

RELIANCE

MUTUAL
FUND

Markets for You

23 Aug 2019

Indices Performance

Global Indices	22-Aug	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,295	1,298	-3	-0.22
Nasdaq	7,991	8,020	-29	-0.36
FTSE	7,128	7,204	-76	-1.05
Nikkei	20,628	20,619	9	0.05
Hang Seng	26,049	26,270	-221	-0.84
Indian Indices	22-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	36,473	37,060	-587	-1.59
Nifty 50	10,741	10,919	-177	-1.62
Nifty 100	10,837	11,012	-175	-1.59
Nifty 500	8,719	8,865	-145	-1.64
Nifty Bank	27,034	27,719	-685	-2.47
S&P BSE Power	1,843	1,868	-25	-1.36
S&P BSE Small Cap	12,119	12,390	-271	-2.19
S&P BSE HC	12,348	12,408	-60	-0.48

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
22-Aug	25.40	1.28	26.57	1.38
Month Ago	27.47	1.24	27.81	1.31
Year Ago	24.85	1.14	28.29	1.16

Nifty 50 Top 3 Gainers

Company	22-Aug	Prev_Day	% Change [#]
Dr.Reddy	2545	2503	1.69
Tech Mahindra	683	673	1.48
TCS	2216	2186	1.36

Nifty 50 Top 3 Losers

Company	22-Aug	Prev_Day	% Change [#]
Yes Bank	56	65	-13.91
Vedanta Limited	129	140	-7.79
Indiabulls HFC	451	484	-6.82

Advance Decline Ratio

	BSE	NSE
Advances	511	348
Declines	1975	1521
Unchanged	111	81

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1044	55413
MF Flows**	292	35601

*22nd Aug 2019; **21st Aug 2019

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.15%	2.99%	4.17%
	(Jul-19)	(Apr-19)	(Jul-18)
IIP	2.00%	2.70%	7.00%
	(Jun-19)	(Mar-19)	(Jun-18)
GDP	5.80%	6.60%	8.10%
	(Mar-19)	(Dec-18)	(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 ended mixed as investors awaited cues from U.S. Federal Reserve chairman's speech on Aug 23, 2019. This will be the Fed chief's first speech after bond markets were hit by recession fears as U.S Treasury yields inverted for the first time in 12 years. Today (as of Aug 23), Asian markets opened lower as investors awaited Fed chairman's speech later in the day and trade tensions between Japan and S Korea deepened. Both Nikkei and Hang Seng were trading up 0.21% and 0.42%, respectively (as at 8.a.m. IST).
- European markets fell as the yield curve inverted once again, leading to recession fears. This is the third trigger of the recession indicator in less than two weeks. Investors also awaited the U.S. Fed chairman's speech for cues on its interest rate stance.
- U.S. markets were up a tad with investors staying focussed on what the U.S. Federal Reserve chairman will say at his speech at a yearly central banking symposium in Jackson Hole, Wyoming, on Aug 23, 2019. Investors are expecting the central bank to cut rates at its Sep 2019 meeting and will look for cues in this direction.

Indian Equity Market

- Indian equity market declined as hopes of a stimulus by the government were almost crushed. Even as the government showed no signs of rolling out relief measures, the chief economic advisor was quoted by media saying, "have to be careful on the issue of a fiscal stimulus". He said the private sector needs to change its mindset and stop "personalizing profit and socializing losses".
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 1.59% and 1.67% to close at 36,472.93 and 10,737.75, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 1.35% and 2.19%, respectively.
- The overall market breadth on BSE was weak with 511 scrips advancing and 1975 scrips declining. A total of 111 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the only gainer, up 0.3%, while S&P BSE Teck stayed flat. S&P BSE Realty was the major loser, down 6.01%, followed by S&P BSE Metal and S&P BSE Finance, down 3.49% and 2.69%, respectively. S&P BSE Oil & Gas and S&P BSE Bankex lost 2.63% and 2.52%, respectively.

Domestic News

- Media reports showed that the chief economic advisor of India has called for a "mindset change" in the private sector. He said the sector should stop the tendency of grabbing profits and socialising losses and seeking sops in times of stress. He added that only investment and not consumption will help the economy grow. His comments come at the back drop of increasing criticism about the issues plaguing the economy, and sectors like auto looking for help. Comparing the private sector to a grown-up man, he said, "this 30-year-old man must start to stand on his own feet. This adult cannot keep asking his father for help and live with the idea of personalizing profit and socializing losses." "We need to move on; we're a market economy, where assets do get reallocated when someone doesn't manage it well," he said.
- The Income Tax department said only small start-ups with a turnover of up to Rs. 25 crore will get tax holiday on fulfilling certain conditions. It did not recognise the Rs. 100-crore turnover definition of a small start-up given by the Department for Promotion of Industry and Internal Trade. Start-ups under Section 80 IAC of the Income Tax Act are allowed 100% deduction of income for three years out of seven years from the year of incorporation.
- Data from the Directorate General of Civil Aviation (DGCA) showed domestic air passenger traffic growth during Jan to Jul 2019 grew by just 3.15% annually. This is its lowest growth pace in the last five years and has happened in the wake of an overall economic slowdown in India and the grounding of one of the leading airlines. During the Jan to Jul 2018 period, domestic air traffic had grown 21.79% compared with the same period of the previous year.
- Government think tank Niti Aayog has made a case for extraordinary steps to deal with the stress in the financial sector. The government needs to take steps to eliminate apprehension and encourage private sector players to step up investments, Niti Aayog vice chairman said.

FII Derivative Trade Statistics	22-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3372.62	3509.78	23643.82
Index Options	269868.62	270800.50	60767.31
Stock Futures	12357.96	12685.58	90596.55
Stock Options	5279.00	5386.25	5499.34
Total	290878.20	292382.11	180507.02

Derivative Statistics- Nifty Options	22-Aug	Prev_Day	Change
Put Call Ratio (OI)	0.70	0.95	-0.25
Put Call Ratio(Vol)	0.78	0.74	0.04

Debt Watch	22-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.33%	5.33%	5.65%	6.42%
T-Repo	5.21%	5.35%	5.63%	NA
Repo	5.40%	5.40%	5.75%	6.50%
Reverse Repo	5.15%	5.15%	5.50%	6.25%
91 Day T-Bill	5.42%	5.40%	5.72%	6.81%
364 Day T-Bill	5.67%	5.74%	5.92%	7.29%
10 Year Gilt	6.56%	6.63%	6.42%	7.83%
G-Sec Vol. (Rs.Cr)	55632	53470	49665	26516
FBIL MIBOR*	5.37%	5.45%	5.70%	6.50%
3 Month CP Rate	6.38%	6.47%	6.39%	7.75%
5 Year Corp Bond	7.76%	7.92%	7.72%	8.62%
1 Month CD Rate	5.35%	5.50%	6.02%	6.54%
3 Month CD Rate	5.62%	5.54%	6.28%	7.18%
1 Year CD Rate	6.65%	6.73%	6.99%	8.03%

Currency Market	22-Aug	Prev_Day	Change
USD/INR	71.70	71.55	0.15
GBP/INR	86.91	86.89	0.02
EURO/INR	79.43	79.39	0.03
JPY/INR	0.67	0.67	0.00

Commodity Prices	22-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	55.28	55.11	55.84	67.27
Brent Crude(\$/bl)	60.10	57.35	62.10	70.84
Gold(\$/oz)	1499	1516	1425	1196
Gold(Rs./10 gm)	37668	37574	34932	29529

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Aug 2019 Futures stood at 10,732.10, a discount of 9.25 points below the spot closing of 10,741.35. The turnover on NSE's Futures and Options segment rose to Rs. 25,17,204.99 on August 22, 2019, compared with Rs. 13,16,964.46 crore on August 21, 2019.
- The Put-Call ratio stood at 0.74 compared with the previous session's close of 0.82.
- The Nifty Put-Call ratio stood at 0.70 compared with the previous session's close of 0.95.
- Open interest on Nifty Futures stood at 22.75 million, compared with the previous session's close of 22.38 million.

Indian Debt Market

- Bond yields continued to fall on expectations that Monetary Policy Committee might cut interest rates again to boost the slowing economy. However, further gains were capped by the weakening local currency and losses in the domestic equity market.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 1 bps to 6.56% compared with the previous close of 6.57%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,154 crore (gross) on Aug 22, 2019 compared with borrowings of Rs. 3,815 crore (gross) on Aug 21, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 10,389 crore on Aug 21, 2019.
- Banks borrowed Rs. 601 crore under the central bank's Marginal Standing Facility on Aug 21, 2019 compared with borrowings of Rs. 475 crore on Aug 20, 2019.

Currency Market Update

- The Indian rupee weakened to its lowest level since Dec 18, 2019 against the U.S. dollar following multi-year lows in the Chinese yuan currency. The rupee fell 0.35% to close at 71.81 per U.S. dollar against the previous close of 71.56.
- Euro was flat against the U.S. dollar after moving in a narrow range ahead of the statement from the U.S. Federal Reserve at this week's Jackson Hole, Wyoming event. Euro was steady at \$1.1078.

Commodity Market Update

- Gold prices were trimmed ahead of the U.S. Fed Chief's speech to the annual Jackson Hole Economic Policy Symposium.
- Brent crude prices slipped but remained above \$60 per barrel level as weak U.S. factory data highlighted concerns over global demand outlook for the commodity.

International News

- A Labor Department report showed first-time claims for U.S. unemployment benefits fell by much more than expected in the week ended Aug 17, 2019. The report said initial jobless claims dropped to 209,000, a decrease of 12,000 from the previous week's revised level of 221,000.
- IHS Markit data showed euro area private sector growth improved unexpectedly to 51.8 in Aug 2019 from 51.5 in Jul 2019, which was a three month-low. The overall pace of expansion remained subdued amid Germany facing a risk of recession. The reading was one of the weakest in six years.

Thank you for
your time.