

RELIANCE

MUTUAL
FUND

Markets for You

28 Aug 2019

Indices Performance

Global Indices	27-Aug	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,272	1,276	-4	-0.28
Nasdaq	7,827	7,854	-27	-0.34
FTSE	7,090	7,095	-5	-0.08
Nikkei	20,456	20,261	195	0.96
Hang Seng	25,664	25,680	-16	-0.06
Indian Indices	27-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	37,641	37,494	147	0.39
Nifty 50	11,105	11,058	48	0.43
Nifty 100	11,214	11,153	61	0.55
Nifty 500	9,022	8,965	58	0.64
Nifty Bank	28,126	27,951	175	0.63
S&P BSE Power	1,921	1,890	31	1.64
S&P BSE Small Cap	12,589	12,387	202	1.63
S&P BSE HC	12,561	12,549	12	0.10

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
27-Aug	26.39	1.23	27.47	1.33
Month Ago	27.10	1.22	27.73	1.32
Year Ago	25.07	1.14	28.72	1.15

Nifty 50 Top 3 Gainers

Company	27-Aug	Prev_Day	% Change [#]
Tata Motors	120	111	8.86
Britannia Industries Limited	2686	2534	6.00
AGC Networks Limited	127	120	5.15

Nifty 50 Top 3 Losers

Company	27-Aug	Prev_Day	% Change [#]
Bharti Airtel	348	361	-3.42
Infosys	785	803	-2.23
Tech Mahindra	676	691	-2.14

Advance Decline Ratio

	BSE	NSE
Advances	1672	1297
Declines	859	516
Unchanged	158	119

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-706	51588
MF Flows**	1628	39206

*27th Aug 2019; **23rd 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 were mostly higher as the U.S. President spoke of the possibility of a trade deal with China. He said he believes Beijing's efforts to reach a deal are sincere. Today (as of Aug 28), Asian markets opened higher as investors kept their eyes on the yield curve. Both Nikkei and Hang Seng were trading up 0.09% and 0.04%, respectively (as at 8.a.m. IST).
- European markets were mostly up as China announced it could relax and remove restrictions on auto purchases in order to boost consumption.
- U.S. markets lost after bond yields once again moved south, leading to inversion. Investors see this as a sign of an impending recession as it has preceded previous recessionary periods. Trade war worries also kept the market under pressure.

Indian Equity Market

- Indian equity markets gained for the third consecutive session as fiscal deficit worries eased after the Reserve Bank of India (RBI) decided to transfer Rs. 1.76 lakh crore to the government. After the recommendations of a committee, RBI increased its budgeted Rs. 90,000 crore transfer to the government by another Rs. 86,000 crore for the year. Investors cheered the central banks' move as the amount could be used by the government to meet the expected shortfall in revenue collections.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.39% and 0.43% to close at 37,641.27 and 11,105.35 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.53% and 1.63% respectively.
- The overall market breadth on BSE was strong with 1,672 scrips advancing and 859 scrips declining. A total of 158 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 2.04%, followed by S&P BSE Auto, up 1.89%, and S&P BSE Industrials, up 1.88%. S&P BSE Telecom was the major loser, down 2.26%, followed by S&P BSE Teck, down 1.66%, and S&P BSE IT, down 1.52%.

Domestic News

- The Reserve Bank of India said after its board meeting that it will transfer Rs. 1.76 lakh crore to the government this fiscal. The transfer includes Rs. 1.23 lakh crore of surplus for 2018-19 and Rs. 52,637 crore of excess provisions identified as per the revised Economic Capital Framework (ECF) adopted at the meeting. The higher surplus is due to the long-term forex swaps and the open market operations (OMO) conducted by the central bank over the last fiscal. The surplus transfer was finalized in tune with the recommendations of the committee under a former central bank governor. RBI's central board accepted all the recommendations of the committee. The government is getting additional amount of Rs. 86,000 crore above its budgeted Rs. 90,000 crore.
- The government has started the process of disinvesting its stake to below 51% in state-run companies. It has identified nearly 12 firms for implementing the Budget announcement. The department of public investment and asset management is in the process of floating a discussion paper to consider the advantages and disadvantages of the move, media reports showed. This fiscal's target from asset sales is estimated at Rs. 1.05 lakh crore. The companies identified in a preliminary list include the ones in which the government's holding ranges from about 50% to 60%.
- A Reserve Bank of India (RBI) survey report showed business sentiment in India has deteriorated in the second quarter with industrialists expecting their businesses to perform weaker in the quarter amid fears of an economic slowdown. In a response from 1,231 companies, growth in production, order and capacity utilisation is expected to substantially come down in Q2FY20, the RBI industrial outlook survey of the manufacturing sector said.
- A major global media house has said the Indian economy could have expanded at its slowest pace in more than five years in the Apr-Jun 2019 quarter. This happened as investment growth weakened and demand went sluggish.

FII Derivative Trade Statistics			
	27-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	11733.74	11111.96	23503.09
Index Options	314010.16	311948.47	63571.69
Stock Futures	31484.95	30742.02	95320.53
Stock Options	8307.69	8227.23	5498.06
Total	365536.54	362029.68	187893.37

Derivative Statistics- Nifty Options			
	27-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.23	1.21	0.03
Put Call Ratio(Vol)	0.92	0.84	0.08

Debt Watch				
	27-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.35%	5.28%	5.56%	6.34%
T-Repo	5.21%	5.22%	5.58%	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%	5.66%	6.77%
364 Day T-Bill	5.60%	5.71%	5.90%	7.28%
10 Year Gilt	6.53%	6.59%	6.53%	7.89%
G-Sec Vol. (Rs.Cr)	68807	54572	44495	23721
FBIL MIBOR*	5.45%	5.40%	5.75%	6.55%
3 Month CP Rate	5.90%	5.98%	6.35%	7.80%
5 Year Corp Bond	7.69%	7.77%	7.81%	8.68%
1 Month CD Rate	5.33%	5.50%	5.76%	6.69%
3 Month CD Rate	5.70%	5.66%	6.30%	7.23%
1 Year CD Rate	6.45%	6.71%	6.95%	7.99%

Currency Market			
Currency	27-Aug	Prev_Day	Change
USD/INR	71.82	72.18	-0.36
GBP/INR	87.75	88.60	-0.85
EURO/INR	79.74	80.47	-0.73
JPY/INR	0.68	0.69	-0.01

Commodity Prices				
Commodity	27-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	54.94	56.13	56.03	69.62
Brent Crude(\$/bl)	58.53	59.32	62.30	73.60
Gold(\$/oz)	1542	1507	1418	1211
Gold(Rs./10 gm)	38404	37688	34781	29869

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Aug 2019 Futures stood at 11,103.90, a discount of 1.45 points below the spot closing of 11,105.35. The turnover on NSE's Futures and Options segment fell to Rs.12,57,676.17 on August 27, 2019, compared with Rs.15,13,497.60 crore on August 26, 2019.
- The Put-Call ratio stood at 0.87 compared with the previous session's close of 0.81.
- The Nifty Put-Call ratio stood at 1.23 compared with the previous session's close of 1.21.
- Open interest on Nifty Futures stood at 22.61 million, compared with the previous session's close of 22.49 million.

Indian Debt Market

- Bond yields rose as investors resorted to profit booking amid rumours that a fiscal stimulus package may increase market borrowing.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 5 bps to 6.53% compared with the previous close of 6.48% after trading in a range of 6.35% to 6.54%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,854 crore (gross) on Aug 27, 2019 compared with borrowings of Rs. 4,354 crore (gross) on Aug 26, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 20,296 crore on Aug 26, 2019.
- Banks borrowed Rs. 55 crore under the central bank's Marginal Standing Facility on Aug 26, 2019 compared with borrowings of Rs. 2,250 crore on Aug 26, 2019.

Currency Market Update

- The Indian rose against the greenback following gains in the domestic equity market as investors remained optimistic that the ongoing trade war between U.S. and China may soon be resolved. The rupee closed at 71.48 per dollar, up 0.75% compared with the previous close 72.02.
- The euro weakened against the greenback as concerns of a worldwide recession and global economic slowdown weighed on the market sentiment. The euro closed at 1.1090, down 0.09% compared with the previous close of 1.1100.

Commodity Market Update

- Gold prices edged higher amid uncertainty over the fate of U.S.-China trade war and concerns over the global economy.
- Brent Crude prices slipped compared with its previous trading close as concerns over the demand outlook amid the ongoing U.S.- China trade war dented market sentiments.

International News

- A Conference Board report showed consumer confidence in the U.S. slightly deteriorated in Aug 2019. The consumer confidence index edged down to 135.1 in Aug after surging up to 135.8 in Jul 2019.
- Detailed results from Destatis showed Germany's economy contracted as initially estimated in the second quarter ended Jun 2019 by 0.1% QoQ, reversing the first quarter's 0.4% expansion, due to weak foreign demand. There are signs that the shrinking continued into the third quarter, pushing the biggest euro area economy to the verge of recession.

Thank you for
your time.