

**RELIANCE**

MUTUAL  
FUND

# Markets for You

20 Dec 2017

**Indices Performance**

Global Indices	19-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,755	24,792	-37	-0.15
Nasdaq	6,964	6,995	-31	-0.44
FTSE	7,544	7,537	7	0.09
Nikkei	22,868	22,902	-34	-0.15
Hang Seng	29,254	29,050	203	0.70
Indian Indices	19-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	33,837	33,602	235	0.70
Nifty 50	10,463	10,389	74	0.72
Nifty 100	10,898	10,808	90	0.83
Nifty Bank	25,716	25,595	122	0.48
SGX Nifty	10,465	10,426	39	0.37
S&P BSE Power	2,297	2,269	28	1.22
S&P BSE Small Cap	18,528	18,253	275	1.51
S&P BSE HC	14,277	14,146	131	0.93

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
19-Dec	25.01	1.13	26.79	1.09
Month Ago	24.70	1.16	26.14	1.08
Year Ago	20.62	1.48	21.30	1.36

**Nifty 50 Top 3 Gainers**

Company	19-Dec	Prev_Day	% Change <sup>#</sup>
Maruti	9802	9309	5.29
Hero Moto	3701	3535	4.69
United Phos	738	710	3.94

**Nifty 50 Top 3 Losers**

Company	19-Dec	Prev_Day	% Change <sup>#</sup>
HCL Tech	869	885	-1.76
Infosys	1004	1017	-1.24
Wipro	292	296	-1.15

**Advance Decline Ratio**

	BSE	NSE
Advances	1908	1338
Declines	778	421
Unchanged	157	68

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	118	53867
MF Flows**	864	114878

\*19<sup>th</sup> Dec 2017; \*\*8<sup>th</sup> Dec 2017

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.93%	3.24%	1.82%
	(Nov-17)	(Aug-17)	(Nov16)
IIP	2.20%	1.00%	4.20%
	(Oct-17)	(Jul-17)	(Oct-16)
GDP	6.30%	5.70%	7.50%
	(Sep-17)	(Jun-17)	(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**

- Most of the Asian markets moved up as investors remained optimistic about the U.S. tax reform policy. The World Bank raised its forecast for China's growth in 2017 on the back of rise in household incomes and a recovery in global trade. Positive close of overnight U.S. market further helped sentiments. However, Japanese and Singapore market bucked the trend. Today (As of Dec 20), Asian markets opened mixed tracking movement on the Wall Street overnight. Both Nikkei and Hang Seng were trading higher 0.03% and 0.01%, respectively (8 a.m. IST).
- As per the last close, European market mostly fell after moving in a range. Negative sentiment was generated after German business sentiment index in Dec 2017 unexpectedly dropped.
- As per the last close, U.S market declined due to profit booking after touching record highs in the previous session. However, losses were limited as House Republicans voted to approve the major tax reform legislation, cutting tax rates for businesses and individuals. The House voted 227 to 203 in favour of Tax Cuts and Jobs Act. The bill lowers the corporate tax rate to 21% from 35%.

**Indian Equity Market**

- After witnessing muted growth initially, Indian equity markets surged in the late trade to touch record closing highs. Investor sentiments boosted as the ruling party sealed victories in the key state elections in Gujarat and Himachal Pradesh, thereby raising hopes of continuity of the existing economic reforms. Positive cues from the Asian markets further contributed to the buying interest.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.70% and 0.72% to close at 33,836.74 and 10,463.20, respectively. S&P BSE Small-Cap and S&P BSE Mid-Cap rose 1.51% and 1.47%, respectively.
- The overall market breadth on BSE was positive with 1,908 scrips advancing and 778 scrips declining. A total of 157 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE IT and S&P BSE Teck, all the indices closed in the green. S&P BSE Auto was the top gainer, up 3.42%, followed by S&P BSE Consumer Discretionary Goods & Services and S&P BSE Telecom, that rose 2.36% and 1.96%, respectively. S&P BSE Consumer Durables and S&P BSE Industrials edged 1.81% and 1.60%, respectively.

**Domestic News**

- The government presented the second supplementary demand for grants to seek nod for additional spending in the current fiscal. The government has planned an additional expenditure of Rs. 66,113 crore leading to a net cash outflow of Rs. 33,380 crore that could adversely impact the fiscal deficit for FY18. The major chunk of allocation of Rs. 3,480 crore has been allocated to the department of food and public distribution for food subsidy related spending, Rs. 3,595 crore to the Mahatma Gandhi Rural Employment Guarantee Scheme and Rs. 5,905 crore for meeting additional requirement for pensions following implementation of the Seventh Pay Commission. Meanwhile, Rs. 960 crore have been set aside for the Goods and Services Tax Network.
- According to a media report, Niti Aayog will a form panel on 'National Intelligent Transport Systems' which will have 12 permanent and five non-permanent members from different ministries, states and the industry. The panel will study and suggest steps to bring in an intelligent transport system to make roads safer and commute in cities and towns easier.
- According to the Union Minister, the Road Transport and Highways Ministry will request budgetary allocation worth Rs. 5,000 crore in order to introduce government-owned electric bus fleets and building world-class bus ports across the country.
- The Commerce and Industry Minister has announced that India will host a meeting of about 40 World Trade Organisation (WTO) members in Feb 2018 to gather support for food security and other issues. The proposed meeting would be aligned to the earlier framework where developed nations are forming groups to prepare ground for pushing investment facilitation, preparing rules for e-commerce, promoting gender equality and reducing subsidy on fisheries to reduce illegal, unreported and unregulated fishing.

FII Derivative Trade Statistics		19-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	5243.55	5024.13	15106.47	
Index Options	135320.90	133170.79	102850.86	
Stock Futures	11292.90	11024.58	74416.64	
Stock Options	9957.71	9956.41	5211.15	
Total	161815.06	159175.91	197585.12	

Derivative Statistics- Nifty Options			
	19-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.45	1.31	0.14
Put Call Ratio(Vol)	1.39	1.07	0.32

Debt Watch				
	19-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.02%	5.82%	5.88%	6.09%
CBLO	6.14%	5.94%	5.88%	6.10%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.10%	6.13%	6.11%	6.16%
364 Day T-Bill	6.21%	6.24%	6.23%	6.24%
10 Year Gilt	7.18%	7.19%	7.05%	6.51%
G-Sec Vol. (Rs.Cr)	25573	42456	63277	30383
1 Month CP Rate	6.75%	6.69%	6.56%	6.64%
3 Month CP Rate	6.88%	6.82%	6.79%	6.68%
5 Year Corp Bond	7.53%	7.48%	7.34%	7.26%
1 Month CD Rate	6.24%	6.19%	6.07%	6.24%
3 Month CD Rate	6.31%	6.25%	6.23%	6.26%
1 Year CD Rate	6.78%	6.72%	6.60%	6.55%

Currency Market			
Currency	19-Dec	Prev_Day	Change
USD/INR	64.12	64.11	0.01
GBP/INR	85.79	85.54	0.25
EURO/INR	75.64	75.43	0.21
JPY/INR	0.57	0.57	0.00

Commodity Prices				
Commodity	19-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	57.44	57.07	56.52	52.08
Brent Crude(\$/bl)	63.80	65.65	61.92	53.47
Gold(\$/oz)	1262	1243	1294	1139
Gold(Rs./10 gm)	28629	28443	29461	27410

Source: ICRON Research

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#### Derivatives Market

- Nifty Dec 2017 Futures were at 10470.95, a premium of 7.75 points above the spot closing of 10,463.20. The turnover on NSE's Futures and Options segment went down from Rs. 10,00,521.07 crore on Dec 18 to Rs. 5,47,003.58 crore on Dec 19.
- The Put-Call ratio stood at 1.06 against the previous session's close at 0.94.
- The Nifty Put-Call ratio stood at 1.45 against the previous session's close at 1.31.
- Open interest on Nifty Futures stood at 22.12 million as against the previous session's close of 20.92 million.

#### Indian Debt Market

- Bond yields were almost steady as state government auction increased supply in the market. Also market participants remained cautious about the government's fiscal consolidation roadmap.
- Yield on the 10-year benchmark paper (6.79% GS 2027) remained unchanged at 7.18% from the previous close. During the session, bond yields traded in the range of 7.16% and 7.20%.
- ICRA Management Consulting Services Limited (IMaCS), a wholly owned subsidiary of ICRA, has launched a range of Fixed Income indices for the Indian debt market. These indices would enable objective and comprehensive benchmarking for the fixed income market in India. The indices have been broadly grouped into four categories - ICRA Gilt Indices, ICRA Liquid Indices, ICRA Corporate Bond Indices, ICRA Composite Debt Indices.

#### Currency Market Update

- The Indian rupee gained and reached three month high against the U.S. dollar following surge in domestic equity market. Rupee rose 0.33% to close at 64.03 per dollar from the previous close of 64.24.
- The euro rose against the U.S. dollar for the second straight session as market participants took a cautious view over whether the U.S. tax reform program, if passed, would have any major impact on economic growth. The euro was trading at \$1.1792 compared with the previous close of \$1.1752.

#### Commodity Market Update

- Gold prices traded near two-week high as investors followed developments of U.S. tax reforms.
- Brent crude price extended gains, benefitted by the supply concerns arising from the shutdown of Forties pipeline outage in the North Sea.

#### International News

- According to the National Association of Home Builders, U.S. homebuilder confidence came in more than market expectations and rose to 74 in Dec 2017 from downwardly revised 69 in Nov 2017 (70 originally reported). The component gauging current sales conditions, the index charting sales expectations in the next six months and the component measuring buyer traffic – all witnessed growth.
- According to the World Bank, China's economic growth is expected to decline for next two years mainly because of prudent monetary policy, stricter financial sector regulation, and the government's continuing efforts to restructure the economy and to reign in the rate of leveraging. World Bank has projected growth to ease to 6.4% in 2018 and 6.3% in 2019.

Thank you for  
your time.