

RELIANCE

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FUND

Markets for You

03 Aug 2017

Indices Performance

Global Indices	02-Aug	Prev_Day	Abs. Change	% Change [#]
Dow Jones	22,016	21,964	52	0.24
Nasdaq	6,363	6,363	0	0.00
FTSE	7,411	7,424	-12	-0.16
Nikkei	20,080	19,986	94	0.47
Hang Seng	27,607	27,540	67	0.24
Indian Indices	02-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	32,477	32,575	-98	-0.30
Nifty 50	10,082	10,115	-33	-0.33
Nifty 100	10,410	10,448	-37	-0.36
Nifty Bank	25,055	25,123	-68	-0.27
SGX Nifty	10,097	10,160	-63	-0.62
S&P BSE Power	2,324	2,322	3	0.11
S&P BSE Small Cap	16,063	16,075	-11	-0.07
S&P BSE HC	14,156	14,222	-66	-0.46

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
2-Aug	24.50	1.20	25.63	0.95
Month Ago	22.64	1.27	24.23	1.12
Year Ago	20.73	1.39	23.58	1.27

Nifty 50 Top 3 Gainers

Company	02-Aug	Prev_Day	% Change [#]
NTPC	172	165	4.03
Ambuja Cem	267	261	2.22
Hero Moto	3803	3728	2.01

Nifty 50 Top 3 Losers

Company	02-Aug	Prev_Day	% Change [#]
Indiabulls HFC	1196	1225	-2.40
Dr.Reddy	2379	2432	-2.18
Sun Pharma	524	534	-1.92

Advance Decline Ratio

	BSE	NSE
Advances	1042	658
Declines	1610	1045
Unchanged	181	72

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-920	56377
MF Flows**	2063	52973

*2nd Aug 2017; **31st Jul 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.90% (Jun-17)	5.11% (Mar-17)	-0.09% (Jun-16)
IIP	1.70% (May-17)	0.80% (Feb-17)	8.00% (May-16)
GDP	6.10% (Mar-17)	7.00% (Dec-16)	9.20% (Mar -16)

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

- Most of the Asian markets closed higher after Japanese industry majors posted strong quarterly earnings results. Japan's consumer confidence that bettered more than expected to 43.8 in Jul 2017, as shown by survey data from the Cabinet Office, also supported sentiment. Better than expected financial results from a U.S. technology heavyweight further added to gains. Today (As of Aug 3), Asian markets opened on a negative note as investors were cautious ahead of key economic data due to this week. Both Nikkei Average and Hang Seng were down 0.37% and 0.50%, respectively. (as at 8.a.m. IST).
- As per the last close, European market ended on a negative note on weak earnings results by some European giants and continued political uncertainty in the U.S. Banks and mining stocks.
- As per the last close, U.S markets ended mostly positive following better than expected results of a U.S. technology giant that boosted investors' sentiment. However, gains were capped as investors preferred to remain on the sidelines ahead of the release of the monthly jobs report on Aug 4.

Indian Equity Market

- The Indian equity market snapped the winning streak as Monetary Policy Committee's (MPC) decision to cut repo rate by 25 bps failed to cheer market sentiment. MPC lowered key policy repo rates in the third bi-monthly monetary policy review, but decided to maintain "neutral" policy stance. Profit booking was also witnessed after the market continued to trade higher during the initial hours of the trading session.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.30% and 0.33% to close at 32,476.74 and 10,081.50, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap moved down 0.30% and 0.07%.
- On the BSE sectoral front, most of the indices closed in the red. S&P BSE IT (-0.88%) stood as the major laggard followed by S&P BSE CG (-0.83%), S&P BSE FMCG (-0.76%). Meanwhile, S&P BSE CD (1.12%) posted gains followed by S&P BSE Energy (0.68%) and S&P BSE Utilities (0.29%). Rate-sensitive sectors like auto (-0.26%), S&P BSE Realty (-0.20%), S&P BSE Bankex (-0.16%) were impacted following MPC's policy decision to cut repo rate by 25 bps.

Domestic News

- The Monetary Policy Committee (MPC) in its monetary policy review lowered key policy repo rate by 25 bps from 6.25% to 6.00%. Subsequently, the reverse repo rate stands adjusted to 5.75% from 6.00%. The bank rate and the marginal standing facility also stand adjusted by 25 bps from 6.50% to 6.25%. According to MPC, a fall in retail inflation to its lowest level in the series based on 2011-12, smooth roll-out of the Goods and Services Tax (GST) and normal monsoons gave room for a rate-cut. Four out of six MPC members were in favour of the monetary policy decision. One advocated for a 50 bps rate cut and one voted for a status quo. MPC decided to keep the policy stance neutral and monitor incoming data.
- MPC projected the real GVA (Gross Value Added) growth for 2017-18 at 7.3%. MPC added that amid significant global political risks, improving external demand conditions would anchor the domestic economy. MPC also identified high levels of stress in twin balance sheets – banks and corporations that may deter new investments. MPC also underlined the need to reinvigorate private investment, remove infrastructure bottlenecks and provide a major thrust to the Pradhan Mantri Awas Yojana for housing needs of all.
- Lupin Ltd. reported profit of Rs. 358 crore or \$56.13 million for the quarter ended Jun 30, 2017, down 59% YoY from Rs. 882 crore in the year-ago period. The downside reflects regulatory hurdles and pricing pressure in U.S. While U.S. sales fell 27%, domestic sales dropped 1.8%.
- Larsen & Toubro announced that it has received order worth Rs. 3,375 crore from Metro Express Limited. Metro Express Limited is owned by the government of Mauritius to design and build an Integrated Light Rail-based Urban Transit System in the African island nation. The metro project comprises of a 26-km route that will connect Curepipe to Immigration Square in Port Louis.
- Punjab National Bank's net profit grew 12% to Rs. 343 crore for the quarter ended Jun 30, 2017. Gross non-performing assets stood at 13.66% in the previous quarter, up from 12.53% in the previous quarter and slightly down from 13.75% in the year-ago quarter.

FII Derivative Trade Statistics		02-Aug	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	466.92	887.56	18502.10
Index Options	30960.00	31300.87	68924.51
Stock Futures	6729.54	6831.12	55573.42
Stock Options	5609.08	5435.49	5024.78
Total	43765.54	44455.04	148024.81

Derivative Statistics- Nifty Options			
	02-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.26	1.31	-0.05
Put Call Ratio(Vol)	1.07	1.08	-0.01

Debt Watch				
	02-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.05%	6.11%	6.11%	6.38%
CBLO	6.18%	6.25%	6.18%	6.36%
Repo	6.00%	6.25%	6.25%	6.50%
Reverse Repo	5.75%	6.00%	6.00%	6.00%
91 Day T-Bill	6.14%	6.15%	6.28%	6.51%
364 Day T-Bill	6.23%	6.23%	6.35%	6.64%
10 Year Gilt	6.46%	6.45%	6.51%	7.17%
G-Sec Vol. (Rs.Cr)	64866	29750	53131	73536
1 Month CP Rate	6.48%	6.43%	6.56%	6.95%
3 Month CP Rate	6.60%	6.51%	6.69%	7.21%
5 Year Corp Bond	7.14%	7.17%	7.32%	7.62%
1 Month CD Rate	6.16%	6.24%	6.33%	6.50%
3 Month CD Rate	6.21%	6.23%	6.35%	6.63%
1 Year CD Rate	6.49%	6.52%	6.69%	7.24%

Currency Market			
Currency	02-Aug	Prev_Day	Change
USD/INR	64.07	64.07	0.00
GBP/INR	84.64	84.62	0.02
EURO/INR	75.75	75.74	0.01
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	02-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	49.55	48.57	45.97	39.45
Brent Crude(\$/bl)	52.53	50.07	47.12	39.59
Gold(\$/oz)	1266	1261	1241	1363
Gold(Rs./10 gm)	28467	28327	28803	31283

Source: ICRON Research

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

Derivatives Market

- Nifty Aug 2017 Futures were at 10,101.10, a premium of 19.60 points above the spot closing of 10,081.50. The turnover on NSE's Futures and Options segment went up from Rs. 3,41,279.74 crore on Aug 1 to Rs. 5,51,231.62 crore on Aug 2.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.26 compared with the previous session's close of 1.31.
- The open interest on Nifty Futures stood at 22.30 million as against previous session's close of 21.14 million.

Indian Debt Market

- Bond yields rose after the Monetary Policy Committee cut key policy rate by 25 basis points as widely expected, but retained its neutral stance.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 2 bps to 6.46% from 6.44% in the previous trading session. During the session, bond yields traded in the range of 6.43% and 6.48%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,230 crore (gross) on Aug 2, down from Rs. 3,710 crore (gross) borrowing on Aug 1. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 6,475 crore on Aug 1.
- Banks borrowed Rs. 500 crore under the central bank's Marginal Standing Facility on Aug 1 as against borrowing of Rs. 675 crore on Jul 31.

Currency Market Update

- The Indian rupee rose against the U.S. dollar after the Reserve Bank of India reduced the repo rate by 25 bps and reiterated "neutral" policy stance. Also, greenback sales by corporates further supported the Indian rupee. The rupee rose 0.58% to close at 63.70 per dollar from the previous close of 64.07.
- The euro strengthened against the U.S. dollar as political turmoil in Washington continued to weigh on the greenback. Euro was trading at \$1.1822, up 0.18% compared with the previous close of \$1.1801.

Commodity Market Update

- Gold prices traded lower as investors remained on the sidelines ahead of a highly-anticipated report on U.S. employment due later in the day.
- Brent crude prices rose amid renewed buying interest in crude futures.

International News

- A report from the Institute for Supply Management showed that U.S. manufacturing Purchasing Managers' Index (PMI) missed market expectations and fell to 56.3 in Jul 2017 from 57.8 in Jun 2017. The decline reflects fall in new orders index as well as production index. Also, employment index fell to 55.2 in Jul from 57.2 in Jun.
- According to the Commerce Department, U.S. construction spending fell 1.3% to an annual rate of \$1.206 trillion in Jun 2017 from the revised estimate of \$1.222 trillion in May 2017. The decline reflects decline in construction spending came amid a steep drop in spending on public construction.
- A report from IHS Markit showed that U.K's Chartered Institute of Procurement & Supply/Markit construction PMI fell more than market expectations to 51.9 in Jul 2017 from 54.8 in Jun 2017.



Thank you for
your time.