

RELIANCE

MUTUAL
FUND

Markets for You

14 Dec 2018

Indices Performance

Global Indices	13-Dec	Prev_Day	Abs. Change	% Change [#]
Dow Jones	24,597	24,527	70	0.29
Nasdaq	7,070	7,098	-28	-0.39
FTSE	6,878	6,880	-3	-0.04
Nikkei	21,816	21,603	213	0.99
Hang Seng	26,524	26,187	338	1.29
Indian Indices	13-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	35,930	35,779	151	0.42
Nifty 50	10,792	10,738	54	0.50
Nifty 100	11,023	10,960	63	0.57
Nifty Bank	26,816	26,644	173	0.65
SGX Nifty	10,823	10,781	42	0.39
S&P BSE Power	1,918	1,915	3	0.18
S&P BSE Small Cap	14,498	14,404	94	0.65
S&P BSE HC	13,855	13,828	27	0.19

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
13-Dec	23.64	1.21	26.11	1.23
Month Ago	22.82	1.26	25.45	1.25
Year Ago	24.36	1.18	26.10	1.11

Nifty 50 Top 3 Gainers

Company	13-Dec	Prev_Day	% Change [#]
Indiabulls HFC	776	734	5.64
Lupin	847	822	3.12
Bajaj Finserv	6159	5989	2.85

Nifty 50 Top 3 Losers

Company	13-Dec	Prev_Day	% Change [#]
Yes Bank	175	187	-6.38
Sun Pharma	422	431	-2.17
United Phos	773	790	-2.10

Advance Decline Ratio

	BSE	NSE
Advances	1493	1085
Declines	1058	674
Unchanged	134	97

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1473	-33984
MF Flows**	1233	119269

*13th Dec 2018; **12th Dec 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.33% (Nov-18)	3.69% (Aug-18)	4.88% (Nov-17)
IIP	8.10% (Oct-18)	6.50% (Jul-18)	1.80% (Oct-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 equity markets extended gains as investors grew hopeful of U.S. and China striking a long-term trade deal. The optimism stems from news that China for the first time in more than six months bought soybeans from U.S. These developments are making investors confident that the two countries are sticking by the agreement at G20. Today (as of Dec 14), Asian markets opened lower following decline in European markets and mixed session on Wall Street. Further, investors remained cautious ahead of slew of China's economic data due later in the day. Nikkei and Hangseng fell 1.49% and 1.42%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed almost lower as investors remained cautious amid major ECB developments and results of U.K. vote. Downgrade of eurozone's growth projection for 2018 and 2019 also soured investor sentiment.
- As per the last close, U.S markets closed on a mixed note as investors remained focused on new developments in the ongoing U.S.-China trade war. Steeper than expected drop in initial jobless claims for the week ended Dec 8 likely helped in improving market sentiment.

Indian Equity Market

- Indian equity markets gained as investor sentiment was buoyed by inflation and IIP numbers. Inflation eased for the month of Nov 2018 and the index of industrial production increased in Oct. This also fuelled expectations of a rate-cut by the Reserve Bank of India in its Feb 2019 policy review. The new RBI governor held a meeting with a few public sector banks to understand their problems, which was seen as an encouraging sign by investors. Markets were also supported by news of positive developments between U.S. and China on the trade front.
- Key benchmark indices S&P BSE Sensex and Nifty 50 both gained 0.42% and 0.50% to close at 35,929.64 and 10,791.55, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap increased 0.82% and 0.65%, respectively.
- The overall market breadth on BSE was strong with 1493 scrips advancing and 1058 scrips declining. A total of 134 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Consumer Durables was the major gainer, up 1.4%, followed by S&P BSE Capital Goods and S&P BSE Realty, up 1.27% and 1.19%, respectively.

Domestic News

- The government is planning to infuse additional capital of up to Rs. 30,000 crore in public sector banks as they have been unable to raise required funds from the markets, as per media reports. As part of the capital infusion plan announced by the Ministry of Finance in Oct 2017, the government envisaged that public sector banks (PSBs) would raise Rs. 58,000 crore from the stock markets by Mar 2019 to meet Basel III norms. However, due to submissive market conditions, banks were unable to raise enough funds from the markets till now.
- The Goods and Services Tax (GST) Council is planning to rationalise the 28% slab by cutting tax rates on construction items, like cement, in a meeting scheduled next week. The council, chaired by Union finance minister and encompassing his state counterparts, has trimmed the 28% slab by cutting tax rates on 191 goods over the last one-and-a-half year, leaving only 35 items in the highest slab.
- Seven public sector banks in their meeting with the newly-appointed Reserve Bank of India (RBI) governor sought relaxation of prompt corrective action (PCA) norms, easing of one-day default circular, among other things, according to media reports. In the 90-minute meeting the governor tried to understand the problems of state-owned banks.
- The government is not looking to change the existing foreign direct investment (FDI) policy in the multi-brand retail trading sector, according to internal sources. Currently, the FDI policy permits overseas players to hold 51% stake in an Indian multi-brand retail company. So far, only one foreign player, Tesco, has received approval for opening stores under the multi-brand retail policy. The approval came from the UPA government.
- According to the Minister of State for Road Transport and Highways, about 435 infrastructure and highway projects across the country are stuck on account of various factors. The factors include delay in land acquisition, regulatory clearances, utility shifting, non-availability of soil/aggregate, poor performance of contracts, environment/forest/wildlife clearances.

FII Derivative Trade Statistics		13-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2895.61	3384.21	26440.89	
Index Options	10555.42	104254.55	61983.14	
Stock Futures	13400.23	13405.36	85515.38	
Stock Options	7478.39	7286.93	7793.25	
Total	129329.65	128331.05	181732.66	

Derivative Statistics- Nifty Options			
	13-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.51	1.47	0.04
Put Call Ratio(Vol)	1.06	0.99	0.07

Debt Watch				
	13-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.41%	6.34%	6.42%	5.82%
T-Repo	6.44%	6.36%	6.38%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.66%	6.67%	6.90%	6.14%
364 Day T-Bill	7.02%	7.08%	7.37%	6.28%
10 Year Gilt	7.41%	7.42%	7.76%	7.17%
G-Sec Vol. (Rs.Cr)	73572	78883	36494	47734
FBIL MIBOR*	6.60%	6.50%	6.60%	6.00%
3 Month CP Rate	7.20%	7.35%	8.45%	6.84%
5 Year Corp Bond	8.32%	8.34%	8.54%	7.83%
1 Month CD Rate	7.01%	6.60%	6.99%	6.19%
3 Month CD Rate	7.17%	7.21%	7.69%	6.26%
1 Year CD Rate	8.21%	8.19%	8.29%	6.70%

Currency Market			
Currency	13-Dec	Prev_Day	Change
USD/INR	71.54	72.04	-0.50
GBP/INR	90.31	90.04	0.27
EURO/INR	81.34	81.59	-0.25
JPY/INR	0.63	0.64	0.00

Commodity Prices				
Commodity	13-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.64	51.49	55.58	56.54
Brent Crude(\$/bl)	58.97	57.85	64.54	64.40
Gold(\$/oz)	1242	1238	1202	1255
Gold(Rs./10 gm)	31410	30987	30898	28411

Source: Thomson Reuters Eikon

*As on 12-12-18

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Derivatives Market

- Nifty Dec 2018 Futures were at 10,824.95 points, a premium of 33.40 points, above the spot closing of 10,791.55. The turnover on NSE's Futures and Options segment rose to Rs. 18,23,784.25 crore on Dec 13 compared with Rs. 9,56,463.76 crore on Dec 12.
- The Put-Call ratio stood at 0.92 compared with previous close of 0.98.
- The Nifty Put-Call ratio stood at 1.51 compared with previous close of 1.47.
- India VIX declined 3.24% to 15.2975 compared with 15.8100 at previous trading session.
- Open interest on Nifty Futures stood at 22.93 million as against previous close at 22.69 million.

Indian Debt Market

- Bond yields initially declined on hopes of easing monetary policy after Nov retail inflation data came in at a 17-month low. However, yields rose and returned to the prior level after investors resorted to profit booking.
- Yield on the 10-year benchmark paper (7.17% GS 2028) remained steady at 7.41% compared with the previous session after trading in the range of 7.38% to 7.44%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,971 crore (gross) on Dec 13 compared with a borrowing of Rs. 21,271 crore (gross) on Dec 12. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 9,286 crore on Dec 12.
- Banks borrowed Rs. 2 crore under the central bank's Marginal Standing Facility on Dec 12 compared with borrowing of Rs. 587 crore on Dec 11.

Currency Market Update

- The Indian rupee rose as India's lower than expected retail inflation for Nov 2018 and strong industrial production data for Oct 2018 boosted investor's sentiments. The rupee rose 0.46% to close at 71.68 a dollar compared with the previous close of 72.01.
- The euro fell against the greenback after the European Central Bank (ECB) kept interest rates on hold as expected in its monetary policy review. The euro was last seen trading at 1.1354 a dollar, down 0.12% compared with the previous close of 1.1368.

Commodity Market Update

- Gold prices remained above the \$1,240 mark supported by the U.S. Labor Department data that revealed no growth in inflation for Nov.
- Brent crude prices lowered on continued oversupply concerns and bulging inventories.

International News

- According to the Labor Department, U.S. consumer prices came in flat in Nov 2018. This happened as a sharp pullback in gasoline prices offset increase in other prices. The Labor Department's consumer price index was unchanged in Nov after rising 0.3% in Oct 2018. The reading matched expectations. Energy prices declined 2.2% in Nov after increasing 2.4% in Oct, as gasoline prices dropped 4.2%.
- The European Central Bank on Thursday is set to confirm that its four-year long quantitative easing (QE) programme will end in Dec 2018. The QE saw the bank buying EUR 2.6 trillion worth of bonds to rescue the Euro zone economy. This will mark the end to an era of unconventional policy making.



Thank you for
your time.