

RELIANCE

MUTUAL
FUND

Markets for You

07 Aug 2019

Indices Performance

Global Indices	06-Aug	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,265	1,245	19	1.55
Nasdaq	7,833	7,726	107	1.39
FTSE	7,172	7,224	-52	-0.72
Nikkei	20,585	20,720	-135	-0.65
Hang Seng	25,976	26,151	-175	-0.67
Indian Indices	06-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	36,977	36,700	277	0.75
Nifty 50	10,948	10,863	86	0.79
Nifty 100	11,059	10,970	89	0.81
Nifty 500	8,919	8,832	87	0.98
Nifty Bank	28,022	27,648	374	1.35
S&P BSE Power	1,906	1,889	18	0.94
S&P BSE Small Cap	12,495	12,285	211	1.72
S&P BSE HC	12,506	12,442	65	0.52

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
6-Aug	25.33	1.27	26.97	1.35
Month Ago	28.62	1.18	29.04	1.24
Year Ago	24.12	1.17	28.26	1.18

Nifty 50 Top 3 Gainers

Company	06-Aug	Prev_Day	% Change [#]
Indiabulls HFC	514	477	7.82
Yes Bank	85	81	5.24
Bajaj Finance	3272	3160	3.55

Nifty 50 Top 3 Losers

Company	06-Aug	Prev_Day	% Change [#]
Zee Ente.	312	331	-5.59
Cipla	500	519	-3.61
Power Grid	198	201	-1.52

Advance Decline Ratio

	BSE	NSE
Advances	1633	1329
Declines	813	498
Unchanged	119	102

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-2171	58535
MF Flows**	2898	23818

*6th Aug 2019; **31st Jul 2019

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.18% (Jun-19)	2.86% (Mar-19)	4.92% (Jun-18)
IIP	3.10% (May-19)	0.20% (Feb-19)	3.80% (May-18)
GDP	5.80% (Mar-19)	6.60% (Dec-18)	8.10% (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 fell after China confirmed that it is suspending U.S. agricultural product imports in response to U.S. tariffs. The losses were limited as the yuan stabilized above 7 per dollar, signalling the People's Bank of China may not let the currency slip further as of now. Today (as of Aug 7), Asian markets were mixed as investors looked forward to People's Bank of China to set its daily midpoint fix for the Chinese yuan. Nikkei was trading down 0.42% and Hang Seng was trading up 0.13% (as at 8.a.m. IST).
- U.S. markets recovered after China's central bank hinted that it plans to keep its currency at a stronger than expected level. This eased tensions about China using the yuan as a weapon in the trade war. The bank's response could have been a result of U.S. Treasury Department labelling China a currency manipulator.
- European markets fell on escalating trade tensions though concerns around China devaluing its currency eased after the Chinese central bank hinted it would keep the currency stable. The bank did this to contest U.S. labelling it a currency manipulator.

Indian Equity Market

- Indian equity markets gained, overcoming a dismal start to the session. The initial dip was due to trade war tensions after China devalued its currency to combat U.S.' tariff threat. Later, investor expectations of a 25 basis points interest rate cut by the Reserve Bank of India at its policy meet on Aug 7, 2019, lifted the markets. Also, China took steps to stabilise the yuan after the U.S. labelled the country as a currency manipulator. Markets took positive cues from the finance minister's statement that measures will be taken 'fairly quickly' to improve the economy.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.75% and 0.79% to close at 36,976.85 and 10,948.25, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 1.44% and 1.72%, respectively.
- The overall market breadth on BSE was strong with 1,633 scrips advancing and 813 scrips declining. A total of 119 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Capital Goods was the major gainer, while S&P BSE Energy was the major loser.

Domestic News

- According to media reports, the Ministry of Statistics and Programme Implementation (Mo-SPI) has set up a working group to revise the factory output – index of industrial production (IIP) base to 2017-18 from 2011-12 and see if global practices are followed in its estimation. This comes amid concerns over the credibility of data in recent past. The IIP gives a single representative figure to measure the general level of industrial activity on a monthly basis.
- A former RBI governor has said that the government should borrow only long-term fund from the overseas market. He added that the amount should not exceed 1.5% of GDP under any condition. The former governor said he does not have a negative view about overseas sovereign borrowing but thinks India does not need to borrow from abroad.
- Micro, small and medium enterprises' representatives have raised concerns over high interest rates, delays in loan disbursement and banks insistence on collateral for working loans. They did this in a meeting with the finance minister.
- A Rajya Sabha member has opposed a change in terms of reference of the 15th Finance Commission on division of funds between the centre and state. The member said it was an attempt to occupy more fiscal space.
- After the re-designation as a union territory (UT), the reorganised Jammu & Kashmir and Ladakh will not be eligible for the 15th finance commission award. As a UT, their finances would be taken care of by North Block directly. The 15th finance commission's order is restricted as per the terms of reference only for the Centre and states, though the commission will take a final call after examining the re-organisation notification in detail, media reports showed. UTs were excluded from the finance commission's mandate after the divisible pool was enlarged in 2000 (11th finance commission), though UTs were part of the mandate till the 10th finance commission.

FII Derivative Trade Statistics		06-Aug	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4832.33	5987.88	19390.27
Index Options	141895.82	141288.30	51887.09
Stock Futures	14167.66	12945.70	88796.63
Stock Options	5746.03	5837.85	3985.01
Total	166641.84	166059.73	164059.00

Derivative Statistics- Nifty Options			
	06-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.12	1.02	0.10
Put Call Ratio(Vol)	0.87	0.83	0.04

Debt Watch				
	06-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.64%	5.53%	5.56%	6.29%
T-Repo	5.61%	5.56%	5.58%	NA
Repo	5.75%	5.75%	5.75%	6.50%
Reverse Repo	5.50%	5.50%	5.50%	6.25%
91 Day T-Bill	5.46%	5.70%	5.85%	6.76%
364 Day T-Bill	5.78%	5.93%	6.05%	7.23%
10 Year Gilt	6.34%	6.39%	6.69%	7.77%
G-Sec Vol. (Rs.Cr)	66675	49385	126281	18937
FBIL MIBOR*	5.70%	5.75%	5.69%	6.46%
3 Month CP Rate	5.95%	6.30%	6.90%	7.55%
5 Year Corp Bond	7.78%	7.71%	7.89%	8.64%
1 Month CD Rate	5.65%	5.71%	5.90%	6.60%
3 Month CD Rate	5.95%	6.28%	6.28%	6.98%
1 Year CD Rate	6.75%	6.87%	7.42%	7.95%

Currency Market			
Currency	06-Aug	Prev_Day	Change
USD/INR	70.72	70.36	0.36
GBP/INR	85.99	85.26	0.74
EURO/INR	79.25	78.27	0.98
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	06-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	53.55	58.04	57.03	68.96
Brent Crude(\$/bl)	57.77	61.69	64.82	72.15
Gold(\$/oz)	1474	1431	1400	1206
Gold(Rs./10 gm)	36463	34801	34655	29491

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Aug 2019 Futures stood at 10,978.65, a premium of 30.40 points above the spot closing of 10,948.25. The turnover on NSE's Futures and Options segment rose to Rs. 9,66,435.49 crore on Aug 6, 2019, compared with Rs. 9,57,212.88 crore on Aug 5, 2019.
- The Put-Call ratio stood at 0.82 compared with the previous session's close of 0.77.
- The Nifty Put-Call ratio stood at 1.12 compared with the previous session's close of 1.01.
- Open interest on Nifty Futures stood at 20.93 million, compared with the previous session's close of 21.04 million.

Indian Debt Market

- Bond yields eased ahead of the Monetary Policy Committee meeting due on Aug 7, 2019, wherein the market expects the policy makers to trim policy rate. Besides, decline in U.S. Treasury yield and softness in crude prices also supported the overall sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 5 bps to close at 6.34% compared with the previous close of 6.39% after trading in a range of 6.32% to 6.40%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 6,430 crore (gross) on Aug 6, 2019 compared with borrowings of Rs. 3,539 crore (gross) on Aug 5, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 21,272 crore on Aug 5, 2019.
- Banks borrowed Rs. 375 crore under the central bank's Marginal Standing Facility on Aug 5, 2019 compared with borrowings of Rs. 2,505 crore on Aug 2, 2019.

Currency Market Update

- The Indian rupee weakened against the greenback as investors resorted to safe-haven assets amid escalating tensions between U.S. and China. The rupee closed at 70.81 a dollar compared with the previous close 70.74.
- The euro marginally fell against the greenback as the latter rebounded. China's central bank stated that it would not use currency as a tool to deal with trade disputes. The euro closed at 1.1198 compared with the previous close of 1.1202.

Commodity Market Update

- Gold prices grew after China's central bank stated that it would not let the yuan fall too sharply.
- Brent crude prices fell amid escalating trade tensions between China and U.S. Oil prices closed at \$57.77 per barrel compared with the previous close of \$58.46.

International News

- Destatis data showed Germany's factory orders rebounded in Jun 2019 driven by strong demand from non-euro area economies. Factory orders grew by more than expected MoM in Jun, offsetting a 2% drop in May 2019. Jun's increase was driven by a 5% rise in foreign orders.
- Preliminary data from the Cabinet Office showed Japan's leading index fell to the lowest level in nearly nine-and-a-half years in Jun 2019. The leading index, which measures the future economic activity, fell to 93.3 in Jun from 94.9 in May 2019. This was the lowest since Feb 2010, when the score was 92.5.

Thank you for
your time.