

RELIANCE

MUTUAL
FUND

Markets for You

31 Aug 2018

Indices Performance

Global Indices	30-Aug	Prev_Day	Abs. Change	% Change [#]
Dow Jones	25,987	26,125	-138	-0.53
Nasdaq	8,088	8,110	-21	-0.26
FTSE	7,516	7,563	-47	-0.62
Nikkei	22,870	22,848	21	0.09
Hang Seng	28,164	28,416	-252	-0.89
Indian Indices	30-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	38,690	38,723	-33	-0.08
Nifty 50	11,677	11,692	-15	-0.13
Nifty 100	11,991	11,999	-7	-0.06
Nifty Bank	28,103	28,224	-121	-0.43
SGX Nifty	11,699	11,737	-39	-0.33
S&P BSE Power	2,114	2,099	15	0.71
S&P BSE Small Cap	17,100	17,053	47	0.27
S&P BSE HC	15,606	15,473	132	0.85

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
30-Aug	24.82	1.15	28.51	1.15
Month Ago	23.53	1.17	28.12	1.19
Year Ago	23.67	1.23	25.54	0.94

Nifty 50 Top 3 Gainers

Company	30-Aug	Prev_Day	% Change [#]
Bosch	22005	20078	9.60
Sun Pharma	640	621	3.01
Tata Steel	608	594	2.38

Nifty 50 Top 3 Losers

Company	30-Aug	Prev_Day	% Change [#]
Eicher Motors	27602	28189	-2.08
Bajaj Finance	2927	2986	-1.97
HPCL	253	258	-1.80

Advance Decline Ratio

	BSE	NSE
Advances	1436	963
Declines	1281	846
Unchanged	161	91

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1404	-2804
MF Flows**	-151	76406

*30th Aug 2018; **28th 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

- Asian equity markets could not hold to early gains as U.S.-China trade war worries overshadowed investor sentiment. Markets were buoyed by developments on the NAFTA front but could not sustain gains. Chinese investors awaited manufacturing data, to be released on Aug 31, 2018. Also, trade war worries kept the market on its toes. Today (as of Aug 31), Asian markets opened lower amid reports that U.S. President supported proposed additional tariffs on Chinese goods going ahead. Nikkei and Hangseng fell 0.30% and 1.33%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower amid reports of U.S. tariffs on another \$200 billion of Chinese goods from Sep 2018. Further, worries that the response from China may have significant consequences for the global economy weighed on the indices. Concerns over Brexit also added to the losses.
- As per the last close, U.S markets closed lower following reports that U.S. President intends to move ahead with plans to impose tariffs on another \$200 billion of Chinese imports from Sep 2018. Uncertainty of trade talks between the U.S. and Canada also weighed on the markets.

Indian Equity Market

- Indian equity markets closed marginally lower following the expiry of Aug 2018 Futures and Options (F&O) contracts. Investor sentiment was affected after the rupee hit record low of Rs. 70.74 against the U.S. dollar. Meanwhile, market participants keenly awaited the Jun-quarter Gross Domestic Product data to be announced on Aug 31.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.08% and 0.13% to close at 38,690.10 and 11,676.80, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 0.43% and 0.27%, respectively.
- The overall market breadth on BSE was strong with 1436 scrips advancing and 1281 scrips declining. A total of 161 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Utilities stood as the major gainer, up 1.43% followed by S&P BSE Telecom that grew 1.27%. S&P BSE Fast Moving Consumer Goods and S&P BSE Healthcare grew 1.11% and 0.85%. S&P BSE Basic Materials and S&P BSE Metal grew 0.82% and 0.78%. S&P BSE Energy and S&P BSE Finance was the only losers, down 1.06% and 0.41%, respectively.

Domestic News

- The Reserve Bank of India (RBI) plans to review marginal cost of funds based lending rate (MCLR) norms. The central bank could do away with the mechanism for lending rate calculation. MCLR was launched less than three years ago. RBI said in its 2017-18 annual report that it would review MCLR guidelines and subsidiarisation of foreign banks "for the purpose of fostering competition and re-orienting the banking structure in India." Bankers are of the view that this was coming because the system had not reflected the changes in rates, according to media reports.
- According to media reports, the government's decision to raise the price of domestically produced natural gas to \$3.50 per million metric British thermal units for the coming six months could lead to a 15% hike in prices of natural gas. Earlier in 2018, the government had increased domestic natural gas price by 6% to \$3.06 per million metric British thermal units, which was applicable for Apr-Sep 2018.
- India has started a countervailing duty inquiry into rising imports of a Chinese synthetic rubber. This is being done to safeguard domestic businesses from the cheap imports. The investigation has been at the behest of the Directorate General of Trade Remedies.
- Cash savings have touched 10-year highs while the share of deposit is at multi-year lows in spite of demonetisation. Note-ban was expected to alter the saving habit of Indians, making a gradual shift from cash savings to financial savings. Currency in circulation stands at Rs. 19.38 lakh crore as of Aug 17, 2018, which is higher than pre-demonetisation levels. Household cash savings and currency have increased to 2.8% of national income, which is the highest in around 10 years. Share of savings in banks and corporate deposits declined to 2.9%, a decadal low. According to RBI preliminary data, Indians' cash savings in FY18 increased after contracting in FY17.

FII Derivative Trade Statistics 30-Aug			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	5555.65	6551.27	33418.88
Index Options	100926.44	101621.51	70835.14
Stock Futures	41257.88	40534.46	93796.62
Stock Options	11230.50	11390.37	11627.42
Total	158970.47	160097.61	209678.06

Derivative Statistics- Nifty Options			
	30-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.68	1.79	-0.11
Put Call Ratio(Vol)	1.03	1.01	0.02

Debt Watch				
	30-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.34%	6.41%	6.19%	5.85%
CBLO	6.28%	6.51%	6.24%	5.66%
Repo	6.50%	6.50%	6.25%	6.00%
Reverse Repo	6.25%	6.25%	6.00%	5.75%
91 Day T-Bill	6.80%	6.80%	6.69%	6.11%
364 Day T-Bill	7.31%	7.29%	6.95%	6.24%
10 Year Gilt	7.93%	7.88%	7.79%	6.54%
G-Sec Vol. (Rs.Cr)	32339	24506	22108	27676
FBIL MIBOR	6.45%	6.55%	6.26%	6.00%
3 Month CP Rate	7.70%	7.75%	7.50%	6.57%
5 Year Corp Bond	8.77%	8.64%	8.66%	7.34%
1 Month CD Rate	6.98%	6.53%	6.81%	6.04%
3 Month CD Rate	7.25%	7.19%	7.25%	6.17%
1 Year CD Rate	8.03%	8.03%	7.99%	6.49%

Currency Market			
Currency	30-Aug	Prev_Day	Change
USD/INR	70.73	70.50	0.23
GBP/INR	92.15	90.63	1.53
EURO/INR	82.72	82.34	0.38
JPY/INR	0.63	0.63	0.00

Commodity Prices				
Commodity	30-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	70.20	68.93	70.81	45.91
Brent Crude(\$/bl)	77.09	73.62	75.63	52.58
Gold(\$/oz)	1200	1185	1221	1308
Gold(Rs./10 gm)	30099	29530	29773	29601

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty August 2018 Futures settled at spot close of 11,676.8. Nifty September 2018 Futures settled at 11,733.15, a premium of 56.35 above the spot closing. The turnover on NSE's Futures and Options segment increased to Rs. 19,31,285.99 on Aug 30 compared with Rs. 10,80,211.83 on Aug 29.
- The Put-Call ratio stood at 0.84 against previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.68 compared with the previous session's close of 1.79.
- Open interest on Nifty Futures stood at 35.44 million as against the previous session's close at 34.66 million.

Indian Debt Market

- Bond yields rose for the fifth consecutive session as rupee continued to weaken to a record low against the greenback. The consistent surge in crude oil prices after reports on fall in U.S. crude inventories also continued to dampen market sentiments. These factors have raised fears over foreign fund outflow from the domestic debt market and aggravated domestic inflationary concern in the coming months, which might lead the Monetary Policy Committee undertake measures on additional monetary tightening.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 1 bps to close at 7.93% from the previous closing of 7.92% after trading in a range of 7.91% to 7.94%.
- Banks borrowed Rs. 200 crore under the central bank's Marginal Standing Facility on Aug 29 compared to that of Aug 28 when banks borrowed Rs. 1,430 crore.

Currency Market Update

- The Indian rupee plunged to record low following surge in oil prices that raised concerns over widening of current account deficit. The rupee fell 0.21% to close at Rs. 70.74 per dollar from the previous close of Rs. 70.59 per dollar.
- The euro weakened against the greenback after eurozone's economic sentiment index in Aug 2018 fell to one-year low. Euro fell 0.13% and was trading at \$1.691, down from the previous close of 1.1706.

Commodity Market Update

- Gold prices slipped as the greenback's rebound continues with the Federal Reserve expected to raise interest rate.
- Brent crude prices surged after the Energy Information Administrations reported that U.S. crude inventories declined by 2.6 million barrels in the Aug 24 week.

International News

- Commerce Department report showed U.S. economic activity grew modestly more than estimated initially in the second quarter. According to the report, real gross domestic product increased 4.2% in the second quarter compared with the earlier reported 4.1% rise.
- According to a European Commission survey, eurozone economic confidence declined more than expected in Aug 2018. The economic sentiment index decreased to 111.6 in Aug from 112.1 in Jul 2018. Expectations were for 111.9. The reason behind the fall was considerable decline in confidence among consumers.



Thank you for
your time.