

**RELIANCE**

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# Markets for You

06 Dec 2018

**Indices Performance**

Global Indices	05-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	Closed	25,027	NA	NA
Nasdaq	Closed	7,158	NA	NA
FTSE	6,922	7,023	-101	-1.44
Nikkei	21,919	22,036	-117	-0.53
Hang Seng	26,820	27,260	-441	-1.62
Indian Indices	05-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,884	36,134	-250	-0.69
Nifty 50	10,783	10,870	-87	-0.80
Nifty 100	10,989	11,086	-97	-0.88
Nifty Bank	26,520	26,694	-174	-0.65
SGX Nifty	10,849	10,924	-75	-0.68
S&P BSE Power	1,913	1,953	-39	-2.00
S&P BSE Small Cap	14,338	14,514	-176	-1.21
S&P BSE HC	13,875	14,160	-284	-2.01

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Dec	23.48	1.21	26.09	1.23
Month Ago	22.72	1.26	25.33	1.26
Year Ago	24.22	1.19	25.89	1.12

**Nifty 50 Top 3 Gainers**

Company	05-Dec	Prev_Day	% Change <sup>#</sup>
HUL	1848	1808	2.24
HDFC Ltd.	1973	1939	1.75
HCL Tech	1051	1036	1.43

**Nifty 50 Top 3 Losers**

Company	05-Dec	Prev_Day	% Change <sup>#</sup>
Sun Pharma	413	443	-6.76
Hindalco	221	233	-5.14
Tata Steel	518	538	-3.81

**Advance Decline Ratio**

	BSE	NSE
Advances	746	473
Declines	1826	1311
Unchanged	146	91

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	27	-35739
MF Flows**	0	116623

\*5<sup>th</sup> Dec 2018; \*\*5<sup>th</sup> Dec 2018

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.31% (Oct-18)	4.17% (Jul-18)	3.58% (Oct-17)
IIP	4.50% (Sep-18)	7.00% (Jun-18)	4.10% (Sep-17)
GDP	7.10% (Sep-18)	8.20% (Jun-18)	6.30% (Sep-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 markets fell tracking weak cues from U.S. after 10-year Treasury yield fell to its lowest level in three months, signaling worries about long-term economic growth. Meanwhile, investors are sceptical around the U.S.-China trade agreement announced over the weekend. Today (as of Dec 06), Asian markets opened lower as investors were concerned ahead of a closely watched meeting by the Organization of the Petroleum Exporting Countries (OPEC). Both Nikkei and Hangseng were trading down 1.56% and 2.26%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower as U.S.-China trade war worries worsened investor fears about global economic growth. Brexit-related uncertainty also contributed to the losses.
- U.S markets were closed on account of National Day of Mourning for a former U.S. President.

**Indian Equity Market**

- Indian equity markets closed in the red for the second consecutive day amid volatile trade especially in the second half of the session. Markets fell even though the Monetary Policy Committee kept policy rates unchanged, which was in line with expectations. Metal stocks came under pressure as prices of industrial metals declined over trade war concerns, thereby weighing on the indices. Auto stocks also witnessed steep decline after a major credit agency lowered the credit rating of a luxury car unit of an auto major.
- Further, weak global cues due to sharp fall in long-term U.S. Treasury yields and resurgent trade concerns raised worries about global economic growth, thereby weighing on the investor sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.69% and 0.80% to close at 35,884.41 and 10,782.90, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap fell 1.22% and 1.21%, respectively.
- The overall market breadth on BSE was weak with 1,826 scrips declining and 746 scrips advancing. A total of 146 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal stood as the major loser, followed by S&P BSE Auto and S&P BSE Basic Materials.

**Domestic News**

- The Monetary Policy Committee (MPC) in its fifth bi-monthly monetary policy review for FY19 kept key policy repo rate on hold for the second consecutive time after it increased the same by 25 bps each in Jun 2018 and Aug 2018. The move comes as MPC is of the view that even though retail inflation came down sharply in Oct 2018, inflation in the fuel and light group remained at elevated levels. MPC also noted that concerns of a global trade war, slowing down of global demand and tightening of monetary policies across the globe may adversely impact the growth prospects of the Indian economy.
- The Monetary Policy Committee has proposed to lower the Statutory Liquidity Ratio (SLR) by 25 basis points (bps) every calendar quarter until it reaches 18% of Net Demand and Time Liabilities (NDTL).
- On the inflation front, MPC lowered its retail inflation outlook. Including the HRA impact, MPC lowered the retail inflation outlook to 2.7%-3.2% for second half of FY19 as against its earlier projection of 3.9%-4.5%. For the first half of FY20, MPC projected retail inflation in the range of 3.8% to 4.2%. MPC lowered its projection of retail inflation due to weakening of food prices, sharp fall in international crude oil prices, fading effect of the 7th Central Pay Commission's HRA and on the assumption that monsoon will remain normal. However, MPC noted a broad-based increase in inflation in non-food groups.
- MPC retained its expectation for gross domestic product (GDP) growth at 7.4% for FY19. It expects GDP growth to be 7.5% in the first half of FY20. MPC expects that going forward, financial market volatility, slowing global demand and rising trade tensions may adversely impact exports from the country.
- The Monetary Policy Committee has decided that Reserve Bank of India will provide information on daily Cash Reserve Ratio (CRR) balance of the banking system to the market participants on the very next day. Accordingly, with effect from Dec 6, 2018, the daily Money Market Operations press release will contain the CRR figure for the previous day.

FII Derivative Trade Statistics		05-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1981.75	1944.49	23380.16	
Index Options	52523.20	51775.93	55404.46	
Stock Futures	12287.02	12686.13	85125.85	
Stock Options	5152.06	5320.42	5097.22	
Total	71944.03	71726.97	169007.69	

Derivative Statistics- Nifty Options			
	05-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.63	1.70	-0.07
Put Call Ratio(Vol)	0.97	1.10	-0.13

Debt Watch				
	05-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.36%	6.36%	6.41%	5.82%
T-Repo	6.34%	6.34%	6.17%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.71%	6.77%	6.90%	6.11%
364 Day T-Bill	7.15%	7.21%	7.43%	6.23%
10 Year Gilt	7.44%	7.64%	7.81%	7.06%
G-Sec Vol. (Rs.Cr)	85464	55612	11970	30226
FBIL MIBOR*	6.47%	6.53%	6.54%	5.96%
3 Month CP Rate	7.55%	7.75%	8.50%	6.83%
5 Year Corp Bond	8.42%	8.47%	8.64%	7.71%
1 Month CD Rate	6.67%	6.88%	6.91%	6.17%
3 Month CD Rate	7.29%	7.27%	7.49%	6.23%
1 Year CD Rate	8.25%	8.50%	8.32%	6.63%

Currency Market			
Currency	05-Dec	Prev_Day	Change
USD/INR	70.52	70.35	0.17
GBP/INR	89.45	89.65	-0.20
EURO/INR	79.84	80.08	-0.24
JPY/INR	0.62	0.62	0.00

Commodity Prices				
Commodity	05-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.59	50.01	63.07	57.61
Brent Crude(\$/bl)	61.42	57.56	71.77	64.24
Gold( \$/oz)	1237	1221	1231	1266
Gold(Rs./10 gm)	30855	30394	31739	29068

Source: Thomson Reuters Eikon; \*As on 04-Dec-2018

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

**Derivatives Market**

- Nifty Dec 2018 Futures were at 10,827.65 points, a premium of 42.70 points, above the spot closing of 10,784.95. The turnover on NSE's Futures and Options segment rose to Rs. 7,46,751.53 crore on Dec 5 compared with Rs. 4,70,285.85 crore on Dec 4.
- The Put-Call ratio stood at 0.83 compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 1.63 compared with the previous session's close of 1.70.
- Open interest on Nifty Futures stood at 20.90 million as against the previous session's close at 20.56 million.

**Indian Debt Market**

- Bond yield declined following the outcome of the Monetary Policy Committee's policy review meeting. The key interest rate remained unchanged at 6.50% and the inflation forecast was reduced to 2.7%-3.2% for the latter half of the fiscal.
- Yield on the 10-year benchmark paper (7.17% GS 2028) declined 13 bps to 7.44% compared with 7.57% in the previous session after trading in the range of 7.42% to 7.59%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,716 crore (gross) on Dec 5 compared with a borrowing of Rs. 3,141 crore (gross) on Dec 4. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 16,324 crore on Dec 4.
- Banks borrowed Rs. 50 crore under the central bank's Marginal Standing Facility on Dec 4 compared with borrowing of Rs. 177 crore on Dec 3.

**Currency Market Update**

- The Indian rupee closed higher against the greenback, although marginally, following Monetary Policy Committee's decision to maintain interest rates. The rupee closed at 70.46 a dollar compared with the previous close of 70.49.
- The euro continued to benefit from dollar weakness. Concerns over a slowdown in the U.S. economic and the decline in U.S. Treasury yields weighed down on the greenback, thereby supporting the euro. The euro was last seen trading at 1.1354 a dollar, up 0.09% from the previous close of 1.1344.

**Commodity Market Update**

- Gold prices fell after the Chinese Commerce Ministry spoke about the progress of the meeting between the U.S. and Chinese Presidents to settle their trade differences.
- Brent crude prices slid after data from the American Petroleum Institute found that U.S. crude stocks rose in the week to Nov 30.

**International News**

- According to preliminary data from Eurostat, eurozone retail sales rose 0.3% MoM in Oct 2018 as against 0.5% fall in Sep 2018. On a yearly basis, retail sales grew 1.7% in Oct 2018 after a 0.3% increase in Sep 2018.
- According to a latest survey from Caixin, China's services Purchasing Managers' Index (PMI) stood at 53.8 in Nov 2018, which was unchanged from Oct 2018. The composite index rose to 51.9 in Nov 2018 from 50.5 in Oct 2018. Individually in Nov 2018, services activity increased the most in five months, while manufacturing production remained stable.



Thank you for  
your time.