

**RELIANCE**

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# Markets for You

26 Aug 2019

## Indices Performance

Global Indices	23-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,260	1,295	-35	-2.70
Nasdaq	7,752	7,991	-240	-3.00
FTSE	7,095	7,128	-33	-0.47
Nikkei	20,711	20,628	83	0.40
Hang Seng	26,179	26,049	131	0.50
Indian Indices	23-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	36,701	36,473	228	0.63
Nifty 50	10,829	10,741	88	0.82
Nifty 100	10,926	10,837	89	0.82
Nifty 500	8,791	8,719	71	0.82
Nifty Bank	26,959	27,034	-76	-0.28
S&P BSE Power	1,861	1,843	18	0.98
S&P BSE Small Cap	12,186	12,119	67	0.55
S&P BSE HC	12,461	12,348	113	0.92

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
23-Aug	25.62	1.27	26.79	1.36
Month Ago	27.44	1.24	27.77	1.31
Year Ago	24.72	1.15	28.32	1.16

## Nifty 50 Top 3 Gainers

Company	23-Aug	Prev_Day	% Change <sup>#</sup>
Zee Ente.	351	329	6.75
Vedanta Limited	137	129	6.47
United Phos	547	518	5.64

## Nifty 50 Top 3 Losers

Company	23-Aug	Prev_Day	% Change <sup>#</sup>
IndusInd Bank	1311	1336	-1.88
ITC	236	240	-1.65
ICICI Bank	395	399	-0.93

## Advance Decline Ratio

	BSE	NSE
Advances	1309	1044
Declines	1145	802
Unchanged	129	93

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1290	54123
MF Flows**	243	35552

\*23<sup>rd</sup> Aug 2019; \*\*21<sup>st</sup> 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 &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

## Global Indices

- Asian equity markets ended mixed as Japan-South Korea tensions intensified, and investors looked forward to U.S. Federal Reserve chairman's speech at the Jackson Hole Economic Policy Symposium later in the day. Markets will try to gauge the future interest rate stance of the Fed through the speech. Today (as of Aug 26), Asian markets opened lower following an escalation in the U.S.-China trade war late last week. Both Nikkei and Hang Seng were trading down 2.36% and 3.26%, respectively (as at 8.a.m. IST).
- European markets declined as China said it would impose new tariffs on another \$75 billion worth of U.S. goods. U.S. President told American companies to "immediately start looking for an alternative to China."
- U.S. markets fell after President told U.S. manufacturers to find alternatives to their operations in China. The President also criticised the U.S. Federal Reserve chairman for not doing enough stimulate growth in the economy.

## Indian Equity Market

- Indian equity markets gained ahead of finance minister's media address, which was scheduled later in the day. Investors expected the minister to announce measures to revive the economy, roll back the super-rich tax on foreign portfolio investors, and implement direct tax code.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.63% and 0.82% to close at 36,701.16 and 10,829.35, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.93% and 0.55%, respectively.
- The overall market breadth on BSE was strong with 1309 scrips advancing and 1145 scrips declining. A total of 130 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 3.49%, followed by S&P BSE Oil & Gas and S&P BSE Energy, which gained 3.35% and 2.74%, respectively. S&P BSE Basic Materials and S&P BSE Auto gained 2.05% and 1.54%, respectively. S&P BSE FMCG was the major loser, down 0.83%, followed by S&P BSE Bankex and S&P BSE Capital Goods, down 0.31% and 0.19%, respectively.

## Domestic News

- The government announced a slew of measures of the auto sector that is going through a major slowdown. Increase in registration fees for vehicles was deferred till Jun 2020 and ban on purchase of new vehicles by government departments was lifted to boost demand. The depreciation rate of vehicles purchased before Mar 31, 2019 till Mar 31, 2020 was increased to 30% from the present 15% which is expected to prepone purchase of vehicles. The government also clarified that Bharat Stage -IV vehicles which are purchased till Mar 31, 2020, will remain operational for their entire period of registration even when the Bharat Stage VI emission norms comes into effect next year. On a separate note, the government added that electric and internal combustion engine vehicles will continue to be registered while a scrappage policy will be announced later.
- The government announced an additional liquidity support to the tune of Rs. 20,000 crore for housing finance companies in order to improve their lending capacity. The move is expected to help the real estate sector which is facing a slowdown in demand and liquidity crunch.
- The government proposed to set up an entity that will provide credit enhancement for infrastructure and housing projects. The move is expected to increase fund flows towards such projects. It also added that the department of expenditure and the performance will monitor delayed payments from government and/or Central Public Sector Enterprises (CPSEs) which in turn will be reviewed by the Cabinet Secretariat. The move is expected to help clear all due payments of CPSEs which will help boost growth and create employment.
- The government in order to improve the domestic debt market, added that it will work jointly with the Reserve Bank of India to make it more friendly for investors and bond issuers. Also, it decided to do away the enhanced surcharge levied by Finance (No 2) Act, 2019 on long and short term capital gains that arises from transfer of equity shares/units referred in Section 111A and 112A respectively. The move is expected to boost investment in the capital market.

FII Derivative Trade Statistics			
	23-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4673.20	4916.96	23714.35
Index Options	384606.32	381517.30	55324.04
Stock Futures	13381.05	13506.41	90064.30
Stock Options	7503.30	7564.68	5497.23
Total	410163.87	407505.35	174599.92

Derivative Statistics- Nifty Options			
	23-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.02	0.70	0.32
Put Call Ratio(Vol)	0.78	0.78	0.00

Debt Watch				
	23-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.34%	5.31%	5.58%	6.41%
T-Repo	5.19%	5.25%	5.55%	NA
Repo	5.40%	5.40%	5.75%	6.50%
Reverse Repo	5.15%	5.15%	5.50%	6.25%
91 Day T-Bill	5.40%	5.47%	5.72%	6.80%
364 Day T-Bill	5.65%	5.72%	5.93%	7.29%
10 Year Gilt	6.57%	6.54%	6.46%	7.88%
G-Sec Vol. (Rs.Cr)	27556	56660	49145	24506
FBIL MIBOR	5.40%	5.45%	5.80%	6.50%
3 Month CP Rate	5.90%	6.00%	6.45%	7.75%
5 Year Corp Bond	7.68%	7.83%	7.74%	8.64%
1 Month CD Rate	5.49%	5.42%	5.90%	6.53%
3 Month CD Rate	5.50%	5.67%	6.28%	7.19%
1 Year CD Rate	6.64%	6.70%	7.02%	8.03%

Currency Market			
Currency	23-Aug	Prev_Day	Change
USD/INR	71.73	71.70	0.02
GBP/INR	87.62	86.91	0.71
EURO/INR	79.39	79.43	-0.03
JPY/INR	0.67	0.67	0.00

Commodity Prices				
Commodity	23-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	54.05	54.78	56.55	68.93
Brent Crude(\$/bl)	58.93	58.99	62.47	73.62
Gold(\$/oz)	1526	1514	1417	1185
Gold(Rs./10 gm)	37599	37466	34852	29530

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty Aug 2019 Futures stood at 10,842.70, a premium of 13.35 points above the spot closing of 10,829.35. The turnover on NSE's Futures and Options segment fell to Rs.10,43,153.98 on August 23, 2019, compared with Rs.25,17,204.99 crore on August 22, 2019.
- The Put-Call ratio stood at 0.69 compared with the previous session's close of 0.74.
- The Nifty Put-Call ratio stood at 1.02 compared with the previous session's close of 0.7.
- Open interest on Nifty Futures stood at 22.32 million, compared with the previous session's close of 22.75 million.

#### Indian Debt Market

- Bond yields inched up as investors remained cautious on speculation that the government will announce a fiscal stimulus package which may adversely impact fiscal consolidation roadmap of the country.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 1 bps to 6.57% compared with the previous close of 6.56% after trading in a range of 6.56% to 6.58%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,769 crore (gross) on Aug 23, 2019 compared with borrowings of Rs. 5,154 crore (gross) on Aug 22, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 13,364 crore on Aug 22, 2019.
- Banks borrowed Rs. 1 crore under the central bank's Marginal Standing Facility on Aug 22, 2019 compared with borrowings of Rs. 601 crore on Aug 21, 2019.

#### Currency Market Update

- The Indian strengthened against the greenback due to gains in the domestic equity market and on reports that the government may clarify its stance on additional surcharge on foreign investors.
- The euro gained against the greenback amid escalating U.S. and China trade war tensions after U.S. President ordered U.S. companies to look ways for an alternative to China as Beijing imposed more tariffs on U.S. goods.

#### Commodity Market Update

- Gold prices grew after China reportedly announced that it will impose additional tariffs on a total of \$75 billion of U.S. goods.
- Brent crude prices fell amid intensifying U.S. and China trade war tensions.

#### International News

- U.S. Federal Reserve chairman at his speech at the Jackson Hole Economic Policy Symposium said the Fed will "act as appropriate" to sustain the U.S. economic expansion. He cited announcement of new tariffs on Chinese imports and signs of a global economic slowdown, especially in Germany and China. The chairman also mentioned many geopolitical events, such as the growing possibility of a hard Brexit, suspension of the Italian government and rising tensions in Hong Kong.
- A Commerce Department report showed a steep drop in new home sales in U.S. Jul 2019 by 12.8% to an annual rate of 635,000 in Jul 2019 after soaring by 20.9% to a rate of 728,000 in Jun 2019.

Thank you for  
your time.