

**RELIANCE**

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FUND

# Markets for You

13 Aug 2019

**Indices Performance**

Global Indices	12-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,272	1,287	-15	-1.16
Nasdaq	7,863	7,959	-96	-1.20
FTSE	7,227	7,254	-27	-0.37
Nikkei	Closed	20,685	91	0.44
Hang Seng	25,825	25,939	-181	-0.69
Indian Indices	09-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,582	37,327	255	0.68
Nifty 50	11,110	11,032	77	0.70
Nifty 100	11,222	11,144	78	0.70
Nifty 500	9,047	8,980	67	0.75
Nifty Bank	28,432	28,110	321	1.14
S&P BSE Power	1,925	1,929	-4	-0.22
S&P BSE Small Cap	12,700	12,574	125	1.00
S&P BSE HC	12,694	12,702	-9	-0.07

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
9-Aug	26.28	1.23	27.41	1.33
Month Ago	27.87	1.21	28.41	1.27
Year Ago	24.42	1.16	28.11	1.17

**Nifty 50 Top 3 Gainers**

Company	09-Aug	Prev_Day	% Change <sup>#</sup>
Indiabulls HFC	505	444	13.71
Eicher Motors	17587	16812	4.61
Maruti	6100	5902	3.35

**Nifty 50 Top 3 Losers**

Company	09-Aug	Prev_Day	% Change <sup>#</sup>
Yes Bank	82	89	-7.90
Cipla	485	503	-3.69
Hindalco	176	181	-2.68

**Advance Decline Ratio**

	BSE	NSE
Advances	1557	1170
Declines	951	633
Unchanged	148	118

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1066	55094
MF Flows**	2898	23818

\*9<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	2.00% (Jun-19)	2.70% (Mar-19)	7.00% (Jun-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 continued to be worried over the trade war between U.S. and China. The U.S. President's comments that a deal with China was not on the cards soon hit markets. Sentiment was also affected by U.S.' impending decision about licenses for U.S. companies to restart business with a Chinese tech major. Today (as of Aug 13), Asian markets traded lower as Hong Kong tries to bring the violent pro-democracy protests under control. Both Nikkei and Hang Seng were trading down 1.22% and 0.83%, respectively (as at 8.a.m. IST).
- U.S. markets ended in the red as bond yields again started to fall, raising concerns about the economy's state. Trade war fears and global growth worries also kept the markets under pressure.
- European markets ended lower on concerns over trade war and a possible collapse of the Italian government. The U.S. President said the country was not ready to do business with a Chinese tech major and strike a trade deal with China yet. Italy's coalition government declared its union unfeasible and called for fresh general elections.

**Indian Equity Market**

- Indian equity markets gained on the last day of the week as investors kept their expectations of a budget proposal rollback alive. A news to this effect had come on Aug 8, 2019, mentioning that the finance minister may exempt foreign portfolio investors (FPIs) from an increase in taxes. Steps announced by the Reserve Bank of India (RBI) to ease the liquidity crunch in non-banking financial companies also supported sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.68% and 0.70% to close at 37,581.91 and 11,109.65, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.77% and 1.00%, respectively.
- The overall market breadth on BSE was strong with 1,557 scrips advancing and 951 scrips declining. A total of 148 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Auto was the major gainer, up 1.99%, followed by S&P BSE Finance and S&P BSE Consumer Durables, which gained 1.41% and 1.39%, respectively. S&P BSE Metal was the major loser, down 0.83%, followed by S&P BSE Teck and S&P BSE Telecom, which lost 0.36% and 0.34%, respectively.

**Domestic News**

- India's Index of Industrial Production (IIP) growth rose 2% YoY in Jun 2019 as against a growth of 3.1% in May 2019 and increase of 7% in Jun 2018. The manufacturing sector grew 1.2% in the month compared with 2.5% rise in May. The mining sector grew 1.6% against a rise of 3.2% in May. Growth in electricity sector rose to 8.2% from 7.4% in May.
- According to a private survey, hiring activity picked up in Jul 2019 across India with sales and marketing, and IT sector recording good growth. The banking sector witnessed a sizeable dip. Hiring for professional sales and business development grew by 11%. Other functional areas which rose in demand are accounts (11%), HR (10%), marketing (10%) and IT hardware (7%), showed the survey. Hiring in production and maintenance, and banking saw a dip of 10% and 21%, respectively.
- The government has started inter-state portability of ration card between Telangana-Andhra Pradesh as well as Maharashtra-Gujarat. This signifies beneficiaries can buy their quota of ration from the Public Distribution System (PDS) or ration shops in either of the state sets.
- The finance minister has said that there will be no penalty imposed on companies for failing to meet the revised corporate social responsibility (CSR) norms announced recently. The government could also take steps to revive the industry.
- Under the PM-Kisan scheme, the government is aiming to cover as many as 10 crore farmers in 2019. Thus, Rs. 6,000 will be disbursed annually in three equal instalments, agriculture minister said. Around 5.88 crore small farmers have received the first tranche of Rs. 2,000 each under the Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) and 3.40 crore peasants have got the second instalment as well, he said.
- According to the finance minister, even with some moderation, India remains the fastest growing large economy. She added that the government and the Reserve Bank of India (RBI) have an atmosphere of certainty and cordiality between them and are working together to help incentivise investments.

FII Derivative Trade Statistics		09-Aug	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4783.92	4514.02	20977.00
Index Options	464204.33	460490.35	51877.00
Stock Futures	13523.00	13160.15	90875.44
Stock Options	6062.39	6111.76	4376.95
Total	488573.64	484276.28	168106.39

Derivative Statistics- Nifty Options			
	09-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.24	1.25	-0.01
Put Call Ratio(Vol)	0.86	0.85	0.01

Debt Watch				
	09-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.32%	5.60%	5.62%	6.38%
T-Repo	5.37%	5.58%	5.70%	NA
Repo	5.40%	5.75%	5.75%	6.50%
Reverse Repo	5.15%	5.50%	5.50%	6.25%
91 Day T-Bill	5.35%	5.53%	5.80%	6.65%
364 Day T-Bill	5.65%	5.80%	6.03%	7.26%
10 Year Gilt	6.49%	6.35%	6.59%	7.75%
G-Sec Vol. (Rs.Cr)	52233	73832	56708	36452
FBIL MIBOR	5.40%	5.70%	5.79%	6.47%
3 Month CP Rate	5.85%	6.10%	6.80%	7.50%
5 Year Corp Bond	7.81%	7.79%	7.88%	8.61%
1 Month CD Rate	5.45%	5.64%	5.93%	6.63%
3 Month CD Rate	6.01%	6.09%	6.77%	7.12%
1 Year CD Rate	6.64%	6.79%	6.94%	7.95%

Currency Market			
Currency	09-Aug	Prev_Day	Change
USD/INR	70.52	70.85	-0.33
GBP/INR	85.61	86.15	-0.54
EURO/INR	78.91	79.39	-0.48
JPY/INR	0.67	0.67	0.00

Commodity Prices				
Commodity	12-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	54.93	54.58	59.96	67.56
Brent Crude(\$/bl)	56.27	58.46	67.14	70.19
Gold( \$/oz)	1511	1464	1415	1211
Gold(Rs./10 gm)^	37270	36289	34407	29477

Source: Thomson Reuters Eikon

^As on 09th Aug 2019

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**Derivatives Market**

- Nifty Aug 2019 Futures stood at 11,122.95, a premium of 13.30 points above the spot closing of 11,109.65. The turnover on NSE's Futures and Options segment declined to Rs. 8,68,187.66 crore on Aug 9, 2019, compared with Rs. 27,72,449.26 crore on Aug 8, 2019.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.76.
- The Nifty Put-Call ratio stood at 1.24 compared with the previous session's close of 1.25.
- Open interest on Nifty Futures stood at 20.15 million, compared with the previous session's close of 20.68 million.

**Indian Debt Market**

- Bond yields continued to increase amid doubts over future policy rate cuts, both in terms of quantum and timing. The rising geopolitical worries over Jammu & Kashmir and depreciating local currency also weighed on sentiments.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 9 bps to close at 6.49% compared with the previous close of 6.40% after trading in a range of 6.40% to 6.52%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,779 crore (gross) on Aug 9, 2019 compared with borrowings of Rs. 5,444 crore (gross) on Aug 8, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 10,101 crore on Aug 8, 2019.
- Banks borrowed Rs. 1,900 crore under the central bank's Marginal Standing Facility on Aug 8, 2019 compared with borrowings of Rs. 50 crore on Aug 7, 2019.

**Currency Market Update**

- The rupee weakened against the greenback following dollar purchases by foreign banks. The rupee closed at 70.80 a dollar, down 0.16% compared with the previous close 70.69.
- The euro rose against the greenback as the latter came under pressure on concerns that the prolonged trade war between U.S. and China may adversely impact the growth of the U.S. economy. The euro was last seen trading at 1.1212, up 0.12% compared with the previous close of 1.1198.

**Commodity Market Update**

- Gold prices closed higher, supported by the commodity's safe haven appeal in the midst of the political unrest in Hong Kong.
- Brent crude prices remained under pressure amid concerns that a prolonged U.S.-China trade war could weigh on global growth and dent the already weak demand for oil.

**International News**

- Office for National Statistics preliminary data showed U.K. merchandise trade deficit narrowed more than expected in Jun 2019. Trade deficit fell to GBP 7.01 billion from GBP 10.70 billion in May 2019. The total trade balance swung to a surplus of GBP 1.78 billion from a GBP 2 billion deficit in May.
- The National Bureau of Statistics reported China's consumer prices rose marginally in Jul 2019 but producer prices decreased for the first time in nearly three years. Consumer price inflation rose to 2.8% in Jul 2019 from 2.7% in Jun 2019. The rate was forecast to remain unchanged.

Thank you for  
your time.