

**RELIANCE**

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FUND

# Markets for You

09 Aug 2018

**Indices Performance**

Global Indices	08-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,584	25,629	-45	-0.18
Nasdaq	7,888	7,884	5	0.06
FTSE	7,777	7,718	58	0.75
Nikkei	22,644	22,663	-18	-0.08
Hang Seng	28,359	28,249	110	0.39
Indian Indices	08-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,888	37,666	222	0.59
Nifty 50	11,450	11,389	61	0.53
Nifty 100	11,732	11,676	56	0.48
Nifty Bank	28,062	27,876	187	0.67
SGX Nifty	11,478	11,426	53	0.46
S&P BSE Power	1,988	1,994	-6	-0.28
S&P BSE Small Cap	16,868	16,862	6	0.03
S&P BSE HC	14,503	14,551	-48	-0.33

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
8-Aug	24.38	1.16	28.23	1.17
Month Ago	22.71	1.24	26.62	1.21
Year Ago	24.05	1.22	25.50	0.97

**Nifty 50 Top 3 Gainers**

Company	08-Aug	Prev_Day	% Change <sup>#</sup>
ONGC	173	168	2.95
RIL	1218	1184	2.83
Bajaj Finance	2813	2747	2.40

**Nifty 50 Top 3 Losers**

Company	08-Aug	Prev_Day	% Change <sup>#</sup>
Lupin	826	867	-4.74
Maruti	9207	9412	-2.17
HPCL	283	289	-2.04

**Advance Decline Ratio**

	BSE	NSE
Advances	1296	880
Declines	1442	895
Unchanged	131	111

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	113	-2739
MF Flows**	117	72502

\*8<sup>th</sup> Aug 2018; \*\*3<sup>rd</sup> Aug 2018

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.00% (Jun-18)	4.28% (Mar-18)	1.46% (Jun-17)
IIP	3.20% (May-18)	6.90% (Feb-18)	2.90% (May-17)
GDP	7.70% (Mar-18)	7.00% (Dec-17)	6.10% (Mar-17)

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 markets traded in mixed as investors remained wary on news that U.S. is going to start imposing 25% tariff on more Chinese goods worth \$16 billion in Aug. However, Chinese export stood higher than expectations in Jul albeit the trade surplus fell over the month. Today (as of Aug 9), Asian markets opened almost lower following weak cues from Wallstreet's last session amid trade war tensions. Nikkei and Hangseng fell 0.30% and 0.12%, respectively (as at 8.a.m. IST).

• As per the last close, European markets closed almost lower amid trade war concerns after China retaliated 25% tariff on \$16 billion of U.S. goods. However, gains in one of the chemical major stock following reports of its stake sale in a rubber-maker company capped the losses. Also, gains in auto and technology stocks boosted the indices.

• As per the last close, U.S markets closed almost lower following announcement of 25% tariff by Chinese Ministry of Commerce on \$16 billion worth of U.S. goods. However, gains in technology stocks capped the losses.

**Indian Equity Market**

• Indian equity markets ended at all-time highs as an index heavyweight gained after it finalised a stake buy in a leading entertainment and media company. Positive cues emanated from global markets on expectations of higher corporate earnings. However, investors remained cautious of U.S. – China trade tensions after the U.S. administration indicated to impose 25% tariffs on \$16 billion in Chinese imports starting on Aug 23, 2018. Meanwhile, the International Monetary Fund (IMF) stated that India's central bank need to gradually tighten monetary policy further due to rising inflation numbers.

• Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.59% and 0.53% to close at 37,887.56 and 11,450.00, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 0.61% and 0.03%, respectively.

• On the BSE sectoral front, S&P BSE Energy stood as the major gainer, up 1.86% followed by S&P BSE Telecom that grew 1.71%. S&P BSE Consumer Durables and S&P BSE Bankex grew 1.25% and 0.78%. S&P BSE Realty and S&P BSE Utilities were the major losers, down 0.03% and 0.06%.

**Domestic News**

• The Lok Sabha has approved a gross additional expenditure of Rs. 11,697.92 crore under the first batch of supplementary demands for grants for the current fiscal. The government will seek Parliament's approval to spend Rs. 1,791.62 crore under the Agriculture Ministry, Rs. 1,500 crore under Textiles Ministry and Rs. 1,057.84 crore under the Defence Ministry. Rs. 1,708 crore are being sought for the Petroleum Ministry.

• The International Monetary Fund (IMF) has described the Goods and Services Tax (GST) as a "milestone reform" in its annual country report. At the same time the bank has pushed for a simplified structure as it feels multiple rate structures and other features will raise compliance and administrative costs. IMF said GST can be progressive and could preserve revenue neutrality.

• The next draft of ecommerce policy may be brought within the next 10 days by the government. The first draft was tabled by the department of commerce last week. The draft includes a proposal to allow 49% foreign direct investment in inventory model on the condition that Indian goods are sold.

• Hindustan Petroleum Corp. Ltd (HPCL) registered 86% increase in profit for the quarter ended Jun 2018. Strong refining margins were behind the good show. Net profit surged to Rs. 1,719 crore in the period from Rs. 925 crore in the corresponding quarter in the previous year.

• The Competition Commission has given U.S. retail behemoth Walmart's proposal to takeover India's Flipkart a go-ahead. Walmart will acquire 77% stake in Flipkart at \$20.8 billion.

• IIFL Wealth Management is close to taking over majority stake in Chennai-based Wealth Advisors at Rs. 500 crore in a mix of cash and stock options. Wealth Advisors is a private wealth and family officer manager. Mumbai-based IIFL Wealth Management was founded in 2008 and has Rs. 1.4 lakh crore assets under management.

• India's Future Group has formed a joint venture with New Zealand's Fonterra, the world's biggest dairy exporter. The two will launch dairy products in India.

FII Derivative Trade Statistics		08-Aug	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1732.24	1600.94	26636.51
Index Options	50403.69	52075.29	60394.18
Stock Futures	11999.53	12020.70	83275.79
Stock Options	6949.88	7204.18	8824.33
Total	71085.34	72901.11	179130.81

Derivative Statistics- Nifty Options			
	08-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.77	1.68	0.09
Put Call Ratio(Vol)	1.20	1.15	0.06

Debt Watch				
	08-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.43%	6.17%	6.15%	5.90%
CBLO	6.45%	6.19%	4.99%	6.01%
Repo	6.50%	6.50%	6.25%	6.00%
Reverse Repo	6.25%	6.25%	6.00%	5.75%
91 Day T-Bill	6.65%	6.77%	6.33%	6.12%
364 Day T-Bill	7.27%	7.26%	7.16%	6.18%
10 Year Gilt	7.78%	7.70%	7.87%	6.46%
G-Sec Vol. (Rs.Cr)	20205	55981	17580	25276
FBIL MIBOR	6.47%	6.25%	6.19%	6.02%
3 Month CP Rate	7.55%	7.65%	7.20%	6.59%
5 Year Corp Bond	8.61%	8.57%	8.86%	7.37%
1 Month CD Rate	6.63%	6.78%	6.30%	6.13%
3 Month CD Rate	7.18%	7.40%	7.00%	6.19%
1 Year CD Rate	7.99%	8.10%	8.12%	6.49%

Currency Market			
Currency	08-Aug	Prev_Day	Change
USD/INR	68.65	68.80	-0.15
GBP/INR	88.82	89.14	-0.32
EURO/INR	79.72	79.56	0.16
JPY/INR	0.62	0.62	0.00

Commodity Prices				
Commodity	08-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	66.87	68.42	73.73	49.02
Brent Crude(\$/bl)	69.90	72.92	74.57	52.54
Gold( \$/oz)	1213	1215	1254	1260
Gold(Rs./10 gm)	29418	29664	30540	28447

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty August 2018 Futures closed at 11,467.65, a premium of 17.65 points, above the spot closing of 11,450.00. The turnover on NSE's Futures and Options segment increased to Rs. 9,93,827.11 on Aug 8 compared with Rs. 5,62,374.58 on Aug 7.
- The Put-Call ratio stood at 0.98 against previous session's close of 0.99.
- The Nifty Put-Call ratio stood at 1.77 compared with the previous session's close of 1.68.
- Open interest on Nifty Futures stood at 28.97 million as against the previous session's close at 28.02 million.

#### Indian Debt Market

- Bond yields closed almost steady as market participants preferred to stay on the sidelines due to lack of cues. In addition, the rise in oil prices on supply worries after U.S. introduced sanction against Iran raised inflationary concerns, especially ahead of the key retail inflation data for Jul 2018 due on Aug 13, 2018.
- Yield on the 10-year benchmark paper (7.17% GS 2028) declined 1bps to close at 7.78% as against its previous close of 7.79%. During the session, bond yields traded in the range of 7.77% and 7.79%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 8,941 crore (gross) on Aug 8, compared with Rs. 4,281 crore (gross) borrowed on Aug 7. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 10,320 crore on Aug 7.
- Banks did not borrow under the central bank's Marginal Standing Facility on Aug 7 and Aug 6.

#### Currency Market Update

- The rupee strengthened against the greenback for the second consecutive day after taking positive cues from the gains in the domestic equity market and continued weakness in dollar as market participant look for fresh triggers. The rupee improved 0.09% to settle at 68.62 against the previous close of 68.68.
- The euro inched down against the greenback following escalation in trade tensions between U.S. and China. Euro was last seen trading at \$1.1590, down 0.06% relative to the previous close of \$1.1597.

#### Commodity Market Update

- Gold prices saw little change as the equity market gained strength from strong corporate results.
- Brent crude slipped after a Chinese data revealed a slowdown in demand, evident from the drop in crude oil imports with July seeing the third-lowest import.

#### International News

- Bank of France data showed the country's economic growth could improve in the third quarter. Gross domestic product is expected to expand 0.4% in the third quarter against 0.2% in the second quarter. Manufacturing business sentiment index remained steady at 101 in Jul 2018. Industrial activity is expected to increase more rapidly in Aug 2018. Confidence indicator for services dropped to 102 in Jul 2018 from 103 in Jun 2018.
- General Administration of Customs data showed China's exports grew more than expected in Jul 2018 even as U.S. imposed tariffs on \$34 billion Chinese goods. Exports went up 12.2% YoY in Jul, which is greater than expectations. Imports increased 27.3% YoY, way above expectations of 16.5% increase.



Thank you for  
your time.