

**RELIANCE**

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# Markets for You

08 Aug 2019

**Indices Performance**

Global Indices	07-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,270	1,265	5	0.40
Nasdaq	7,863	7,833	30	0.38
FTSE	7,199	7,172	27	0.38
Nikkei	20,517	20,585	-69	-0.33
Hang Seng	25,997	25,976	21	0.08
Indian Indices	07-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	36,691	36,977	-286	-0.77
Nifty 50	10,856	10,948	-93	-0.85
Nifty 100	10,971	11,059	-88	-0.80
Nifty 500	8,855	8,919	-64	-0.72
Nifty Bank	27,702	28,022	-320	-1.14
S&P BSE Power	1,904	1,906	-3	-0.15
S&P BSE Small Cap	12,482	12,495	-14	-0.11
S&P BSE HC	12,570	12,506	64	0.51

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
7-Aug	25.57	1.26	26.74	1.36
Month Ago	28.62	1.18	29.04	1.24
Year Ago	24.11	1.17	28.26	1.18

**Nifty 50 Top 3 Gainers**

Company	07-Aug	Prev_Day	% Change <sup>#</sup>
Zee Ente.	328	312	4.94
Lupin	782	751	4.14
Cipla	518	500	3.63

**Nifty 50 Top 3 Losers**

Company	07-Aug	Prev_Day	% Change <sup>#</sup>
Indiabulls HFC	445	514	-13.35
M&M	518	549	-5.67
Tata Steel	382	402	-4.91

**Advance Decline Ratio**

	BSE	NSE
Advances	1114	854
Declines	1383	974
Unchanged	144	107

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1864	56671
MF Flows**	2898	23818

\*7<sup>th</sup> Aug 2019; \*\*31<sup>st</sup> 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 were mixed as investors turned cautious after China's People's Bank set the yuan's official daily midpoint reference to a slightly weaker point than expected. Today (as of Aug 8), Asian markets were mixed as investors awaited the release of China's trade data. Both Nikkei and Hang Seng were trading up 0.62% and 1.16%, respectively (as at 8.a.m. IST).
- European markets gained but the rise was restricted by trade war concerns and falling bond yields. The fall in yields led to concerns over a global economic slowdown.
- U.S. markets recovered a steep fall in the session to end flat as Chinese yuan's fall against the U.S. dollar was restricted. Also, bond yields rebounded from a sharp decline, easing concerns over a slowdown in economic growth.

**Indian Equity Market**

- Indian equity markets lost because of growth concerns, even though the Reserve Bank of India (RBI) cut interest rates by a more than expected 35 basis points. The central bank lowering GDP growth forecast for FY20 to below 7% hit sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.77% and 0.85% to close at 36,690.50 and 10,855.50, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 0.44% and 0.11%, respectively.
- The overall market breadth on BSE was weak with 1114 scrips advancing and 1383 scrips declining. A total of 144 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Capital Goods was the major gainer, up 2.12%, followed by S&P BSE Telecom and S&P BSE Realty, which gained 1.94% and 1.78%, respectively. S&P BSE Industrials and S&P BSE Basic Materials gained 1.7% and 1.69%, respectively. S&P BSE Energy was the major loser, down 0.68%, followed by S&P BSE IT and S&P BSE Teck, down 0.2% and 0.15%, respectively. S&P BSE Oil & Gas lost 0.02%.

**Domestic News**

- The Monetary Policy Committee (MPC) lowered key policy repo rate by 35 bps from 5.75% to a more than nine-year low of 5.40% in its third bi-monthly monetary policy review and decided to maintain its accommodative stance on the monetary policy. This is the fourth consecutive rate cut by the MPC in 2019 till date and the third in this fiscal till Aug 2019. All members of the MPC unanimously voted for reducing the key policy repo rate and maintaining the accommodative stance of monetary policy. However, four members of the committee advocated for a 35 bps rate cut while two members advocated for a 25 bps rate cut.
- MPC noted that private consumption which forms the basis of aggregate demand and investment activity continued to remain subdued. Also, the domestic economic activity has weakened and there are concerns that it may lose momentum further on the back of rising trade tensions and global economic slowdown. On the inflation front, MPC expects retail inflation to remain below its medium-term target of 4% for the next twelve months. Thus, the MPC decided to lower the key policy repo rate to boost the growth prospects of the Indian economy as a subdued inflation outlook gave MPC enough headroom to ease the monetary policy.
- Cipla's consolidated net profit rose to Rs. 447.15 crore for the quarter ended Jun 30, 2019 compared with Rs. 445.61 crore in the year-ago period. Total revenue from operations stood at Rs. 3,989.02 crore as against Rs. 3,938.99 crore for the same period a year ago.
- Mahindra & Mahindra's consolidated profit after tax declined 52.56% to Rs. 894.11 crore in the first quarter ended Jun 30, 2019, hit by lower vehicle sales. The company had posted a consolidated profit after tax of Rs. 1,884.66 crore in the year-ago period.
- Lupin's consolidated net profit rose 49.46% to Rs. 303.05 crore for the quarter ended Jun 30, 2019, on account of robust sales in India and overseas. The company had posted a net profit of Rs. 202.76 crore in the year-ago period.

FII Derivative Trade Statistics	07-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	5601.34	6142.43	19902.61
Index Options	172573.48	171723.90	54414.86
Stock Futures	13532.37	12843.07	90031.56
Stock Options	5346.03	5287.72	4267.44
Total	197053.22	195997.12	168616.47

Derivative Statistics- Nifty Options			
	07-Aug	Prev_Day	Change
Put Call Ratio (OI)	0.98	1.12	-0.14
Put Call Ratio(Vol)	0.76	0.87	-0.11

Debt Watch				
	07-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.50%	5.61%	5.56%	6.33%
T-Repo	5.52%	5.59%	5.58%	NA
Repo	5.40%	5.75%	5.75%	6.50%
Reverse Repo	5.15%	5.50%	5.50%	6.25%
91 Day T-Bill	5.31%	5.65%	5.85%	6.77%
364 Day T-Bill	5.80%	5.93%	6.05%	7.23%
10 Year Gilt	6.37%	6.37%	6.69%	7.79%
G-Sec Vol. (Rs.Cr)	100742	59582	126281	26784
FBIL MIBOR*	5.75%	5.70%	5.69%	6.45%
3 Month CP Rate	5.85%	6.30%	6.90%	7.55%
5 Year Corp Bond	7.63%	7.70%	7.89%	8.63%
1 Month CD Rate	5.49%	5.71%	5.90%	6.60%
3 Month CD Rate	6.02%	6.21%	6.28%	7.20%
1 Year CD Rate	6.76%	6.86%	7.42%	7.95%

Currency Market			
Currency	07-Aug	Prev_Day	Change
USD/INR	70.96	70.72	0.23
GBP/INR	86.23	85.99	0.23
EURO/INR	79.50	79.25	0.25
JPY/INR	0.67	0.66	0.00

Commodity Prices				
Commodity	07-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.09	58.48	57.03	69.12
Brent Crude(\$/bl)	54.17	62.88	64.82	71.50
Gold( \$/oz)	1501	1414	1400	1211
Gold(Rs./10 gm)	37039	34805	34655	29521

Source: Thomson Reuters Eikon

\*As on previous trading day

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

**Derivatives Market**

- Nifty Aug 2019 Futures stood at 10,874.25, a premium of 18.75 points above the spot closing of 10,855.50. The turnover on NSE's Futures and Options segment rose to Rs. 15,34,441.36 crore on Aug 7, 2019, compared with Rs. 9,66,435.49 crore on Aug 6, 2019.
- The Put-Call ratio stood at 0.83 compared with the previous session's close of 0.82.
- The Nifty Put-Call ratio stood at 0.98 compared with the previous session's close of 1.12.
- Open interest on Nifty Futures stood at 20.81 million, compared with the previous session's close of 20.93 million.

**Indian Debt Market**

- Bond yields increased on account of ambiguity over future policy rate cuts, both in terms of quantum and timing, after the rate-cutting panel trimmed rates in the policy meet. Besides, profit booking by investors also dampened sentiments
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 3 bps to close at 6.37% compared with the previous close of 6.34% after trading in a range of 6.27% to 6.40%.
- Banks borrowings under the repo window of the LAF stood at Rs. 3,504 crore (gross) on Aug 7, 2019 compared with borrowings of Rs. 6,430 crore (gross) on Aug 6, 2019. Sale of securities under RBI's reverse repo window stood at Rs. 19,750 crore on Aug 6, 2019.
- Banks borrowed Rs. 1,350 crore under the central bank's Marginal Standing Facility on Aug 6, 2019 compared with borrowings of Rs. 375 crore on Aug 5, 2019.

**Currency Market Update**

- The rupee weakened against the greenback for the fifth consecutive session following losses in the domestic equity market. However, selling of the greenback by state run banks restricted further losses.
- The euro inched down against the greenback after industrial output for Germany fell more than expected in Jun 2019. Concerns that escalating trade tensions between U.S. and China may lead to a slowdown in global growth also kept the euro under pressure.

**Commodity Market Update**

- Gold prices surged to its highest level in more than six years on concerns over a slowdown in global growth
- Brent crude prices plummeted as demand outlook of commodity took a hit on concerns that ongoing trade tensions between U.S. and China may lead to global economic slowdown.

**International News**

- A U.S. Federal Reserve report showed consumer credit rose by less than expected in Jun 2019. Consumer credit rose by \$14.6 billion in Jun after climbing by \$17.8 billion in May 2019.
- Destatis data showed Germany's industrial production declined more than expected in Jun 2019. Industrial production fell 1.5% MoM in Jun, reversing a 0.1% rise in May 2019.
- People's Bank of China data showed China's foreign exchange reserves declined in Jul 2019 as the dollar strengthened against major currencies. Reserves decreased to \$3.104 trillion at the end of Jul from \$3.119 trillion in Jun 2019.



Thank you for  
your time.