

Indices Performance

Global Indices	02-Aug	Prev_Day	Abs. Change	% Change [#]
Dow Jones	18,314	18,405	-91	-0.49
Nasdaq	5,138	5,184	-46	-0.90
FTSE	6,645	6,694	-49	-0.73
Nikkei	16,391	16,636	-244	-1.47
Hang Seng	Closed	22,129	NA	NA
Indian Indices	02-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	27,982	28,003	-21	-0.08
Nifty 50	8,623	8,637	-14	-0.16
Nifty 100	8,820	8,841	-22	-0.24
Nifty Bank	18,708	18,741	-32	-0.17
SGX Nifty	8,675	8,696	-21	-0.24
S&P BSE Power	2,057	2,074	-17	-0.84
S&P BSE Small Cap	12,220	12,322	-102	-0.83
S&P BSE HC	16,149	16,279	-130	-0.80

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
2-Aug	20.73	1.39	23.58	1.27
Month Ago	19.78	1.44	22.86	1.25
Year Ago	22.38	1.30	23.53	1.41

Nifty 50 Top 3 Gainers

Company	02-Aug	Prev_Day	% Change [#]
ITC	261	251	4.07
HCL Tech	801	780	2.60
Bank of Baroda	151	148	2.47

Nifty 50 Top 3 Losers

Company	02-Aug	Prev_Day	% Change [#]
Auro Pharma	764	788	-3.05
Tata Motors	493	508	-2.94
Ambuja Cem	264	271	-2.64

Advance Decline Ratio

	BSE	NSE
Advances	959	484
Declines	1793	1137
Unchanged	127	70

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	656	32643
MF Flows**	59	9871

*2nd Aug 2016; **1st Aug 2016

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	1.20% (Jun-16)	-0.45% (Mar-16)	-2.13% (Jun-15)
IIP	1.20% (May-16)	1.90% (Feb-16)	2.0% (May-15)
GDP	7.90 (Mar-16)	7.20 (Dec-15)	6.70 (Mar -15)

Global Indices

- Most of the Asian bourses closed in the negative terrain following strong yen, weak oil prices, and disappointing U.S. economic data. Today (As on Aug 3), Asian markets opened lower following losses in the Wall Street overnight. Uncertainty regarding Bank of Japan's course of action in Sep also weighed on the market sentiment. Nikkei Average and Hang Seng were trading down 1.34% and 1.55% respectively (as at 8.00 a.m IST).
- As per the last close, European markets closed lower amid concerns and uncertainty about European bank's profitability following the results of the European Banking Authority's latest stress tests. Continued fall in global crude oil prices also weighed on the bourses. Market sentiments were further dampened after a major bank in Germany lowered its full-year net profit target for 2016
- As per the last close, U.S. equities closed lower following decline in U.S. crude oil prices which settled below \$40 for the first time since Apr. Worries that the Bank of Japan may refrain from its massive bond-buying campaign and uncertainty regarding its course of action in Sep also weighed on the market sentiment.

Indian Equity Market

- Indian equity market reversed initial gains to close on a negative note. S&P BSE Sensex closed flat and Nifty 50 slipped below 28,000-mark, following weak cues from heavy sell-offs in the European market. Also, the market waited for Rajya Sabha's decision on the GST Bill issue.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.08% and 0.16% to close at 27,981.71 points and 8,622.90 points, respectively. S&P BSE MidCap and S&P BSE SmallCap went down 0.62% and 0.83%, respectively.
- The overall market breadth on BSE was negative with 1,793 scrips declining and 959 scrips advancing. A total of 127 scrips remained unchanged.
- On the BSE sectoral front, most of the indices except for S&P BSE IT FMCG, S&P BSE Consumer Discretionary Goods & Services, and S&P BSE IT, closed in the red. The biggest loser was S&P BSE Metal, down 1.78%, followed by S&P BSE Basic Materials (-1.43%), S&P BSE Telecom (-1.27%), and S&P BSE Realty (-1.18%). S&P BSE FMCG, up 1.68%, finished the session on a positive note.

Domestic News

- The Lok Sabha has passed a bill to amend the existing Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act and the Debt Recovery Tribunal (DRT) Act. The amendment is expected to speed up recovery and resolution of bad debts by banks and financial institutions for easy functioning of Asset Reconstruction Companies (ARCs). The amendments will also effectively deal with non-performing assets in the Indian banking system.
- The government has announced amendments to the Goods and Service Tax (GST) bill to drop 1% additional levy and included a definite provision in the bill for compensating states for revenue loss for a period of five years. The action is taken to ensure approval of the bill.
- The Reserve Bank of India issued guidelines for 'on tap' licensing of universal private sector banks. Under the new norms, applicants can apply for a banking licence anytime as opposed to the previous case when there was a limited-period window for applications. According to the revised guidelines, individuals having 10 years of senior-level experience are eligible to promote a bank. However, large industry houses have been excluded from list, but have been allowed to invest up to 10%.
- According to the India Meteorological Department, rainfall in the second half of the southwest monsoon season, which is Aug and Sep, is expected to be above normal.
- Indian Bank reported net profit of Rs. 307.36 crore for the quarter ended Jun 30, 2016, registering a growth of 42.77% YoY. The growth in profit was led by the various initiatives taken to reduce cost. During the quarter, gross NPAs stood at Rs. 8,894.23 crore, compared with Rs. 5,815.14 crore during the corresponding quarter of previous year.

FII Derivative Trade Statistics	02-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2561.09	1929.36	19425.88
Index Options	43380.04	42707.26	52567.04
Stock Futures	5855.15	6829.91	51991.81
Stock Options	4479.06	4520.69	2738.48
Total	56275.34	55987.22	126723.21

Derivative Statistics- Nifty Options			
	02-Aug	Prev_Day	Change
Put Call Ratio (OI)	0.91	0.94	-0.03
Put Call Ratio(Vol)	0.93	0.96	-0.03

Debt Watch				
	02-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.38%	6.35%	6.25%	7.09%
CBLO	6.36%	6.48%	6.27%	7.05%
Repo	6.50%	6.50%	6.50%	7.25%
Reverse Repo	6.00%	6.00%	6.00%	6.25%
91 Day T-Bill	6.51%	6.56%	6.53%	7.30%
364 Day T-Bill	6.64%	6.70%	6.84%	7.57%
10 Year Gilt	7.17%	7.25%	7.42%	7.81%
G-Sec Vol. (Rs.Cr)	73536	81033	88964	32118
1 Month CP Rate	6.95%	7.00%	7.56%	7.53%
3 Month CP Rate	7.21%	7.29%	7.79%	7.91%
5 Year Corp Bond	7.62%	7.71%	8.07%	8.45%
1 Month CD Rate	6.50%	6.48%	6.68%	7.34%
3 Month CD Rate	6.63%	6.63%	6.76%	7.55%
1 Year CD Rate	7.24%	7.27%	7.42%	7.94%

Currency Market			
Currency	02-Aug	Prev_Day	Change
USD/INR	66.76	66.74	0.02
GBP/INR	88.03	88.44	-0.41
EURO/INR	74.60	74.52	0.08
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	02-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	39.50	42.16	49.02	47.11
Brent Crude(\$/bl)	39.60	43.26	47.05	53.64
Gold(\$/oz)	1363	1320	1342	1095
Gold(Rs./10 gm)	31283	30764	30980	24592

Source: ICRON Research

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Derivatives Market

- Nifty Aug 2016 Futures were at 8,660.30 points, a premium of 37.40 points, over the spot closing of 8,622.90 points. The turnover on NSE's Futures and Options segment went down from Rs. 2,91,649.05 crore on Aug 1 to Rs. 2,54,710.39 crore on Aug 2.
- The Put-Call ratio stood at 0.82, compared with the previous session's close of 0.83.
- The Nifty Put-Call stood at 0.91, compared with the previous session's close of 0.94.
- The open interest on Nifty Futures stood at 24.77 million, compared with the previous session's close of 24.42 million.

Indian Debt Market

- After falling in the last four days, bond yields increased as market participants booked profits after a record rally in the last few weeks.
- The yield on 10-year benchmark bond (7.59% GS 2026) increased 3 bps to close at 7.17% from the previous close of 7.14%. During the session, bond yields moved in the region of 7.14% to 7.18%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 2,979 crore (gross), compared with gross borrowing of Rs. 3,489 crore on Aug 1. Sale of securities under Reserve Bank of India (RBI)'s reverse repo window stood at Rs. 4,287 crore on Aug 1.
- Banks borrowed Rs. 775 crore under RBI's Marginal Standing Facility on Aug 1, while borrowings of Rs. 1,707 crore were seen on Jul 29.
- RBI conducted overnight variable rate reverse repo auction for a notified amount of Rs. 15,000 crore. An amount of Rs. 6,602 crore was allotted at a cut-off rate of 6.49%.

Currency Market Update

- The Indian rupee gained initially against the U.S. dollar led by the sales of greenback by the bank amid expectations that a key tax reform bill will get approval in the current parliament session. However, dollar demand from crude oil importers later in the day reversed gains. The rupee rose 0.01% to close at 66.73 per dollar from the previous close of 66.74.
- Euro rose against the greenback as the weak U.S. GDP data and new fiscal measures from Japan weighed on the dollar. Euro was trading up 0.30% at \$1.1192 compared with the previous close of \$1.1159.

Commodity Market Update

- Gold prices went up as the market waited for indications about the time of a prospective interest rate hike in the U.S. later this year.
- Brent crude prices rose despite oversupply concerns continued to trouble the market. Weakness in the greenback helped oil prices to rise.

International News

- According to a report released by the U.S. Commerce Department, construction spending declined 0.6% to an annual rate of \$1.134 trillion in Jun 2016 from May 2016's revised rate of \$1.141 trillion.
- A report from the Institute for Supply Management showed that Purchasing Managers' Index (PMI) of the U.S. manufacturing sector slowed down in Jul 2016. The index decreased to 52.6 in Jul from 53.2 in Jun 2016.
- Results of a survey by Markit Economics showed that U.K. construction activities contracted, but was less than expected. The PMI index dropped to 45.9 in Jul 2016 from 46.0 in Jun 2016. The decline in business activity was due to uncertainty because of Britain's referendum to leave the European Union.