

RELIANCE

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FUND

# Markets for You

10 Dec 2018

Indices Performance

Global Indices	07-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,389	24,948	-559	-2.24
Nasdaq	6,969	7,188	-219	-3.05
FTSE	6,778	6,704	74	1.10
Nikkei	21,679	21,502	177	0.82
Hang Seng	26,064	26,156	-93	-0.35
Indian Indices	07-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,673	35,312	361	1.02
Nifty 50	10,694	10,601	93	0.87
Nifty 100	10,894	10,806	88	0.82
Nifty Bank	26,594	26,198	396	1.51
SGX Nifty	10,720	10,626	94	0.88
S&P BSE Power	1,899	1,901	-2	-0.10
S&P BSE Small Cap	14,105	14,143	-39	-0.27
S&P BSE HC	13,658	13,677	-20	-0.14

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
7-Dec	23.31	1.22	25.87	1.24
Month Ago	22.61	1.27	25.32	1.26
Year Ago	24.24	1.19	26.01	1.12

Nifty 50 Top 3 Gainers

Company	07-Dec	Prev_Day	% Change <sup>#</sup>
Kotak Bank	1280	1180	8.42
Bajaj Finserv Limited	5850	5668	3.22
Adani Ports & SEZ	373	364	2.61

Nifty 50 Top 3 Losers

Company	07-Dec	Prev_Day	% Change <sup>#</sup>
HCL Tech	962	1013	-4.99
GAIL	335	349	-4.10
Indiabulls HFC	717	733	-2.25

Advance Decline Ratio

	BSE	NSE
Advances	1079	769
Declines	1499	999
Unchanged	146	108

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-53	-36154
MF Flows**	56	116287

\*7<sup>th</sup> Dec 2018; \*\*6<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 witnessed a mixed trend with investors tracking the development over U.S. – China trade relation. Meanwhile, market participants took positive cues from widespread speculation over slower tempo of interest rate hikes by U.S. Fed compared with previously expected. Today (as of Dec 10), Asian markets opened lower following weaker than expected China's trade data for Nov 2018 which indicated slower global and domestic demand. Nikkei and Hangseng fell 1.84% and 1.15%, respectively (as at 8.a.m. IST).
- As per the last close, European markets managed to close in gains amid rebound in crude oil prices and bargain hunting. However, decline in U.S. markets on weaker-than-expected jobs report for Nov 2018 soured investor sentiment. Further, investors remained focused on developments from the OPEC meeting in Vienna.
- As per the last close, U.S markets closed lower following weaker-than-expected jobs report for Nov 2018. Lingering skepticism about trade agreement between U.S. and China also continued to weigh on the markets.

Indian Equity Market

- After falling for three consecutive days, India equity markets ended the last trading session of the week on a positive note. Decline in crude oil prices as OPEC ended talks in Vienna without a deal on oil production cuts boosted the indices. Gains in banking stocks following reports that an American business investor is in discussions to buy 10% stake in an Indian private sector bank supported buying interest. Strength in rupee added to the gains.
- Further, a rebound in the global stocks amid expectations that U.S. Federal Reserve may ease its faster pace of interest rate hikes in 2019, supported the benchmark indices. Meanwhile, investors awaited exit poll results of five state elections due after market hours on Dec 7, 2018.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 1.02% and 0.87% to close at 35,673.25 and 10,693.70, respectively. S&P BSE Mid-Cap grew 0.23%, however, S&P BSE Small Cap fell 0.27%.
- The overall market breadth on BSE was weak with 1,499 scrips declining and 1,079 scrips advancing. A total of 146 scrips remained unchanged.

Domestic News

- The Union cabinet has given approval for an export policy for agriculture, thereby imposing no restrictions on export of all organic and processed products. The move is expected to help the government's efforts to double farmers' income by 2022. However, policy for farm goods such as onions will be reviewed from time to time. The commerce and industry minister stated that the policy will promote organic, ethnic and indigenous products.
- According to media reports, an important sub-committee of the Reserve Bank of India (RBI) did not discuss easing lending curbs facing 11 state-run banks. As per the reports, RBI's board for financial supervision (BFS) only discussed the banks' quarterly results for Sep 2018.
- According to media reports, some 30-35 microfinance companies have come together to create a common loan pool of approximately Rs. 650 crore. The loan pool will be securitised and sold to banks in order to raise funds at a time when the sector is facing a credit squeeze. Securitisation of the first tranche of Rs. 400 crore is likely to be carried out in a week. Meanwhile, immediately after the first tranche, the second instalment of approximately Rs. 100 crore will take place.
- 30 officials and custodians of some of the large offshore funds have requested to the Securities and Exchange Board of India (SEBI) to eradicate the rule as per which most offshore funds have to be broad-based that needs having at least 20 investors with each holding not more than 49%. Also, they have raised concern about the practice where copies of passport, social security numbers, and other national identification documents of senior management officials of many foreign funds are shared with brokers and intermediaries.
- According to media reports, the cabinet has increased the government's contribution to National Pension Scheme (NPS) to 14% of basic salary from current contribution of 10%. However, minimum contribution remains at 10% for the employees. Also, the cabinet has approved tax incentives under 80C of the Income Tax Act for employees' contribution to the extent of 10%.

FII Derivative Trade Statistics		07-Dec	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2430.44	4152.46	26316.70
Index Options	161029.91	154387.10	53880.66
Stock Futures	12694.99	13742.13	82709.18
Stock Options	7078.96	7061.05	5959.87
Total	183234.30	179342.74	168866.41

Derivative Statistics- Nifty Options			
	07-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.47	1.44	0.04
Put Call Ratio(Vol)	0.87	0.90	-0.03

Debt Watch				
	07-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.41%	6.41%	6.43%	5.76%
T-Repo	6.44%	6.29%	6.39%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.67%	6.77%	6.93%	6.09%
364 Day T-Bill	7.01%	7.19%	7.42%	6.28%
10 Year Gilt	7.46%	7.61%	7.80%	7.05%
G-Sec Vol. (Rs.Cr)	39650	38079	15785	44838
FBIL MIBOR	6.48%	6.55%	6.50%	5.90%
3 Month CP Rate	7.35%	7.75%	8.55%	6.81%
5 Year Corp Bond	8.42%	8.43%	8.58%	7.72%
1 Month CD Rate	6.68%	6.65%	7.02%	6.19%
3 Month CD Rate	7.23%	7.24%	7.63%	6.24%
1 Year CD Rate	8.17%	8.48%	8.34%	6.66%

Currency Market			
Currency	07-Dec	Prev_Day	Change
USD/INR	70.57	71.04	-0.47
GBP/INR	90.12	90.30	-0.17
EURO/INR	80.22	80.55	-0.32
JPY/INR	0.63	0.63	0.00

Commodity Prices				
Commodity	07-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.71	50.73	62.11	56.45
Brent Crude(\$/bl)	61.73	57.55	69.73	62.83
Gold( \$/oz)	1248	1222	1226	1246
Gold(Rs./10 gm)	31050	30240	31773	28742

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 Dec 2018 Futures were at 10,735.15 points, a premium of 41.45 points, above the spot closing of 10,693.70. The turnover on NSE's Futures and Options segment declined to Rs. 4,29,275.52 crore on Dec 7 compared with Rs. 18,78,740.17 crore on Dec 6.
- The Put-Call ratio stood at 0.78 compared with the previous session's close of 0.81.
- The Nifty Put-Call ratio stood at 1.47 compared with the previous session's close of 1.44.
- Open interest on Nifty Futures stood at 22.78 million as against the previous session's close at 22.06 million.

#### Indian Debt Market

- Bond yield edged up as market participants resorted to profit booking. Besides, worries over high production cut of crude oil by OPEC and its allies adversely impacted the market sentiment.
- Yield on the 10-year benchmark paper (7.17% GS 2028) increased 4 bps to 7.46% compared with 7.42% in the previous session after trading in the range of 7.39% to 7.48%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 10,126 crore (gross) on Dec 7 compared with a borrowing of Rs. 3,611 crore (gross) on Dec 6. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 11,499 crore on Dec 6.
- Banks borrowed Rs. 105 crore under the central bank's Marginal Standing Facility on Dec 6 compared with borrowing of Rs. 2,225 crore on Dec 5.

#### Currency Market Update

- The Indian rupee rose against the greenback supported by weak crude oil prices that remained below the \$60 a barrel mark. The rupee improved 0.14% to close at 70.80 a dollar compared with the previous close of 70.90.
- The euro inched up against the greenback on rising speculations that the U.S. Federal Reserve may not go ahead with the multiple interest rate hike campaign in 2019. The euro was last seen trading at 1.1376 a dollar compared with the previous close of 1.1374.

#### Commodity Market Update

- Gold prices marginally gained following the U.S. private sector employment report and worries over the bond market.
- Brent crude prices remained below the \$60 a barrel mark after OPEC discussed the possibility of exempting Iran from production cut at the Vienna meeting.

#### International News

- According to a report by the Labor Department, U.S. non-farm payroll employment rose less than expected by 155,000 jobs in Nov 2018 after surging up by a downwardly revised 237,000 jobs in Oct 2018.
- According to a survey by the Bank of England, U.K.'s median expectations of the rate of inflation over the coming year rose to 3.2% from to 3% predicted in Aug 2018. The central bank also warned that a no-deal Brexit would lead to a severe recession in the country that has not been even seen during the global financial crisis a decade ago.
- According to the Ministry of Internal Affairs and Communications, Japan's household spending fell 0.3% YoY to 290,396 yen in Oct 2018 as against 1.6% decline in Sep 2018.

Thank you for  
your time.