

**RELIANCE**

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# Markets for You

17 Aug 2018

**Indices Performance**

Global Indices	16-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,559	25,162	396	1.58
Nasdaq	7,807	7,774	32	0.42
FTSE	7,556	7,498	59	0.78
Nikkei	22,192	22,204	-12	-0.05
Hang Seng	27,100	27,324	-224	-0.82
Indian Indices	16-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,664	37,852	-188	-0.50
Nifty 50	11,385	11,435	-50	-0.44
Nifty 100	11,648	11,703	-56	-0.48
Nifty Bank	27,827	28,022	-195	-0.70
SGX Nifty	11,417	11,470	-54	-0.47
S&P BSE Power	1,964	1,966	-2	-0.12
S&P BSE Small Cap	16,710	16,743	-33	-0.20
S&P BSE HC	14,828	14,687	141	0.96

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
16-Aug	24.26	1.18	27.90	1.18
Month Ago	22.86	1.21	27.17	1.19
Year Ago	23.66	1.23	25.28	0.97

**Nifty 50 Top 3 Gainers**

Company	16-Aug	Prev_Day	% Change <sup>#</sup>
GAIL	394	380	3.69
Dr.Reddy	2353	2278	3.29
Sun Pharma	620	602	2.97

**Nifty 50 Top 3 Losers**

Company	16-Aug	Prev_Day	% Change <sup>#</sup>
Kotak Bank	1245	1293	-3.68
Vedanta	209	215	-2.93
Zee Ente.	500	514	-2.63

**Advance Decline Ratio**

	BSE	NSE
Advances	1170	706
Declines	1556	1102
Unchanged	135	85

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-371	-1372
MF Flows**	15	72753

\*16<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 closed lower as heightening tensions between U.S. and Turkey and China growth concerns weighed sentiment down. U.S. said it would continue with steel tariffs on Turkey, which has led to a crisis in the latter's currency. The downfall was restricted by U.S. and China agreeing on holding fresh round of trade talks in late Aug. Today (as of Aug 17), Asian markets opened higher following gains in the U.S. Wall Street on reports that the U.S and China will resume trade talks. Both Nikkei and Hang Seng were trading up 0.52% and 1.04%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed higher as investor sentiment boosted due to easing concerns over the turmoil in Turkey and hopes for a trade agreement between China and the U.S. Strong corporate quarterly earnings further added to the gains.
- As per the last close, U.S markets closed higher as trade war concerns eased on news that China has accepted an invitation from the U.S. for a new round of trade talks to be held in late Aug 2018. Strong results for quarter ended Jun 2018 from major companies also added to the gains.

**Indian Equity Market**

- Indian equity markets closed in the red as deepening of tensions between U.S. and Turkey weighed on investor sentiment. Rupee's continued fall and concerns over China's slowing growth added to the woes.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.50% and 0.44% to close at 37,663.56 and 11,385.05, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap fell 0.48% and 0.20%, respectively.
- The overall market breadth on BSE was weak with 1170 scrips advancing and 1556 scrips declining. A total of 135 scrips remained unchanged.
- On the BSE sectoral front S&P BSE Healthcare stood as the major gainer, up 0.96% followed by S&P BSE Information Technology that grew 0.58%. S&P BSE Utilities and S&P BSE Teck grew 0.39% and 0.38%. The major losers were S&P BSE Telecom and S&P BSE Power, falling 0.06% and 0.12%.

**Domestic News**

- According to Monetary Policy Committee's third monetary policy meeting minutes, inflation risks remain because of factors such as MSP, crude oil, monsoon, and GST. RBI deputy governor said retail inflation could resume upward movement in Oct-Mar. All the members except one voted for hike in rates. All the members agreed to maintain the neutral stance. The committee feels there is uncertainty over domestic inflation and it needs to be carefully monitored in the next few months. Global developments are also a concern because rising trade protectionism poses risk to near-term and long-term global growth prospects.
- According to the government, India's crude oil imports could increase by around \$26 billion in FY19 as the rupee is lingering at record lows. The fall in rupee has made purchase of overseas oil costlier and will lead to increase in retail selling price of petrol, diesel and cooking gas (LPG). India imports more than 80% of its oil requirement and spent \$87.7 billion on 220.43 million tonne imports of crude oil in FY18. For FY19, the imports are estimated at around 227 million tonne.
- The Reserve Bank of India (RBI) has been asked by the finance ministry to review its dividend and capital conservation norms. This is being done as the government wants a clearer policy on the payouts RBI gives to the government. The government has also requested the central bank to look at some of its decisions particularly around liquidity management.
- If household savings rate keeps declining it may become a tough challenge for the economy, according to a report. Household savings rate has decreased to 16.3% from 23.6% between FY12 and FY17. The downturn was on the back of demonetisation and Goods and Services Tax (GST) implementation. The household sector is the biggest contributor to savings and in FY12, the rate was at a healthy 34.6%.

FII Derivative Trade Statistics		16-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1938.98	2649.57	28726.96	
Index Options	66643.02	65509.32	65098.67	
Stock Futures	11035.90	10971.72	86158.14	
Stock Options	7911.60	7866.40	10225.61	
Total	87529.50	86997.01	190209.38	

Derivative Statistics- Nifty Options			
	16-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.60	1.70	-0.10
Put Call Ratio(Vol)	1.04	1.14	-0.10

Debt Watch				
	16-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.44%	6.38%	6.18%	5.84%
CBLO	5.84%	6.52%	6.23%	5.84%
Repo	6.50%	6.50%	6.25%	6.00%
Reverse Repo	6.25%	6.25%	6.00%	5.75%
91 Day T-Bill	6.78%	6.67%	6.53%	6.13%
364 Day T-Bill	7.28%	7.26%	7.19%	6.24%
10 Year Gilt	7.86%	7.75%	7.80%	6.53%
G-Sec Vol. (Rs.Cr)	24619	36452	29694	33146
FBIL MIBOR	6.46%	6.53%	6.30%	6.00%
3 Month CP Rate	7.70%	7.50%	7.50%	6.55%
5 Year Corp Bond	8.70%	8.61%	8.76%	7.40%
1 Month CD Rate	6.53%	6.63%	6.54%	6.09%
3 Month CD Rate	7.19%	7.12%	7.01%	6.19%
1 Year CD Rate	7.92%	7.95%	7.98%	6.48%

Currency Market			
Currency	16-Aug	Prev_Day	Change
USD/INR	70.23	69.77	0.46
GBP/INR	89.37	89.23	0.14
EURO/INR	79.97	79.70	0.27
JPY/INR	0.63	0.63	0.00

Commodity Prices				
Commodity	16-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	65.39	66.76	68.17	46.75
Brent Crude(\$/bl)	68.40	69.74	70.02	50.28
Gold( \$/oz)	1174	1212	1240	1283
Gold(Rs./10 gm)	29361	29486	30172	28726

Source: Thomson Reuters Eikon

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**Derivatives Market**

- Nifty August 2018 Futures closed at 11,410.9, a premium of 25.85 points, above the spot closing of 11,385.05. The turnover on NSE's Futures and Options segment increased to Rs. 17,76,483.56 on Aug 16 compared with Rs. 7,49,496.29 on Aug 14.
- The Put-Call ratio stood at 0.84 against previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.60 compared with the previous session's close of 1.70.
- India VIX increased 1.58% to 13.4925 from 13.2825 in the previous trading session.
- Open interest on Nifty Futures stood at 30.72 million as against the previous session's close at 30.23 million.

**Indian Debt Market**

- Bond yields rose following weakness in domestic currency. Geopolitical risks and renewed concerns of widening of India's current account deficit for Jul 2018 weighed on the rupee. Meanwhile, investors remained cautious ahead of the minutes of the third bi-monthly policy meeting that was scheduled post market hours.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 4 basis points to close at 7.86% as against previous close of 7.82%. During the session, bond yields traded in the range of 7.83% and 7.88%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs.5,221 crore (gross) on Aug 16 compared to a borrowing of Rs.12,550 crore on Aug 14. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 11,575 crore on Aug 14.

**Currency Market Update**

- The rupee fell against the U.S. dollar following wider than expected India's trade deficit data for the month of Jul 2018. However, greenback sales by state-run banks restricted some of the losses.
- The euro rose against the greenback as trade war concerns eased to some extent on news that a Chinese delegation will travel to the U.S. for trade talks. Euro rose further as concerns over Turkey's currency crisis also eased as lira stabilized against the U.S. dollar.

**Commodity Market Update**

- Gold prices managed to recover with the temporary pause in the recent U.S. dollar upsurge.
- Brent Crude prices showed signs of recovery in the light of optimism over resolution of the U.S. – China trade row, which has recently rattled the global crude oil demand outlook.

**International News**

- According to a Labor Department report, first-time claims for U.S. unemployment benefits declined in the week ended Aug 11, 2018. Initial jobless claims came in at 212,000, a dip of 2,000 from the previous week's 214,000. Expectations were for jobless claims to increase to 215,000.
- Eurostat preliminary data showed euro area trade surplus declined for the third consecutive month in Jun 2018. The seasonally adjusted trade surplus decreased to EUR 16.7 billion in Jun from EUR 16.9 billion in May 2018. Expectations were for the data to remain unchanged. Exports increased 1.6% MoM and imports grew 1.8%.



Thank you for  
your time.