

**RELIANCE**

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FUND

# Markets for You

30 Aug 2018

Indices Performance

Global Indices	29-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	26,125	26,064	61	0.23
Nasdaq	8,110	8,030	80	0.99
FTSE	7,563	7,617	-54	-0.71
Nikkei	22,848	22,813	35	0.15
Hang Seng	28,416	28,352	65	0.23
Indian Indices	29-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	38,723	38,897	-174	-0.45
Nifty 50	11,692	11,739	-47	-0.40
Nifty 100	11,999	12,028	-30	-0.25
Nifty Bank	28,224	28,270	-46	-0.16
SGX Nifty	11,737	11,802	-65	-0.55
S&P BSE Power	2,099	2,099	-1	-0.03
S&P BSE Small Cap	17,053	17,043	9	0.05
S&P BSE HC	15,473	15,533	-60	-0.38

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
29-Aug	24.89	1.14	28.55	1.14
Month Ago	23.47	1.18	28.02	1.19
Year Ago	23.44	1.25	25.31	0.95

Nifty 50 Top 3 Gainers

Company	29-Aug	Prev_Day	% Change <sup>#</sup>
Bosch	20078	18885	6.32
United Phos	680	654	3.95
Bajaj Finance	2986	2933	1.80

Nifty 50 Top 3 Losers

Company	29-Aug	Prev_Day	% Change <sup>#</sup>
Coal India	286	295	-2.85
Power Grid	193	197	-2.08
RIL	1294	1319	-1.88

Advance Decline Ratio

	BSE	NSE
Advances	1254	845
Declines	1451	953
Unchanged	171	93

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-49	-1401
MF Flows**	-151	76406

\*29<sup>th</sup> Aug 2018; \*\*28<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

- Majority of the Asian markets closed higher, driven by optimism over the highly anticipated meeting between U.S. and Canada regarding the future of the three-nation North American Free Trade Agreement. Investors also awaited the China's official factory PMI for Aug, scheduled on Aug 31. Today (as of Aug 30), Asian markets opened on a mixed note. Gains in Wall Street's last session and Canada's rejoining of negotiations for NAFTA boosted the indices. Investors likely remained focused on few key economic data scheduled later in the day. Nikkei grew 0.27% and Hangseng fell 0.27% (as at 8.a.m. IST).
- As per the last close, European markets closed on a mixed note as investors remained focused towards renewed trade talks between the U.S., Canada, and Mexico and the ongoing Brexit negotiations between the U.K. and the European Union.
- As per the last close, U.S markets closed higher following gains in technology (tech) stocks after a multinational investment bank raised its target price for two major U.S. tech stocks. Also, optimism over renewed trade talks between the U.S., Canada, and Mexico boosted the indices.

Indian Equity Market

- Indian equity markets witnessed substantial sell off in the last hour of the trading session to close in the red. Rise in global crude oil prices due to withholding of supply by Iran coupled with depreciating rupee, which hit record low of Rs. 70.59 per U.S. dollar, contributed to the market woes.
- Investor sentiments were hardly impacted by the Union Cabinet's approval of an additional instalment of dearness allowance for central government employees and dearness relief to pensioners effective from Jul 1, 2018. Market participants remained cautious ahead of the expiry of August series of F&O, scheduled on Aug 30.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.45% and 0.40% to close at 38722.93 and 11691.90, respectively. Meanwhile, up-move was seen in broader markets with S&P BSE Mid-Cap and S&P BSE Small Cap rising by 0.47% and 0.05%, respectively.
- On the BSE sectoral front, majority of the indices closed in the red. S&P BSE Energy was the major loser, down 1.13%, followed by S&P BSE Telecom and S&P BSE Teck, which fell 0.71% and 0.50%, respectively. S&P BSE IT and S&P BSE Healthcare slipped 0.41% and 0.38%, respectively.

Domestic News

- The government has increased its estimate of food grain production for the current crop year, which ends in Jun 2018. Normal rains in the last monsoon had increased production of wheat, coarse, rice, pulses and cereals. The fourth advance estimates of major crops by the agriculture ministry have raised the May forecast by 1.9% and estimated output at a record 284.83 million tonne. The previous record was in 2016-17 at 275.11 million tonne. The fifth and final estimate will be released in Dec-Jan.
- The Department of Industrial Policy and Promotion (DIPP) does not want foreign direct investment (FDI) in inventory-based ecommerce. DIPP said there is need for a regulator to supervise the sector. The department of commerce had planned up to 49% FDI in inventory-based ecommerce for goods made 100% locally.
- The Union cabinet has approved an extra 2% hike in Dearness Allowance (DA) and Dearness Relief (DR). This move will benefit around 1.1 crore central government employees and pensioners. It would pinch the exchequer by Rs. 6,112.20 crore per annum for DA and Rs. 4,074.80 crore for DR in 2018-19. The hike will come into effect from Jul 1, 2018.
- According to media reports, the Reserve Bank of India could be decreasing the circulation of Rs. 2000 currency notes. The step would be in the direction of limiting hoarding of the high-value note and proliferation of black money. The proportion of Rs. 2,000 currency notes in circulation has dropped to 37% of total notes, from 50% previously.
- According to a poll by a leading news agency, India could have grown 7.6% in the Apr-Jun quarter. The reasons behind growth have been given as improvement in manufacturing and exports. In a poll of 50 economists, the median consensus put annual economic growth a little lower than the near two-year high of 7.7% in the Jan-Mar quarter. Forecasts ranged between 7.0% and 8.0%. The results point at strong domestic demand on the back of manufacturing activity. Manufacturing activity was solid in spite of increased oil prices and a weak rupee.

FII Derivative Trade Statistics	29-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	8597.62	8313.47	32804.84
Index Options	93892.26	94405.04	70674.32
Stock Futures	32776.86	32592.46	90416.05
Stock Options	10780.67	11096.58	11972.50
Total	146047.41	146407.55	205867.71

Derivative Statistics- Nifty Options	29-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.79	1.94	-0.16
Put Call Ratio(Vol)	1.01	1.14	-0.13

Debt Watch	29-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.32%	6.42%	6.14%	5.85%
CBLO	6.33%	6.47%	6.21%	5.76%
Repo	6.50%	6.50%	6.25%	6.00%
Reverse Repo	6.25%	6.25%	6.00%	5.75%
91 Day T-Bill	6.81%	6.81%	6.70%	6.07%
364 Day T-Bill	7.32%	7.29%	7.23%	6.23%
10 Year Gilt	7.92%	7.83%	7.78%	6.53%
G-Sec Vol. (Rs.Cr)	25021	26516	18953	40393
FBIL MIBOR	6.46%	6.50%	6.27%	6.00%
3 Month CP Rate	7.70%	7.75%	7.50%	6.56%
5 Year Corp Bond	8.75%	8.62%	8.66%	7.34%
1 Month CD Rate	6.70%	6.54%	6.88%	6.04%
3 Month CD Rate	7.26%	7.18%	7.33%	6.17%
1 Year CD Rate	8.04%	8.03%	7.99%	6.50%

Currency Market	29-Aug	Prev_Day	Change
USD/INR	70.50	70.17	0.34
GBP/INR	90.63	90.33	0.30
EURO/INR	82.34	81.93	0.41
JPY/INR	0.63	0.63	0.00

Commodity Prices	29-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	69.63	67.27	68.61	46.41
Brent Crude(\$/bl)	75.70	70.84	75.48	52.43
Gold( \$/oz)	1206	1196	1223	1309
Gold(Rs./10 gm)	30048	29529	29722	29636

Source: Thomson Reuters Eikon

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**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

#### Derivatives Market

- Nifty August 2018 Futures closed at 11,707.10, a premium of 15.20 points, above the spot closing of 11,691.90. The turnover on NSE's Futures and Options segment increased to Rs. 10,80,211.83 on Aug 29 compared with Rs. 9,93,882.37 on Aug 28.
- The Put-Call ratio stood at 0.91 against previous session's close of 0.99.
- The Nifty Put-Call ratio stood at 1.79 compared with the previous session's close of 1.94.
- India VIX went up 0.08% to 12.4350 from 12.4250 in the previous trading session.
- Open interest on Nifty Futures stood at 34.66 million as against the previous session's close at 34.65 million.

#### Indian Debt Market

- Bond yields rose for the fourth consecutive session after the rupee weakened to a record low against the greenback. Market sentiments were also dampened as global crude oil prices continued to remain at elevated levels. Both the aspects have fueled concerns of foreign fund outflow from the domestic debt market and worries of domestic inflationary pressures rising in the coming months which might lead to further monetary tightening by the Monetary Policy Committee.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 2 bps to close at 7.92% from the previous closing of 7.90% after trading in a range of 7.89% to 7.92%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,666 crore (gross) on Aug 29 compared to a borrowing of Rs. 5,151 crore on Aug 28.

#### Currency Market Update

- The rupee plummeted to a record low against the greenback due to month end dollar demand from oil importers. However, intervention by the Reserve Bank of India restricted further losses. The rupee fell 0.70% to close at 70.59 compared to the previous close of 70.10.
- The euro weakened against the greenback as market participants worried that the ongoing trade conflict between U.S. and China might not end soon which in turn boosted the haven appeal of the U.S. dollar. Euro was last seen trading at \$1.1666, down 0.23% against the previous close of \$1.1693.

#### Commodity Market Update

- Gold prices gained over the ongoing trade dispute between U.S. and China.
- Brent crude prices tumbled following the API's announcement on the rising U.S. crude inventories that improved by 38,000 barrels to 405.7 million barrels in the Aug 24 week.

#### International News

- A report released by the Conference Board showed that the consumer confidence index in U.S. surged up to 133.4 in Aug 2018 from an upwardly revised 127.9 in Jul 2018 (127.4 originally reported). The expectations index also rose to 107.6 in Aug 2018 after falling to 102.4 in the previous month.
- According to the European Central Bank Executive Board Member and Chief Economist Peter Praet, the monetary policy was effective in imparting stability to the euro zone economy. However, he also added that patience and persistence was needed and risks need to be closely monitored.

Thank you for  
your time.