

**RELIANCE**

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FUND

# Markets for You

20 Aug 2019

**Indices Performance**

Global Indices	19-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,293	1,277	16	1.22
Nasdaq	8,003	7,896	107	1.35
FTSE	7,190	7,117	73	1.02
Nikkei	20,563	20,419	144	0.71
Hang Seng	26,292	25,734	558	2.17
Indian Indices	19-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,402	37,350	52	0.14
Nifty 50	11,054	11,048	6	0.06
Nifty 100	11,159	11,155	4	0.04
Nifty 500	8,998	8,989	9	0.10
Nifty Bank	28,186	28,217	-31	-0.11
S&P BSE Power	1,911	1,906	5	0.26
S&P BSE Small Cap	12,649	12,585	65	0.51
S&P BSE HC	12,546	12,476	69	0.56

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
19-Aug	26.16	1.24	27.35	1.34
Month Ago	27.73	1.22	27.92	1.31
Year Ago	24.69	1.16	28.11	1.17

**Nifty 50 Top 3 Gainers**

Company	19-Aug	Prev_Day	% Change <sup>#</sup>
SUNPHARMA	426	415	2.72
INFRADEL	255	249	2.45
TECHM	670	659	1.72

**Nifty 50 Top 3 Losers**

Company	19-Aug	Prev_Day	% Change <sup>#</sup>
YESBANK	77	79	-3.52
TATASTEEL	38	40	-3.27
GRASIM	732	752	-2.65

**Advance Decline Ratio**

	BSE		NSE	
	Advances	Declines	Advances	Declines
Advances	1248	955		
Declines	1225	889		
Unchanged	171	119		

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1318	57130
MF Flows**	1111	34232

\*19<sup>th</sup> Aug 2019; \*\*16<sup>th</sup> Aug 2019

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.15% (Jul-19)	2.99% (Apr-19)	4.17% (Jul-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 gained as investors welcomed new fiscal measures taken by major economies like China and Germany to protect from a possible recession. Sentiment was supported by a rebound in U.S. Treasury yields and media reports saying Washington and Beijing are working actively to revive negotiations to end the trade war. Today (as of Aug 20), Asian markets opened higher as minutes from the Reserve Bank of Australia's July meeting were released. Both Nikkei and Hang Seng were trading up 0.33% and 0.03%, respectively (as at 8.a.m. IST).
- European markets gained as central banks in Germany and China pledged support to boost their economies. U.S. bond yields rebounding buoyed sentiment.
- U.S. markets gained as rebound in Treasury yields suppressed fears of a possible recession. Also, the U.S. agreed to give U.S. companies more time to stop doing business with a Chinese telecom giant.

**Indian Equity Market**

- Indian equity market ended flat as it could not sustain early gains. Sentiment was lifted by investors looking forward to a probable revival package by the government. However, rise in oil prices and concerns over foreign funds outflows made investors book profits at higher levels.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.14% and 0.06% to close at 37,402.49 and 11,053.90, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.20% and lost 0.51%.
- The overall market breadth on BSE was strong with 1248 scrips advancing and 1225 scrips declining. A total of 171 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Consumer Durables was the major gainer, up 1.57%, followed by S&P BSE Capital Goods and S&P BSE Industrials, which gained 1.18% and 0.68%, respectively. S&P BSE Healthcare and S&P BSE Energy gained 0.56% and 0.5%, respectively. S&P BSE Oil & Gas was the major loser, down 0.59%, followed by S&P BSE Auto and S&P BSE Metal, down 0.57% and 0.34%, respectively.

**Domestic News**

- The government has said India's shadow lenders and listed companies who issue debentures will no longer have to maintain a certain level of redemption reserves against them. This will make it cheaper for these companies to raise funds and deepen the bond market, the government said, showed media reports. Shadow lenders have been facing a liquidity crisis in the past year, forcing them to pull back on lending that has hurt the availability of consumer loans.
- The finance minister said corporate tax rate for companies with over Rs. 400 crore turnover will be gradually cut to 25%. She said the government will support wealth creators.
- The Reserve Bank of India (RBI) governor said linking of new loans to an external benchmark like the central bank's repo rate will be formalised. This is being done as an economic impetus is needed not just from monetary policy assistance but also through transmission of rates, he said.
- Mahindra & Mahindra (M&M) Ltd has deferred a portion of its new investments and cut some temporary jobs since Apr 2019. The company has done this to cope with the sharp slowdown in demand in the domestic market. "About 15%-20% of capex from our original capex plan could be deferred," M&M's managing director Pawan Goenka said, media reports showed. He added the decision won't affect the new product development plans of M&M or "any other capex meant for bringing the right products to the customers."
- Tesla and China's Contemporary Amperex Technology Co. Ltd (CATL) have shown an initial interest in the Indian government's plan to build large factories to make lithium-ion batteries. The plan will involve an investment of around Rs. 50,000 crore. Other firms that have shown interest in the mega project are China's BYD Co. Ltd, said media reports.
- According to media reports, Larsen and Toubro Ltd chairman A.M. Naik said the government's Make in India initiative has failed to create enough jobs as companies across sectors still prefer to import goods instead of manufacturing locally.

FII Derivative Trade Statistics			
	19-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3914.68	4208.94	23169.55
Index Options	172890.45	172397.21	57392.72
Stock Futures	11052.66	11543.58	91458.65
Stock Options	5374.83	5450.86	5621.53
Total	193232.62	193600.59	177642.45

Derivative Statistics- Nifty Options			
	19-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.17	1.21	-0.04
Put Call Ratio(Vol)	1.00	0.90	0.10

Debt Watch				
	19-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.30%	5.32%	5.70%	6.44%
T-Repo	5.18%	5.37%	5.70%	NA
Repo	5.40%	5.40%	5.75%	6.50%
Reverse Repo	5.15%	5.15%	5.50%	6.25%
91 Day T-Bill	5.45%	5.35%	5.64%	6.78%
364 Day T-Bill	5.73%	5.65%	5.89%	7.28%
10 Year Gilt	6.59%	6.49%	6.36%	7.86%
G-Sec Vol. (Rs.Cr)	38343	52233	57810	24619
FBIL MIBOR*	5.37%	5.40%	5.70%	6.46%
3 Month CP Rate*	5.85%	5.85%	6.35%	7.70%
5 Year Corp Bond*	7.83%	7.76%	7.63%	8.72%
1 Month CD Rate	5.36%	5.45%	5.85%	6.53%
3 Month CD Rate	5.54%	6.01%	6.56%	7.19%
1 Year CD Rate	6.56%	6.64%	6.78%	7.92%

Currency Market			
Currency	19-Aug	Prev_Day	Change
USD/INR	71.34	71.29	0.05
GBP/INR	86.80	86.33	0.48
EURO/INR	79.14	79.15	-0.01
JPY/INR	0.67	0.67	0.00

Commodity Prices				
Commodity	19-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	56.19	54.36	55.39	65.88
Brent Crude(\$/bl)	59.83	56.51	61.18	69.33
Gold(\$/oz)	1495	1497	1425	1184
Gold(Rs./10 gm)	37469	37270	35091	29361

Source: Thomson Reuters Eikon

\*As on previous trading day

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**Derivatives Market**

- Nifty Aug 2019 Futures stood at 11,058.10, a premium of 4.20 points above the spot closing of 11,053.90. The turnover on NSE's Futures and Options segment increased to Rs. 8,73,914.63 on August 19, 2019, compared with Rs. 8,29,535.40 crore on August 16, 2019.
- The Put-Call ratio stood at 0.93 compared with the previous session's close of 0.82.
- The Nifty Put-Call ratio stood at 1.17 compared with the previous session's close of 1.21.
- Open interest on Nifty Futures stood at 21.25 million, compared with the previous session's close of 21.40 million.

**Indian Debt Market**

- Bond yields rose as investors resorted to note selling amid rising concerns over the fiscal package, which is expected further widen the fiscal deficit and breach the target. Besides, depreciation in the local currency also weighed on investors' sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) increased 5 bps to close at 6.59% compared with the previous close of 6.54%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,819 crore (gross) on Aug 19, 2019 compared with borrowings of Rs. 4,080 crore (gross) on Aug 16, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 26,924 crore on Aug 16, 2019.
- Banks borrowed Rs. 3,611 crore under the central bank's Marginal Standing Facility on Aug 16, 2019 compared with borrowings of Rs. 2,325 crore on Aug 14, 2019.

**Currency Market Update**

- The rupee fell against the U.S. dollar following greenback purchases by foreign banks and private banks. The rupee closed at 71.43 a dollar, down 0.39% compared with the previous close 71.15.
- The euro fell against the greenback as market participants preferred to remain on the sidelines ahead of a speech by the U.S. Federal Reserve Chief later this week at the Jackson Hole central bank conference. The euro was last seen trading at 1.1076, down 0.12% compared with the previous close of 1.1089.

**Commodity Market Update**

- Gold prices fell as concerns eased to some extent that major economies could fall into recession which in turn boosted market sentiments.
- Brent crude prices rose following an attack on a Saudi oil facility by Yemen's Houthi forces.

**International News**

- Preliminary report by the University of Michigan Consumer showed sentiment in the U.S. has seen a significant deterioration in Aug 2019. The report said consumer sentiment index tumbled to 92.1 in Aug after inching up to 98.4 in Jul 2019.
- Survey data from the IHS Markit showed U.K. households' assessment of their financial well-being fell in Aug 2019. The IHS Markit Household Finance Index, or HFI, fell to 43.7 in Aug 2019 from 44.3 in Jul 2019.
- Final data from Eurostat showed Eurozone inflation eased more than initially estimated in Jul 2019 to the lowest since late 2016. Headline inflation slowed to 1% in Jul from 1.3% in Jun 2019. The initial estimate was 1.1%.

Thank you for  
your time.