

RELIANCE

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# Markets for You

16 Aug 2018

Indices Performance

Global Indices	15-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,162	25,300	-138	-0.54
Nasdaq	7,774	7,871	-97	-1.23
FTSE	7,498	7,612	-114	-1.49
Nikkei	22,204	22,356	-152	-0.68
Hang Seng	27,324	27,753	-429	-1.55
Indian Indices	14-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,852	37,645	207	0.55
Nifty 50	11,435	11,356	79	0.70
Nifty 100	11,703	11,625	79	0.68
Nifty Bank	28,022	27,794	227	0.82
SGX Nifty	11,470	11,390	80	0.70
S&P BSE Power	1,966	1,969	-3	-0.14
S&P BSE Small Cap	16,743	16,654	89	0.53
S&P BSE HC	14,687	14,332	355	2.48

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
14-Aug	24.47	1.18	28.02	1.18
Month Ago	23.41	1.20	27.38	1.18
Year Ago	23.48	1.24	25.02	0.98

Nifty 50 Top 3 Gainers

Company	14-Aug	Prev_Day	% Change <sup>#</sup>
Sun Pharma	602	564	6.72
Yes Bank	383	371	3.18
Lupin	837	812	3.05

Nifty 50 Top 3 Losers

Company	14-Aug	Prev_Day	% Change <sup>#</sup>
United Phos	610	625	-2.39
Hero Moto	3266	3308	-1.27
L&T Ltd.	1253	1269	-1.25

Advance Decline Ratio

	BSE	NSE
Advances	1302	892
Declines	1390	902
Unchanged	141	118

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-926	-1001
MF Flows**	15	72753

\*14<sup>th</sup> Aug 2018; \*\*7<sup>th</sup> Aug 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.17% (Jul-18)	4.58% (Apr-18)	2.36% (Jul-17)
IIP	7.00% (Jun-18)	5.30% (Mar-18)	-0.30% (Jun-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 settled down as the rebound in Turkey's currency lira was short lived. Lira had rebounded more than 8% but started falling again, adding to investor concerns that the effects will spill over into emerging countries. In the meantime, Turkey threatened to boycott American goods. Today (as of Aug 16), Asian markets opened lower following negative close on the Wall Street overnight. Both Nikkei and Hang Seng were trading up 0.12% and 0.46%, respectively (as at 8 a.m. IST).
- As per the last close, European markets fell sharply on renewed concerns about Turkey after its government announced an increase in tariffs on American cars, alcohol and cigarettes. Turkey's currency Turkish lira fell to a record low.
- As per the last close, U.S markets dropped on renewed concerns about Turkey after its government announced an increase in tariffs on American cars, alcohol and cigarettes. Moreover, decline in technology shares further dampened the sentiment.

Indian Equity Market

- Domestic equity markets gained on the eve of Independence Day as drop in inflation numbers soothed investor nerves. CPI fell to 9-month low and WPI decreased too in Jul 2018. Investors cheered the numbers as a contained inflation could mean that the Reserve Bank of India may not increase rates any time soon. Concerns over Turkey's currency crisis eased as lira gained slightly against the U.S. dollar. The free fall in lira had been pulling rupee and other Asian currencies down as well, leading to fears of the crisis spreading across the world.
- Key benchmark indices S&P BSE Sensex and Nifty 50 increased 0.55% and 0.70% to close at 37,852.00 and 11,435.10, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.89% and 0.53%, respectively.
- The market breadth on BSE was weak with 1302 scrips advancing and 1390 scrips declining. A total of 141 scrips remained unchanged.
- On the BSE sectoral front S&P BSE Healthcare stood as the major gainer, up 2.48% followed by S&P BSE Realty that grew 1.84%. S&P BSE Energy and S&P BSE Bankex grew 1.26% and 0.96%. The major losers were S&P BSE Power and S&P BSE Industrials, falling 0.14% and 0.22%.

Domestic News

- Government data showed that India's Wholesale Price Index-based inflation (WPI) decreased to 5.09% in Jul 2018 from 5.77% in Jun 2018 as prices of food articles, mainly fruits and vegetables, came down. Wholesale price inflation was at 1.88% in Jul 2017. Inflation in food articles fell to 2.16% from an increase of 1.80% in Jun. Inflation in vegetables decreased to 14.07% in Jul from a rise of 8.12% in Jun. Fruit inflation fell to 8.81% in Jul from an increase of 3.87% in Jun. 'Fuel and power' inflation went up to 18.10% in Jul from 16.18% in Jun. The WPI Food Index came in at -0.86% in Jul against 1.56% in Jun.
- Since activities between two offices is treated as supplies under GST law, salary for services such as accounting, IT, human resource, given by a company's head office to its branch in other states will attract 18% GST. The order was passed by the Karnataka bench of the Authority for Advance Ruling (AAR). The bench said valuation of supply will include employee cost provided by one distinct entity to the other distinct entities. In effect, companies with offices in more than one state will have to raise GST invoice for functions done by employees in head office that has helped branches in other states.
- The government may ease the compulsory 80% land acquisition condition for highways before they start construction. This is being considered to fasten road building and start more projects, according to media reports. The condition may be relaxed to 50% land acquisition.
- India's trade deficit in Jul 2018 increased to more than five-year high at \$18.02 billion. The rise was on the back of increase in oil imports that stood at \$12.35 billion, a 57.41% jump. Merchandise exports increased 14.32% YoY to \$25.77 billion and imports rose 28.81% to \$43.79 billion. Merchandise exports last month rose to \$25.77 billion from a year ago, while imports rose 28.81 percent to \$43.79 billion, the commerce ministry said.

FII Derivative Trade Statistics		14-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2015.49	2737.91	28023.56	
Index Options	71448.39	71852.23	62983.05	
Stock Futures	11154.74	10676.09	84822.14	
Stock Options	8114.83	8194.01	9999.00	
Total	92733.45	93460.24	185827.75	

Derivative Statistics- Nifty Options			
	14-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.70	1.66	0.04
Put Call Ratio(Vol)	1.14	1.05	0.09

Debt Watch				
	14-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.37%	6.33%	6.16%	5.86%
CBLO	6.45%	6.34%	6.23%	5.93%
Repo	6.50%	6.50%	6.25%	6.00%
Reverse Repo	6.25%	6.25%	6.00%	5.75%
91 Day T-Bill	6.80%	6.77%	6.53%	6.10%
364 Day T-Bill	7.27%	7.23%	7.19%	6.24%
10 Year Gilt	7.82%	7.79%	7.79%	6.52%
G-Sec Vol. (Rs.Cr)	28801	26784	37952	28910
FBIL MIBOR	6.50%	6.45%	6.29%	6.00%
3 Month CP Rate	7.75%	7.55%	7.55%	6.55%
5 Year Corp Bond	8.66%	8.63%	8.76%	7.40%
1 Month CD Rate	6.56%	6.60%	6.38%	6.12%
3 Month CD Rate	7.17%	7.20%	6.98%	6.19%
1 Year CD Rate	8.04%	7.95%	7.99%	6.47%

Currency Market			
Currency	14-Aug	Prev_Day	Change
USD/INR	69.77	69.47	0.30
GBP/INR	89.23	88.63	0.60
EURO/INR	79.70	79.19	0.51
JPY/INR	0.63	0.63	0.00

Commodity Prices				
Commodity	14-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	66.99	69.12	70.98	47.54
Brent Crude(\$/bl)	69.96	1213.20	1241.00	1271.38
Gold(\$/oz)	1194	1211	1241	1282
Gold(Rs./10 gm)	29541	29521	30080	28901

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty August 2018 Futures closed at 11,463.45, a premium of 28.35 points, above the spot closing of 11,435.10. The turnover on NSE's Futures and Options segment increased to Rs. 7,49,496.29 on Aug 14 compared with Rs. 6,76,611.05 on Aug 13.
- The Put-Call ratio stood at 0.93 against previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.70 compared with the previous session's close of 1.66.
- India VIX declined 1.52% to 13.1950 from 13.4000 in the previous trading session.
- Open interest on Nifty Futures stood at 30.23 million as against the previous session's close at 29.67 million.

#### Indian Debt Market

- Bond yields remained steady as market participant stayed on the sidelines watching the movement of rupee, which has been falling against the greenback due to the Turkish financial crises. Further, the market remains cautious ahead of the minutes of the Monetary Policy Committee's latest policy meeting, which is due on Aug 16.
- Yield on the 10-year benchmark paper (7.17% GS 2028) closed steady at 7.82% as against its previous close. During the session, bond yields traded in the range of 7.79% and 7.82%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs.12,550 crore (gross) on Aug 14 compared to a borrowing of Rs. 3,546 crore on Aug 13. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 10,281 crore on Aug 13.

#### Currency Market Update

- The rupee fell initially against the greenback after breaching the 70-level for the first time. However, it managed to neutralise losses following a rebound in the Turkish lira. Possible intervention by the Reserve Bank of India also added to the gains.
- The euro fell against the greenback as persisting worries regarding continued weakness in the Turkish lra fuelled concerns about European banks' exposure to Turkey.

#### Commodity Market Update

- Gold prices traded well below the \$1200 level, as U.S. key interest rates are poised to go higher, and market sentiments are bearish on the bullion.
- Brent Crude prices traded lower amid concerns over rising U.S. oil inventories.

#### International News

- According to the Commerce Department, U.S. retail sales increased more than expected in Jul 2018. Retail sales went up 0.5% in Jul compared with estimates for 0.1% rise. The department downwardly revised Jun figure to 0.2% from 0.5% reported earlier. The increase in Jul was helped by modest rise in sales by motor vehicle and parts dealers.
- A Federal Reserve report showed production inched up a tad in Jul 2018 by 0.1% after increasing 1.0% in Jun 2018. Expectations were for 0.3% rise.

Thank you for  
your time.