dividend Yield

| Date | Sensex | | Nifty | |
|-----------|--------|------------|-------|------------|
| | P/E | Div. Yield | P/E | Div. Yield |
| 31-Jul | 26.63 | 1.23 | 27.42 | 1.33 |
| Month Ago | 28.46 | 1.19 | 28.98 | 1.24 |
| Year Ago | 23.61 | 1.17 | 28.22 | 1.18 |

Nifty 50 Top 3 Gainers

| Company | 31-Jul | Prev_Day | % Change [#] |
|---------------|--------|----------|-----------------------|
| Yes Bank | 91 | 86 | 5.98 |
| IndusInd Bank | 1413 | 1337 | 5.65 |
| Indian Oil | 139 | 134 | 4.34 |

Nifty 50 Top 3 Losers

| Company | 31-Jul | Prev_Day | % Change [#] |
|---------------|--------|----------|-----------------------|
| Zee Ente. | 362 | 381 | -5.12 |
| Axis Bank | 674 | 708 | -4.73 |
| Bharti Airtel | 338 | 346 | -2.36 |

Advance Decline Ratio

| | BSE | NSE |
|-----------|------|-----|
| Advances | 1120 | 853 |
| Declines | 1385 | 988 |
| Unchanged | 128 | 111 |

Institutional Flows (Equity)

| Description (Cr) | Inflow/Outflow | YTD |
|------------------|----------------|-------|
| FII Flows* | -675 | 66228 |
| MF Flows** | -160 | 18953 |

*31st Jul 2019; **30th Jul 2019

Economic Indicator

| YoY(%) | Current | Quarter Ago | Year Ago |
|--------|----------|-------------|----------|
| CPI | 3.18% | 2.86% | 4.92% |
| | (Jun-19) | (Mar-19) | (Jun-18) |
| IIP | 3.10% | 0.20% | 3.80% |
| | (May-19) | (Feb-19) | (May-18) |
| GDP | 5.80% | 6.60% | 8.10% |
| | (Mar-19) | (Dec-18) | (Mar-18) |

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 equity markets fell as North Korea performed its second arms test in less than a week and the U.S. President's trade threats cast a shadow over the destiny of Shanghai's recent round of trade talks between China and U.S. Investors also awaited the conclusion of U.S. Federal Reserve's two-day meeting later in the day and the post-meeting press conference of the Fed chairman for hints on the route of policy. Today (as of Aug 1), Asian markets opened lower as South Korea's exports fell in Jul 2019, hinting at slowdown in tech companies. While Nikkei was trading up 0.09%, Hang Seng was down 0.42%, respectively (as at 8.a.m. IST).
- U.S. markets fell after the Federal Reserve chairman hinted that the bank may not further cut rates in 2019. The chairman's comments came after the central bank decided to cut rates by 25 basis points, in line with expectations, at its policy meet held on Jul 30-31, 2019.
- European markets were mixed as investors looked forward to the interest rate decision by the U.S. Federal Reserve and the release of earnings by major companies.

Indian Equity Market

- Indian equity markets gained at the last hour of a volatile session. U.S. Federal Reserve meeting's conclusion, after market hours, kept investors cautious. Also, investors looked forward to the release of key economic figures later in the day, including core industries and fiscal deficit data.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.22% and 0.29% to close at 37,481.12 and 11,118.00, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.72% and 0.34%, respectively.
- The overall market breadth on BSE was weak with 1,120 scrips advancing and 1,385 scrips declining. A total of 128 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 2.43%, followed by S&P BSE Basic Materials and S&P BSE Auto, which gained 1.4% and 1.26%, respectively. S&P BSE Oil & Gas and S&P BSE Healthcare gained 1.06% and 0.95%, respectively. S&P BSE Telecom was the major loser, down 1.63%, followed by S&P BSE Consumer Durables and S&P BSE Realty, down 0.53% and 0.24%, respectively. S&P BSE Energy lost 0.21%.

Domestic News

- Government data showed that the growth in the index of eight core industries grew 0.2% in Jun 2019 against a revised growth of 4.3% in May 2019 (5.1% growth originally reported), and 7.8% in the same period of the previous year. Refinery products growth fell 9.3% followed by crude oil that went down 6.8%. The electricity sector witnessed the maximum growth of 7.3% followed by steel and coal, which grew 6.9% and 3.2%, respectively.
- Government data showed that India's fiscal deficit for the period from Apr 2019 to Jun 2019 stood at Rs. 4.32 lakh crore or 61.4% of the budget estimate compared with 68.7% of the budget estimate in the corresponding period of the previous year. The revenue deficit in the same period stood at Rs. 3.74 lakh crore or 79.4% of the budget estimate compared with 84.7% of the budget estimate in the corresponding period of the previous year. Total expenditure for the period from Apr 2019 to Jun 2019 stood at Rs. 7.22 lakh crore or 25.9% of the budget estimate compared with 29.0% of the budget estimate in the corresponding period of the previous year.
- As part of the Indo-Pacific approach of the U.S. administration, the U.S. is "working hard" with the Indian government to provide the nation with possibilities to expand its economy, U.S. Secretary of State said. These remarks have come after a delegation of the U.S. Trade Representatives travelled to India for talks on bilateral trade issues, including tax and tariffs.
- India's Comptroller and Auditor General (CAG) discovered that nearly Rs. 500 crore agricultural income was permitted by income-tax officials as exempt without proper verification. For the year ended Mar 2018, the auditor's study on direct taxes concentrated on exempt income— both agricultural and charitable trusts gained. CAG has suggested that the I-T department review all cases where agricultural income exceeds a certain limit — say Rs. 10 lakh — to ensure that only genuine taxpayers are permitted exemption.

| FII Derivative Trade Statistics | | | |
|---------------------------------|-----------|-----------|-----------|
| | 31-Jul | | |
| (Rs Cr) | Buy | Sell | Open Int. |
| Index Futures | 4249.54 | 3310.33 | 14720.26 |
| Index Options | 293781.82 | 293235.96 | 39369.52 |
| Stock Futures | 14441.45 | 13242.68 | 84334.84 |
| Stock Options | 6292.28 | 6286.38 | 2819.32 |
| Total | 318765.09 | 316075.35 | 141243.94 |

| Derivative Statistics- Nifty Options | | | |
|--------------------------------------|--------|----------|--------|
| | 31-Jul | Prev_Day | Change |
| Put Call Ratio (OI) | 1.37 | 0.88 | 0.49 |
| Put Call Ratio(Vol) | 0.85 | 0.87 | -0.02 |

| Debt Watch | | | | |
|--------------------|--------|---------|----------|----------|
| | 31-Jul | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate | 5.61% | 5.58% | 5.94% | 6.16% |
| T-Repo | 5.59% | 5.49% | 5.85% | NA |
| Repo | 5.75% | 5.75% | 5.75% | 6.25% |
| Reverse Repo | 5.50% | 5.50% | 5.50% | 6.00% |
| 91 Day T-Bill | 5.65% | 5.70% | 6.02% | 6.69% |
| 364 Day T-Bill | 5.93% | 5.95% | 6.08% | 7.24% |
| 10 Year Gilt | 6.37% | 6.44% | 6.88% | 7.77% |
| G-Sec Vol. (Rs.Cr) | 59582 | 37098 | 45259 | 26766 |
| FBIL MIBOR* | 5.70% | 5.75% | 5.97% | 6.26% |
| 3 Month CP Rate | 6.30% | 6.30% | 7.00% | 7.50% |
| 5 Year Corp Bond | 7.66% | 7.73% | 8.10% | 8.64% |
| 1 Month CD Rate | 5.71% | 5.86% | 6.07% | 6.89% |
| 3 Month CD Rate | 6.21% | 6.28% | 6.41% | 7.30% |
| 1 Year CD Rate | 6.86% | 6.93% | 7.16% | 8.06% |

| Currency Market | | | |
|-----------------|--------|----------|--------|
| Currency | 31-Jul | Prev_Day | Change |
| USD/INR | 68.86 | 68.75 | 0.11 |
| GBP/INR | 83.74 | 83.54 | 0.19 |
| EURO/INR | 76.84 | 76.58 | 0.27 |
| JPY/INR | 0.63 | 0.63 | 0.00 |

| Commodity Prices | | | | |
|--------------------|--------|--------|----------|----------|
| Commodity | 31-Jul | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 58.48 | 55.87 | 58.17 | 69.25 |
| Brent Crude(\$/bl) | 62.88 | 64.02 | 68.96 | 74.80 |
| Gold(\$/oz) | 1414 | 1426 | 1409 | 1223 |
| Gold(Rs./10 gm) | 34805 | 34897 | 34006 | 29660 |

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Aug 2019 Futures stood at 11,132.20, a premium of 14.20 points above the spot closing of 11,118.00. The turnover on NSE's Futures and Options segment rose to Rs. 15,25,426.99 on July 31, 2019, compared with Rs. 13,60,911.98 crore on July 30, 2019.
- The Put-Call ratio stood at 0.79 compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 1.09 compared with the previous session's close of 0.97.
- Open interest on Nifty Futures stood at 18.55 million, compared with the previous session's close of 18.15 million.

Indian Debt Market

- Bond yields fell on expectations that the U.S. Federal Reserve might cut interest rates in its upcoming monetary policy review which was scheduled on Jul 31, 2019. According to media reports, this might be the first rate cut by the U.S. Federal Reserve in more than a decade.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 2 bps to close at 6.37% compared with the previous close of 6.39% after trading in a range of 6.36% to 6.40%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,645 crore (gross) on Jul 31, 2019 compared with Rs. 4,033 crore (gross) borrowed on Jul 30, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 20,552 crore on Jul 30, 2019.

Currency Market Update

- The Indian rupee rose against the greenback on expectations that the U.S. Fed might cut interest rates in its monetary policy review scheduled on Jul 31, 2019. The rupee closed at 68.79 a dollar, up 0.10% compared with the previous close of 68.86.
- The euro weakened against the greenback after the U.S. Fed cut interest rates by 25 bps as expected. The euro was last seen trading at 1.1074, down 0.71% compared with the previous close of 1.1153.

Commodity Market Update

- Gold prices fell after U.S. Fed cut interest rates by 25 bps. Gold prices were last seen trading at \$1,413.55 per ounce, down 1.19% compared with the previous close of \$1,430.60 per ounce.
- Brent crude prices rose after data showed that U.S. crude stockpiles fell more than expected and came down for a seventh straight week.

International News

- The U.S. Federal Reserve's Federal Open Market Committee lowered interest rates by a quarter point to a target range of 2% to 2-1/4%, which is down 25 basis points from the previous range of 2-1/4% to 2-1/2%. The implications of global developments for the economic outlook as well as muted inflation pressures were given as reasons for the rate cut.
- Eurostat preliminary flash estimate euro zone consumer price inflation slowed in Jul 2019, after rising in the previous month. Headline inflation eased to 1.1% from 1.3% in Jun 2019, in line with expectations.

Thank you for
your time.