

RELIANCE

MUTUAL
FUND

Markets for You

07 Dec 2017

Indices Performance

Global Indices	06-Dec	Prev_Day	Abs. Change	% Change [#]
Dow Jones	24,141	24,181	-40	-0.16
Nasdaq	6,776	6,762	14	0.21
FTSE	7,348	7,328	21	0.28
Nikkei	22,177	22,622	-445	-1.97
Hang Seng	28,225	28,843	-618	-2.14
Indian Indices	06-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	32,597	32,802	-205	-0.63
Nifty 50	10,044	10,118	-74	-0.73
Nifty 100	10,460	10,541	-82	-0.77
Nifty Bank	24,852	25,125	-273	-1.09
SGX Nifty	10,057	10,141	-84	-0.83
S&P BSE Power	2,235	2,255	-20	-0.91
S&P BSE Small Cap	17,801	17,919	-118	-0.66
S&P BSE HC	13,772	13,913	-142	-1.02

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
6-Dec	24.00	1.20	25.70	1.13
Month Ago	24.86	1.16	26.74	1.07
Year Ago	20.54	1.48	21.56	1.36

Nifty 50 Top 3 Gainers

Company	06-Dec	Prev_Day	% Change [#]
Tech Mahindra	472	465	1.47
RIL	927	914	1.42
Maruti	8612	8500	1.32

Nifty 50 Top 3 Losers

Company	06-Dec	Prev_Day	% Change [#]
Bosch	19150	19894	-3.74
Hindalco	232	240	-3.31
Eicher Motors	28158	28929	-2.67

Advance Decline Ratio

	BSE	NSE
Advances	964	560
Declines	1680	1190
Unchanged	155	72

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1403	55134
MF Flows**	300	109030

*6th Dec 2017; **27th Nov 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.59% (Oct-17)	1.88% (Jul-17)	1.27% (Oct-16)
IIP	3.80% (Sep-17)	-0.30% (Jun-17)	5.00% (Sep-16)
GDP	6.30% (Sep-17)	5.70% (Jun-17)	7.50% (Sep-16)

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 came under selling pressure as investors offloaded riskier assets amid concerns over potential U.S. government shutdown in case the Congress is unable to pass a new funding bill by Dec 8. Chinese markets fell on worries over probable tightening of monetary policy by People's Bank of China. Today (As of Dec 07), Asian markets opened higher after falling steeply on the previous day. Both Nikkei and Hang Seng were trading higher 1.20% and 0.60%, respectively (8 a.m. IST).
- As per the last close, European market closed on a mixed note due to weakness in commodity prices, and fall in technology stocks and mining stocks. Concerns over the possibility of a U.S. government shutdown also contributed to the negative mood. However, losses neutralised led by upbeat U.S. private employment data.
- As per the last close, U.S market closed on mixed note after hovering between gains and losses during the day. Uncertainty about the economic impact of the Republican tax reform plan and concerns about the possibility of violence in the Middle East weighed on the markets.

Indian Equity Market

- Indian equity markets closed in the red after the Monetary Policy Committee (MPC) kept the key rates unchanged at the fifth bi-monthly monetary policy meeting. Also, given the risks to inflation, the MPC raised its inflation expectation to 4.3-4.7% for second half of 2018. Weakness in Asian stocks amid concerns over potential U.S. government shutdown and probable monetary policy tightening by People's Bank of China weighed on market sentiments.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.63% and 0.73%, respectively to close at 32,597.18 and 10,044.10, respectively. Both S&P BSE Small-Cap and S&P BSE Mid-Cap 0.66% and 0.89%, respectively.
- The market breadth on BSE was weak with 1,680 scrips declining and 964 scrips advancing. A total of 155 scrips remained unchanged.
- On the BSE sectoral front, the losers comprised S&P BSE Metal, down 2.03%, trailed by S&P BSE Telecom (-1.38%), S&P BSE Basic Materials (-1.37%), S&P BSE Finance (-1.30%) and S&P BSE Bankex (-1.23%). The gainers comprised S&P BSE Energy (0.46%), S&P BSE Information Technology (0.32%) and S&P BSE Teck (0.03%).

Domestic News

- The Monetary Policy Committee (MPC) in its fifth bi-monthly policy review kept key policy repo rate unchanged at 6.0%, while retaining its "neutral" stance. Consequently, the reverse repo rate stood unaltered at 5.75%, and the marginal standing facility (MSF) rate and bank rate each remained at 6.25%. Five policymakers were in favour of the monetary policy decision and one advocated for a policy rate reduction of 25 bps.
- MPC is of the view that the evolving trajectory of inflationary needs to be carefully monitored. However, the committee expects moderation in vegetable prices and lowering of tax rates by the Goods and Services Tax (GST) Council may keep inflation in check. In addition, MPC underlined the possibility of a fiscal slippage which it attributed to specific factors namely implementation of farm loan waivers by select states, partial roll back of excise duty and VAT in the case of petroleum products, and decrease in revenue following reduction in GST rates for several goods and services.
- One major global credit rating agency stated that it sees some stress evident in asset-backed securities (ABS) deals backed by loans against property to small and medium-sized enterprises (SMEs). This comes after the introduction of an indirect tax regime. However, as per the agency, auto ABS backed by commercial vehicles loans are expected to remain stable on the back of healthy economic growth. The agency expects delinquency rates for commercial vehicle loans backing outstanding auto ABS to remain stable at around 5.4% for loans on new vehicles and 6.8% for loans on used vehicles in 2018 driven by healthy economic growth. Meanwhile, delinquencies at residential mortgage-backed securities sector is expected to remain around low levels of 1% in 2018, with stable interest rates and home prices supporting performance.

FII Derivative Trade Statistics		06-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1826.58	3805.21	15611.89	
Index Options	56165.69	55711.59	86987.22	
Stock Futures	8070.40	7792.78	67597.56	
Stock Options	4037.56	4079.91	3192.48	
Total	70100.23	71389.49	173389.15	

Derivative Statistics- Nifty Options			
	06-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.11	1.16	-0.05
Put Call Ratio(Vol)	0.79	0.87	-0.08

Debt Watch				
	06-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.80%	5.88%	5.86%	6.11%
CBLO	5.77%	5.88%	5.81%	6.14%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.12%	6.13%	6.10%	5.95%
364 Day T-Bill	6.10%	6.28%	6.22%	5.85%
10 Year Gilt	7.03%	7.03%	6.89%	6.20%
G-Sec Vol. (Rs.Cr)	53249	42327	31666	67576
1 Month CP Rate	6.60%	6.58%	6.50%	6.45%
3 Month CP Rate	6.81%	6.80%	6.73%	6.49%
5 Year Corp Bond	7.44%	7.44%	7.22%	6.80%
1 Month CD Rate	6.18%	6.05%	6.08%	6.09%
3 Month CD Rate	6.24%	6.24%	6.21%	6.06%
1 Year CD Rate	6.65%	6.62%	6.57%	6.33%

Currency Market			
Currency	06-Dec	Prev_Day	Change
USD/INR	64.45	64.38	0.07
GBP/INR	86.49	86.64	-0.14
EURO/INR	76.28	76.38	-0.10
JPY/INR	0.57	0.57	0.00

Commodity Prices				
Commodity	06-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	55.77	57.20	57.29	50.90
Brent Crude(\$/bl)	62.71	64.53	64.76	51.87
Gold(\$/oz)	1264	1283	1282	1170
Gold(Rs./10 gm)	28977	29441	29123	28249

Source: ICRON Research

Disclaimer:

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Reliance Nippon Life Asset Management Company Limited (RNLAM) (formerly Reliance Capital Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; RNLAM does not in any manner assures the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect RNLAM's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

Readers are requested to click here for ICRON disclaimer - <http://www.icraonline.com/legal/standard-disclaimer.html>

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

Derivatives Market

- Nifty Dec 2017 Futures were at 10068.65, a premium of 24.55 points above the spot closing of 10,044.10. The turnover on NSE's Futures and Options segment went up from Rs. 5,11,011.28 crore on Dec 5 to Rs. 6,77,444.79 crore on Dec 6.
- The Put-Call ratio stood at 0.70 against 0.81 recorded in the previous session's close.
- The Nifty Put-Call ratio stood at 1.11 against the previous session's close of 1.16.
- Open interest on Nifty Futures stood at 21.13 million as against the previous session's close of 20.11 million.

Indian Debt Market

- Bond yields declined after the Reserve Bank of India (RBI) softened its tone on inflation and market liquidity. This provided relief to market participants who had expected more hawkish comments. Meanwhile, the Monetary Policy Committee (MPC) kept its policy rate unchanged at 6% as widely expected by the market.
- According to MPC, surplus liquidity in the system has continued to decline during Oct and Nov 2017. Meanwhile, currency in circulation grew by Rs. 736 billion in Q3 (up to Dec 1, 2017) as against end of Sep 2017 driven by festival demand. RBI managed surplus liquidity through the conduct of regular variable rate reverse repo auctions of various tenors, ranging from overnight to 28 days. Net average daily absorption of liquidity under the Liquidity Adjustment Facility (LAF) declined from Rs. 2,229 billion in Sep 2017 to Rs. 1,400 billion in Oct 2017 and further to Rs. 718 billion in Nov.

Currency Market Update

- The Indian rupee fell against the U.S. dollar following decline in domestic equity market, which increased concerns over foreign capital outflows, after MPC kept repo rate unchanged. The rupee fell 0.22% to close at 64.52 per dollar from the previous close of 64.38.
- Euro changed little against the U.S. dollar as lower risk appetite on concerns about a possible U.S. government shutdown neutralized optimism about progress on tax reform legislation. Euro was seen trading at \$1.1814 compared with the previous close of \$1.1824.

Commodity Market Update

- Gold prices traded lower as U.S. dollar gained against the euro on upbeat U.S. employment data for Nov.
- Brent crude prices traded lower amid a sudden rise in U.S. inventories of refined products.

International News

- A report from the Organization for Economic Cooperation and Development (OECD) showed that consumer price inflation in the OECD area slowed to 2.2% in Oct 2017 as against 2.3% in Sep 2017. Meanwhile, core inflation (excluding food and energy) slightly grew to 1.9% in Oct as against 1.8% in Sep.
- A report from the Institute for Supply Management showed that U.S. non-manufacturing index fell to 57.4 in Nov 2017 from 60.1 in Oct 2017. The decline partly reflects slowdown in the pace of new orders growth as well as pace of job growth in the service sector.

Thank you for
your time.