

**RELIANCE**

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FUND

# Markets for You

02 Aug 2019

**Indices Performance**

Global Indices	01-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,302	1,309	-7	-0.57
Nasdaq	8,111	8,175	-64	-0.79
FTSE	7,585	7,587	-2	-0.03
Nikkei	21,541	21,522	19	0.09
Hang Seng	27,566	27,778	-212	-0.76
Indian Indices	01-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,018	37,481	-463	-1.23
Nifty 50	10,980	11,118	-138	-1.24
Nifty 100	11,081	11,221	-140	-1.25
Nifty 500	8,936	9,045	-109	-1.21
Nifty Bank	28,367	28,876	-509	-1.76
S&P BSE Power	1,964	1,966	-2	-0.12
S&P BSE Small Cap	12,552	12,692	-140	-1.10
S&P BSE HC	12,587	12,704	-117	-0.92

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Aug	26.15	1.25	27.05	1.35
Month Ago	28.57	1.18	29.17	1.23
Year Ago	23.56	1.17	28.14	1.19

**Nifty 50 Top 3 Gainers**

Company	01-Aug	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	251	246	2.12
Wipro	270	265	1.92
Maruti	5573	5470	1.88

**Nifty 50 Top 3 Losers**

Company	01-Aug	Prev_Day	% Change <sup>#</sup>
Vedanta Limited	145	154	-5.61
SBI	317	332	-4.53
Tata Motors	130	136	-4.46

**Advance Decline Ratio**

	BSE	NSE
Advances	778	531
Declines	1689	1291
Unchanged	121	98

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1466	64762
MF Flows**	2898	23818

\*1<sup>st</sup> Aug 2019; \*\*31<sup>st</sup> 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 were muted as the U.S. Federal Reserve chairman's comments post the bank's policy meet dampened hopes of further rate cuts in 2019. Also, there was little progress after U.S. and Chinese negotiators finished their talks in Shanghai. Today (as of Aug 2), Asian markets opened lower after the U.S.' surprise tariff announcement intensified trade tensions between Washington and Beijing. Both Nikkei and Hang Seng were trading down 2.06% and 2.05%, respectively (as at 8.a.m. IST).
- U.S. markets fell after the U.S. President said the U.S. would impose an extra 10% tariff on Chinese imports. These would be effective from Sep 1, 2019, and the President said the rate could go up further to 25%.
- European markets were mixed as investor sentiment remained muted because of U.S. Federal Reserve's stance on interest rates on the one hand and strong earnings buoyed markets on the other.

**Indian Equity Market**

- Indian equity markets declined on weak global cues after the U.S. Federal Reserve cut interest rates but said the move was not the beginning of a long-running rate-cut cycle. This was taken by investors as a hint that rates won't be cut anymore in 2019.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 1.23% and 1.24% to close at 37,018.32 and 10,980.00, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 0.86% and 1.10%, respectively.
- The overall market breadth on BSE was weak with 778 scrips advancing and 1,689 scrips declining. A total of 121 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Energy was the major gainer, up 0.51%, followed by S&P BSE Consumer Durables and S&P BSE Utilities, which gained 0.21% and 0.05%, respectively. S&P BSE Metal was the major loser, down 3.37%, followed by S&P BSE Basic Materials and S&P BSE Telecom, down 2.49% and 2.35%, respectively. S&P BSE Teck and S&P BSE IT lost 2.07% and 1.92%, respectively.

**Domestic News**

- After falling on MoM basis in Jun 2019, Nikkei India Manufacturing Purchasing Managers' Index (PMI) grew to 52.5 in Jul from 52.1 in Jun driven mainly by improved output and new orders. New export orders continued to rise, however, there was slowdown in growth. Consumer goods producers led the upturn for the third consecutive month.
- According to media news, Jul 2019 sales at some of the top passenger vehicle makers has hit their worst in about two decades. Increasing financial uncertainty, slowdown in new investment, and stress in non-bank lending dampened urban and rural consumer demand. Furthermore, this year, irregular monsoon rain struck rural sentiment.
- Finance minister said business failures should not be tabooed or looked down upon. She was reacting to the alleged suicide of a prominent businessman. In a debate on the Insolvency and Bankruptcy Code (IBC) in Lok Sabha, the minister said that businessmen should get honourable exit or resolution to the problem in letter and spirit of IBC.
- Corporate affairs minister said amendments to insolvency law are aimed at ensuring greater timeliness for resolution process. The resolution process has to be completed in 330 days and changes are to be made in seven sections of the law.
- India wastes a significant portion of its agriculture produce due to a weak cold chain infrastructure, with 16% of fruits and vegetables being wasted every year, Minister of State for Food Processing Industries said. Up to 10% oilseeds, pulses and cereals grown in India are completely wasted. A study "Assessment of Quantitative Harvest and Post-Harvest Losses of Major Crops and Commodities in India" undertaken by the Central Institute of Post-Harvest Engineering and Technology (CIPHET) came out with these figures.
- Media reports have said many public sector banks have opted for safe investment options like government bonds to avoid any chance of post retirement harassments at the hands of law enforcement agencies. The trend has resulted in reduced and delayed lending to the private sector.

FII Derivative Trade Statistics		01-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	4241.89	5387.21	14780.77	
Index Options	325508.78	324195.74	42247.61	
Stock Futures	13913.25	13226.66	85976.36	
Stock Options	5760.26	5723.56	3076.39	
Total	349424.18	348533.17	146081.13	

Derivative Statistics- Nifty Options			
	01-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.09	0.98	0.12
Put Call Ratio(Vol)	0.79	0.88	-0.08

Debt Watch				
	01-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.56%	5.61%	5.74%	6.17%
T-Repo	5.59%	5.61%	5.55%	NA
Repo	5.75%	5.75%	5.75%	6.50%
Reverse Repo	5.50%	5.50%	5.50%	6.25%
91 Day T-Bill	5.53%	5.73%	5.90%	6.77%
364 Day T-Bill	5.88%	5.90%	6.10%	7.26%
10 Year Gilt	6.42%	6.51%	6.88%	7.70%
G-Sec Vol. (Rs.Cr)	55044	63985	35844	55981
FBIL MIBOR*	5.75%	5.70%	5.97%	6.25%
3 Month CP Rate	6.10%	6.30%	6.90%	7.65%
5 Year Corp Bond	7.83%	7.81%	8.03%	8.57%
1 Month CD Rate	5.44%	5.76%	5.92%	6.78%
3 Month CD Rate	6.20%	6.29%	6.40%	7.40%
1 Year CD Rate	6.62%	6.77%	7.11%	8.10%

Currency Market			
Currency	01-Aug	Prev_Day	Change
USD/INR	69.06	68.86	0.20
GBP/INR	83.75	83.74	0.01
EURO/INR	76.31	76.84	-0.54
JPY/INR	0.63	0.63	0.00

Commodity Prices				
Commodity	01-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	53.59	55.85	58.88	68.42
Brent Crude(\$/bl)	62.04	63.31	65.66	72.92
Gold(\$/oz)	1445	1414	1384	1215
Gold(Rs./10 gm)	34572	34943	33549	29664

Source: Thomson Reuters Eikon

\*As on previous trading day

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**Derivatives Market**

- Nifty Aug 2019 Futures stood at 11,015.35, a premium of 35.35 points above the spot closing of 10,980.00. The turnover on NSE's Futures and Options segment rose to Rs. 27,99,622.77 on August 01, 2019, compared with Rs. 15,25,426.99 crore on July 31, 2019.
- The Put-Call ratio stood at 0.73 compared with the previous session's close of 0.79.
- The Nifty Put-Call ratio stood at 0.82 compared with the previous session's close of 1.09.
- Open interest on Nifty Futures stood at 20.01 million, compared with the previous session's close of 18.55 million.

**Indian Debt Market**

- Bond yields increased following a finance ministry official's comment, which increased ambiguity regarding the government's plan for issuing sovereign bond in the overseas market. In addition, uncertainty whether the borrowing plan will form part of the current fiscal further dampened sentiments.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 5 bps to close at 6.42% compared with the previous close of 6.37% after trading in a range of 6.38% to 6.43%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,508 crore (gross) on Aug 1, 2019 compared with Rs. 4,645 crore (gross) borrowed on Jul 31, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 18,528 crore on Jul 31, 2019.

**Currency Market Update**

- The Indian rupee weakened against the greenback following U.S. Federal Reserve chairman's remarks that tempered expectations of a rate easing cycle. The rupee closed at 69.05 a dollar compared with the previous close 68.79.
- The euro gained against the greenback as the latter weakened after U.S. President reportedly stated that he would levy an additional 10% tariff on \$300 billion worth of Chinese imports on Sep 1. The euro closed at 1.1061 compared with the previous close of 1.1074.

**Commodity Market Update**

- Gold prices surged following renewed trade tensions between the two countries.
- Brent crude prices fell due to concerns that the global economy would weaken further following renewed trade tensions between U.S. and China.

**International News**

- An Institute for Supply Management report showed growth in U.S. manufacturing activity unexpectedly continued slowdown in Jul 2019. The ISM Purchasing managers index dipped to 51.2 in Jul after edging down to 51.7 in Jun 2019.
- Survey data from IHS Markit showed U.K. manufacturing sector shrank at the fastest pace in almost six-and-a-half years in Jul 2019. The factory Purchasing Managers' Index remained unchanged at 48.0 in Jul. This is the lowest level in almost six-and-a-half years.
- Survey data from IHS Markit showed China's manufacturing sector contracted slightly in Jul with Caixin factory PMI coming in at 49.9 from 49.4 in Jun 2019.

Thank you for  
your time.