

**RELIANCE**

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# Markets for You

04 Aug 2017

Indices Performance

Global Indices	03-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	22,026	22,016	10	0.04
Nasdaq	6,340	6,363	-22	-0.35
FTSE	7,475	7,411	63	0.85
Nikkei	20,029	20,080	-51	-0.25
Hang Seng	27,531	27,607	-76	-0.28
Indian Indices	03-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	32,238	32,477	-239	-0.74
Nifty 50	10,014	10,082	-68	-0.67
Nifty 100	10,354	10,410	-56	-0.54
Nifty Bank	24,675	25,055	-380	-1.52
SGX Nifty	10,050	10,097	-47	-0.47
S&P BSE Power	2,318	2,324	-6	-0.26
S&P BSE Small Cap	15,911	16,063	-152	-0.95
S&P BSE HC	14,010	14,156	-146	-1.03

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
3-Aug	24.33	1.20	25.50	0.96
Month Ago	22.86	1.25	24.47	1.11
Year Ago	20.45	1.41	23.36	1.28

Nifty 50 Top 3 Gainers

Company	03-Aug	Prev_Day	% Change <sup>#</sup>
Indian Oil	387	370	4.58
ACC	1811	1772	2.17
Ambuja Cem	272	267	2.06

Nifty 50 Top 3 Losers

Company	03-Aug	Prev_Day	% Change <sup>#</sup>
Lupin	993	1035	-4.01
Coal India	242	251	-3.63
BOB	158	163	-3.18

Advance Decline Ratio

	BSE	NSE
Advances	788	435
Declines	1840	1246
Unchanged	145	68

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	568	56945
MF Flows**	455	53427

\*3<sup>rd</sup> Aug 2017; \*\*1<sup>st</sup> Aug 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 lower after the Purchasing Managers' Index (PMI) for the Japanese services sector and Caixin China services PMI fell in Jul 2017 on MoM basis. Losses were further triggered after investors lost confidence while awaiting direction from the Bank of England's interest rate decision due later in the day, and U.S. jobs report due Aug 4. Today (As of Aug 4), Asian markets opened mixed after decline in U.S. stocks on Russia's involvement in the U.S. election. However, a slew of strong earnings results boosted investors' sentiment. Nikkei Average was down 0.39% and Hang Seng was up 0.08%. (as at 8.a.m. IST).
- As per the last close, European market ended on a positive note as Bank of England retained its interest rate at a record low. Also, a slew of upbeat earnings results and strong economic data boosted investors' sentiment.
- As per the last close, U.S markets ended mostly negative after reports showed Russia's involvement in the U.S. election that weighed on the market sentiments. Investors also remained cautious ahead of the release of the monthly jobs report on Aug 4.

Indian Equity Market

- The Indian equity market continued with the downward trend for the second consecutive day as Monetary Policy Committee's (MPC) decision to reduce the repo rate by 25 bps kept the banking and finance sector under pressure. Additionally, the Nikkei India Services Purchasing Managers' Index plunged to its lowest level since Sep 2013 and stood at 45.9 in Jul 2017 against 53.1 in the previous month. Most of the contraction was attributed to the implementation of the Goods and Services Tax.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.74% and 0.67% to close at 32,237.88 and 10,013.65, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap moved down 0.50% and 0.95%, respectively.
- On the BSE sectoral front, most of the indices closed in the red barring S&P BSE Oil & Gas (1.35%), S&P BSE Energy (1.08%), S&P BSE Telecom (1.08%), and S&P BSE CD (0.11%). Meanwhile, S&P BSE Metal (-1.68%) stood as the major loser followed by S&P BSE Bankex (-1.66%) and S&P BSE Finance (-1.33%). Metal sector fell after Chinese market fell on the back of weak key economic data.

Domestic News

- Results from a private survey showed that the Nikkei India Services Purchasing Managers' Index (PMI) plunged to its lowest level since Sep 2013 and fell to 45.9 in Jul 2017 from 53.1 in Jun 2017. Most of the contraction was attributed to the implementation of the Goods and Services Tax (GST). According to the survey, output and new work declined for the first time since Jan 2017. Service firms who participated in the survey cited confusion over GST that caused contraction in new work leading to lower activity. The seasonally adjusted Nikkei India Composite PMI Output Index also fell sharply from 52.7 in Jun to 46.0 in Jul.
- The Reserve Bank of India (RBI) has amended some previous regulations on capital requirements under the Basel-III regime of banks. The new amendments widens the assets of banks such as the excess cash reserve ratio, excess Government securities (G-secs) holdings in statutory liquidity ratio, and also excess g-secs under marginal standing facility will be included in the stock of liquid assets without any limit and without applying any haircut. The move comes ahead of the implementation of the stringent capital requirements under the Basel-III regime from 2019.
- The RBI governor advocated for a separate single window mechanism for clearance of affordable housing projects. The remark comes as many housing projects are stuck at state government bodies. The central bank governor underlined the importance of giving more focus on affordable housing as it can have a significant impact on the growth prospects of the Indian economy.
- According to the Commerce and Industry Minister, the government has given its approval for three Foreign Direct Investment proposals from Amazon Retail, Supermarket Grocery Supplies and Grofers India which is worth over Rs. 3,700 crore for retail trading of food products.
- Cognizant Technology Solutions reported a better-than-expected quarterly profit as the company's net income rose 87% to \$470 million, from \$252 million a year earlier.
- Patanjali announced it would collaborate with Facebook and Google to boost its digital marketing campaign.

FII Derivative Trade Statistics		03-Aug	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	935.64	1995.84	19511.79
Index Options	48132.76	48635.56	68577.26
Stock Futures	6891.03	6932.84	55563.73
Stock Options	6044.23	5990.77	5806.27
Total	62003.66	63555.01	149459.05

Derivative Statistics- Nifty Options			
	03-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.21	1.26	-0.05
Put Call Ratio(Vol)	0.91	1.07	-0.16

Debt Watch				
	03-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.83%	6.08%	6.07%	6.39%
CBLO	5.87%	6.20%	6.06%	6.38%
Repo	6.00%	6.25%	6.25%	6.50%
Reverse Repo	5.75%	6.00%	6.00%	6.00%
91 Day T-Bill	6.07%	6.13%	6.28%	6.56%
364 Day T-Bill	6.17%	6.22%	6.33%	6.69%
10 Year Gilt	6.43%	6.44%	6.55%	7.20%
G-Sec Vol. (Rs.Cr)	85796	46594	60034	79248
1 Month CP Rate	6.45%	6.41%	6.54%	6.85%
3 Month CP Rate	6.61%	6.54%	6.70%	7.14%
5 Year Corp Bond	7.07%	7.13%	7.37%	7.68%
1 Month CD Rate	6.14%	6.23%	6.32%	6.50%
3 Month CD Rate	6.20%	6.23%	6.36%	6.62%
1 Year CD Rate	6.48%	6.53%	6.69%	7.25%

Currency Market			
Currency	03-Aug	Prev_Day	Change
USD/INR	63.63	64.07	-0.44
GBP/INR	84.16	84.64	-0.48
EURO/INR	75.39	75.75	-0.36
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	03-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	48.98	49.00	45.97	40.75
Brent Crude(\$/bl)	53.34	50.71	49.22	40.04
Gold(\$/oz)	1268	1259	1220	1358
Gold(Rs./10 gm)	28374	28327	28292	31383

Source: ICRON Research

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#### Derivatives Market

- Nifty Aug 2017 Futures were at 10,043, a premium of 29.35 points above the spot closing of 10,013.65. The turnover on NSE's Futures and Options segment went up from Rs. 5,51,231.62 crore on Aug 2 to Rs. 11,07,707.48 crore on Aug 3.
- The Put-Call ratio stood unchanged at 0.87.
- The Nifty Put-Call ratio stood at 1.21 compared with the previous session's close of 1.26.
- India VIX moved down 2.51% to 11.6425 from 11.9425 in the previous trading session.
- The open interest on Nifty Futures stood at 22.99 million as against previous session's close of 22.30 million.

#### Indian Debt Market

- Bond yields fell as market participants resorted to bargain hunting. Hopes that a second successive normal monsoon, coupled with effective supply management measures will keep food inflation under check and offset chances of a spike in inflation in the coming months also boosted market sentiments.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 3 bps to 6.43% from 6.46% in the previous trading session. During the session, bond yields traded in the range of 6.43% and 6.47%.
- Data from RBI showed that reserve money decreased at an annualised rate of 6.2% in the week to Jul 28, compared with an increase of 15.2% a year earlier. The currency in circulation fell 10.6% during the week compared with an increase of 16.9% increase recorded a year earlier.

#### Currency Market Update

- The Indian rupee stood almost steady against the U.S. dollar as losses due to greenback purchases by state-run lenders were offset by sale of greenback by exporters. The rupee inched up 0.02% to close at 63.69 per dollar from the previous close of 63.70.
- The euro marginally weakened against the U.S. dollar as investors were cautious ahead of U.S. monthly jobs report for Jul 2017 due on Aug 4. Euro was trading at \$1.1844, down 0.08% compared with the previous close of \$1.1854.

#### Commodity Market Update

- Gold prices traded flat as investors remained cautious ahead of a series of U.S. economic data.
- Brent crude prices traded higher after the U.S. Energy Information Administration (EIA) reported a fall in commercial crude inventories of 1.5 million barrels to 481.9 million barrels for the week to Jul 29.

#### International News

- According to a report by payroll processor ADP, private sector employment in the U.S. came in lower than market expectations. Private sector employment grew by 178,000 jobs in Jul 2017 after growing by 191,000 jobs in Jun 2017. While employment at small and large businesses grew by 50,000 jobs and 45,000 jobs, respectively, employment at medium-sized businesses grew by 83,000 jobs.
- The Bank of England (BoE) in its monetary policy review voted 6-2 to hold the interest rate at a historic low of 0.25%. However, all eight members of the Monetary Policy Committee voted to maintain the quantitative easing at £435 billion. BoE hinted that the key rate could be raised next year. BoE downgraded its growth projection for this year to 1.7% from 1.9% and that for 2018 to 1.6% from 1.7%. The growth outlook for 2019 was maintained at 1.8%.



Thank you for  
your time.