

RELIANCE

MUTUAL
FUND

Markets for You

02 Aug 2018

Indices Performance

Global Indices	01-Aug	Prev_Day	Abs. Change	% Change [#]
Dow Jones	25,334	25,415	-81	-0.32
Nasdaq	7,707	7,672	35	0.46
FTSE	7,653	7,749	-96	-1.24
Nikkei	22,747	22,554	193	0.86
Hang Seng	28,341	28,583	-242	-0.85
Indian Indices	01-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	37,522	37,607	-85	-0.23
Nifty 50	11,346	11,357	-10	-0.09
Nifty 100	11,630	11,634	-4	-0.04
Nifty Bank	27,597	27,764	-168	-0.60
SGX Nifty	11,359	11,377	-18	-0.16
S&P BSE Power	1,972	1,975	-3	-0.14
S&P BSE Small Cap	16,628	16,584	44	0.26
S&P BSE HC	14,363	14,206	158	1.11

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Aug	23.56	1.17	28.14	1.19
Month Ago	22.54	1.26	25.90	1.22
Year Ago	24.43	1.20	25.75	0.95

Nifty 50 Top 3 Gainers

Company	01-Aug	Prev_Day	% Change [#]
Coal India	271	261	3.66
Lupin	844	824	2.40
Bharti Infratel	293	287	2.30

Nifty 50 Top 3 Losers

Company	01-Aug	Prev_Day	% Change [#]
Hindalco	208	213	-2.53
Maruti	9342	9521	-1.88
Vedanta Limited	218	222	-1.80

Advance Decline Ratio

	BSE	NSE
Advances	1403	949
Declines	1296	820
Unchanged	141	117

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	904	-2877
MF Flows**	-199	74115

*1st Aug 2018; **20th Jul 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.00%	4.28%	1.46%
	(Jun-18)	(Mar-18)	(Jun-17)
IIP	3.20%	6.90%	2.90%
	(May-18)	(Feb-18)	(May-17)
GDP	7.70%	7.00%	6.10%
	(Mar-18)	(Dec-17)	(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 as the manufacturing sector in China and Japan continued to expand in July, albeit at a slower pace. Meanwhile, investors became wary on news that U.S. might consider imposing higher tariffs on \$200 billion in Chinese imports. Upcoming Federal Reserve policy review also kept market participants cautious. However, weaker yen provided some respite. Today (as of Aug 2), Asian markets opened mostly lower following mixed cues from the Wall Street overnight. Nikkei and Hang Seng fell 0.41% and 1.29%, respectively (as at 8 a.m. IST).
- As per the last close, European markets fell due to trade concerns following reports that U.S. President's administration is considering to raise proposed tariff on \$200 billion worth of Chinese imports.
- As per the last close, U.S. markets closed on a mixed note. Trade concerns following reports that U.S. President's administration is considering to raise proposed tariff on \$200 billion worth of Chinese imports, weighed on the indices. However, gains in a U.S. technology major on strong quarterly results capped the losses.

Indian Equity Market

- Indian equity markets moved down as the Monetary Policy Committee (MPC), in its third bi-monthly policy review, increased the key policy repo rate by 25 basis points to 6.5% citing inflation concerns but retained its "neutral" stance. The manufacturing sector also improved at a slower pace as the Nikkei India Manufacturing Purchasing Managers' Index (PMI) data stood at 52.3 in Jul, down from 53.1 in Jun. Meanwhile, the total gross Goods and Services Tax (GST) revenue collection in Jul stood at Rs. 964.83 billion in Jul from Rs. 956.1 billion in the previous month. On the global front, investors remained cautious of U.S.-China trade war and upcoming policy rates decision from major central banks across the globe.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.23% and 0.09% to close at 37,521.62 and 11,346.20, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap gained 0.19% and 0.26% respectively.
- The overall market breadth on BSE was strong with 1403 scrips advancing and 1296 scrips declining. A total of 141 scrips remained unchanged.

Domestic News

- Data from a private survey showed that the Nikkei India Manufacturing Purchasing Managers Index (PMI) fell to 52.3 in Jul 2018 from 53.1 in Jun 2018. This is the 12th consecutive month that the manufacturing PMI remained above 50. The decline in manufacturing PMI can be attributed to moderate rise in output, new orders and employment.
- The Monetary Policy Committee (MPC), in its third bi-monthly policy review for FY19, increased the key policy repo rate by 25 basis points to 6.50% from 6.25% and retained its 'neutral' stance. Consequently, reverse repo rate now stands adjusted to 6.25% and both the marginal standing facility rate and the bank rate at 6.75%. Five policymakers were in favour of the decision and one policymaker voted against the decision. MPC decided to increase key policy repo rate as it identified several factors that may lead to an increase in domestic inflationary pressures. Some of the factors are volatility in crude oil prices and global financial markets, fiscal slippage at the centre and/or state government levels, regional distribution of monsoons, uncertainty regarding the impact of minimum support price on domestic inflation and the staggered impact of HRA revision by state governments.
- Hero MotoCorp sales increased 9% to 6,79,862 units in Jul 2018. The company had sold 6,23,269 units in the year-ago period. The company has planned many new product launches before the festive season, such as Xtreme 200R motorcycle and 125cc scooters.
- Hindustan Copper Ltd (HCL) got cabinet approval for a fresh equity issue of 15%. It will help the state-run company raise Rs 900.6 crore. Hindustan Copper will issue 13.87 crore fresh equity shares, to the extent of 15%, which will pare government stake in it to 66.13%.
- Life Insurance Corporation of India (LIC) has got the go-ahead from cabinet to acquire a majority stake in IDBI Bank Ltd. LIC is looking to acquire 51% stake in the debt-laden bank at an estimated Rs. 10,000-Rs. 13,000 crore. LIC will now approach the Reserve Bank of India and the Insurance Regulatory and Development Authority of India for their approval.

FII Derivative Trade Statistics			
(Rs Cr)	01-Aug		
	Buy	Sell	Open Int.
Index Futures	1913.93	1848.01	21751.64
Index Options	47779.28	47630.31	52163.13
Stock Futures	13604.89	12993.71	80043.86
Stock Options	6818.34	6531.08	5859.60
Total	70116.44	69003.11	159818.23

Derivative Statistics- Nifty Options			
	01-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.73	1.72	0.02
Put Call Ratio(Vol)	1.11	1.07	0.04

Debt Watch				
	01-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.17%	6.24%	6.21%	6.11%
CBLO	6.19%	6.31%	6.20%	6.19%
Repo	6.50%	6.25%	6.25%	6.25%
Reverse Repo	6.25%	6.00%	6.00%	6.00%
91 Day T-Bill	6.77%	6.69%	6.48%	6.11%
364 Day T-Bill	7.26%	7.26%	7.11%	6.22%
10 Year Gilt	7.70%	7.79%	7.90%	6.44%
G-Sec Vol. (Rs.Cr)	55981	15005	27152	61724
FBIL MIBOR	6.25%	6.41%	6.25%	6.25%
3 Month CP Rate	7.65%	7.85%	7.55%	6.59%
5 Year Corp Bond	8.58%	8.73%	8.79%	7.42%
1 Month CD Rate	6.78%	6.75%	6.81%	6.23%
3 Month CD Rate	7.40%	7.24%	7.00%	6.21%
1 Year CD Rate	8.10%	8.02%	8.08%	6.53%

Currency Market			
Currency	01-Aug	Prev_Day	Change
USD/INR	68.61	68.61	0.00
GBP/INR	89.93	90.09	-0.15
EURO/INR	80.12	80.37	-0.25
JPY/INR	0.61	0.62	0.00

Commodity Prices				
Commodity	01-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	68.42	70.78	74.08	49.14
Brent Crude(\$/bl)	72.92	74.31	76.78	51.04
Gold(\$/oz)	1215	1231	1252	1269
Gold(Rs./10 gm)	29664	29904	30341	28544

Source: Thomson Reuters Eikon

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

Derivatives Market

- Nifty August 2018 Futures closed at 11,374.30, a premium of 28.10 points, above the spot closing of 11,346.20. The turnover on NSE's Futures and Options segment increased to Rs. 9,15,343.18 on Aug 01 compared with Rs. 5,29,372.26 on Jul 31.
- The Put-Call ratio stood at 0.94 against previous session's close of 0.97.
- The Nifty Put-Call ratio stood at 1.72 compared with the previous session's close of 1.73.
- Open interest on Nifty Futures stood at 27.01 million as against the previous session's close at 26.10 million.

Indian Debt Market

- Bond yields declined after the Monetary Policy Committee's (MPC) commentary in the third bi-monthly monetary policy for FY19 pacified concerns regarding the pace of monetary tightening to some extent. Meanwhile, MPC increased repo rate by 25 bps as expected and maintained neutral stance in the third bi-monthly monetary policy for FY19. Moreover, fall in crude oil prices further added to the gains.
- Yield on the 10-year benchmark paper (7.17% GS 2028) went down 7 bps to close at 7.70% as against its previous close of 7.77%. During the session, bond yields traded in the range of 7.70% and 7.85%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs.7,756 crore (gross) on Aug 1, compared with Rs. 14,301 crore (gross) borrowed on Jul 31. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 15,221 crore on Jul 31.

Currency Market Update

- The rupee rose against the greenback as the latter remained under pressure ahead of the outcome of the U.S. Federal Reserve monetary policy review due Aug 1, 2018. The outcome of the third bi-monthly monetary policy review came in line with market expectations which also boosted the rupee.
- The euro was nearly steady against the greenback as market participants preferred to stay on sidelines ahead of the U.S. Federal Reserve monetary policy review due on Aug 1.

Commodity Market Update

- Gold prices marginally fell as market participants were cautious ahead of the U.S. Federal Reserve policy rate decision.
- Brent crude declined after an industry report from American Petroleum Institute revealed crude oil inventory of 5.59 million barrels relative to market estimates for 2.8 million barrels.

International News

- A report from the Conference Board showed that U.S. consumer confidence index edged up to 127.4 in Jul 2018 from an upwardly revised 127.1 (126.4 originally reported) in Jun 2018. The increase reflects improvement in consumers' assessment of present-day conditions and the present situation index surged to 165.9 in Jul from 161.7 in Jun 2018.
- A report from the IHS Markit and Chartered Institute of Procurement & Supply showed that U.K.'s manufacturing Purchasing Managers' Index fell to 54.0 in Jul 2018 from 54.3 in Jun 2018.
- According to a report from the IHS Markit, Eurozone's Purchasing Managers' Index came in line with preliminary expectations and surged to 55.1 in Jul 2018 as against 54.9 in Jun 2018.

Thank you for
your time.