

**RELIANCE**

MUTUAL  
FUND

# Markets for You

21 Dec 2018

Indices Performance

Global Indices	20-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	22,860	23,324	-464	-1.99
Nasdaq	6,528	6,637	-108	-1.63
FTSE	6,712	6,766	-54	-0.80
Nikkei	20,393	20,988	-595	-2.84
Hang Seng	25,624	25,865	-242	-0.94
Indian Indices	20-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	36,432	36,484	-53	-0.14
Nifty 50	10,952	10,967	-16	-0.14
Nifty 100	11,201	11,223	-22	-0.20
Nifty Bank	27,275	27,298	-23	-0.09
SGX Nifty	11,022	10,984	38	0.35
S&P BSE Power	2,000	2,009	-10	-0.48
S&P BSE Small Cap	14,782	14,765	17	0.12
S&P BSE HC	13,902	13,875	27	0.19

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
20-Dec	23.94	1.19	26.50	1.21
Month Ago	23.41	1.23	25.62	1.25
Year Ago	24.97	1.14	26.75	1.09

Nifty 50 Top 3 Gainers

Company	20-Dec	Prev_Day	% Change <sup>#</sup>
Yes Bank	187	180	4.01
HPCL	244	236	3.51
BPCL	371	362	2.58

Nifty 50 Top 3 Losers

Company	20-Dec	Prev_Day	% Change <sup>#</sup>
Grasim Indus	829	855	-3.09
SBI	294	301	-2.21
Wipro	333	341	-2.19

Advance Decline Ratio

	BSE	NSE
Advances	1196	842
Declines	1384	949
Unchanged	168	100

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1016	-32335
MF Flows**	-410	118438

\*20<sup>th</sup> Dec 2018; \*\*19<sup>th</sup> 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 markets fell on concerns over global growth forecast and after the US Federal Reserve raised interest rates in its latest policy review. Meanwhile, Japanese Central Bank maintained its current level of extremely low interest rates for an extended period and reiterated that the economy is expected to continue with its moderate rate of expansion. Today (as of Dec 21), Asian markets opened lower following decline on the Wall Street overnight. Both Nikkei and Hang Seng were trading lower 1.41% and 1.07%, respectively (as at 8 a.m. IST).
- As per the last close, European markets fell notably after the U.S. Federal Reserve (Fed) increased interest rates for the fourth time in 2018 by 25 bps as widely expected.
- As per the last close, U.S markets dropped sharply on concerns of a U.S. partial government shutdown after U.S. President expressed his unwillingness to sign a short-term spending bill approved by the Senate. Investors' concerns raised after the U.S. Fed indicated it plans to continue to increasing interest rates despite signs of slowing economic growth.

Indian Equity Market

- Indian equity markets closed on a lower note on weak global cues after the U.S. Federal Reserve (Fed) raised interest rates for the fourth time in 2018. However, the market received some support as Fed indicated more rate hikes ahead but at a slower pace. Decline in oil prices amid oversupply concerns and surge in rupee further capped the losses.
- Key benchmark indices S&P BSE Sensex and Nifty 50 each fell 0.14% to close at 36,431.67 and 10,951.70, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 0.07% and 0.12%, respectively.
- The overall market breadth on BSE was weak with 1,384 scrips declining and 1,196 scrips advancing. A total of 168 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom stood as the major loser, down 1.17% followed by S&P BSE Metal and S&P BSE Basic Materials that fell 1.10% and 0.65%, respectively. S&P BSE Capital Goods stood as the major gainer, up 0.56%, followed by S&P BSE Industrials and S&P BSE Auto that grew 0.41% and 0.32%, respectively.

Domestic News

- The government has sought approval from the Parliament for additional gross expenditure of Rs. 85,948.86 crore. Of this amount, approximately half of the capital infusion is for public sector banks through recapitalisation bonds during FY19. Of the total, only Rs. 15,065.49 crore would be net cash outgo.
- The finance minister announced that the government will inject Rs. 83,000 crore in public sector banks in the next few months of FY19. According to the media reports, this is expected to help the banks come out of the Reserve Bank of India's Prompt Corrective Action (PCA) framework. Additionally, the government has proposed additional capital injection of Rs. 41,000 crore in state-owned banks through issue of government securities. This is expected to enhance the total recapitalisation in the from Rs. 65,000 crore to Rs. 1.06 lakh crore in FY19.
- The Securities and Exchange Board of India (SEBI) is planning a sandbox policy to support technology developments in financial markets. With the Sandbox policy, the companies will be permitted to test products in a closed environment, a particular geography or among a set of users, before they are allowed to roll out commercially.
- The board of Oil and Natural Gas Corporation approved its share buyback worth Rs. 40.22 billion. The move is expected to give a boost to the government's effort of meeting its disinvestment target for the current financial year.
- The Indian government has sought approval from the Parliament for an equity infusion of Rs. 23 billion (\$330 million) in Air India. The move comes after the government failed to find any buyer for its ambitious plan to privatize the national airline.
- According to media reports, the Insurance Regulatory and Development Authority of India has imposed a penalty of Rs. 500,000 on Royal Sundaram General Insurance and Iffco Tokio General Insurance for settling lower amounts than the Insured Declared Value (IDV) in motor vehicle claims.

FII Derivative Trade Statistics		20-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2646.41	2144.62	30753.00	
Index Options	84542.80	84899.57	66612.94	
Stock Futures	15029.66	15100.77	87543.18	
Stock Options	8239.97	8564.37	9064.29	
Total	110458.84	110709.33	193973.41	

Derivative Statistics- Nifty Options			
	20-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.66	1.66	-0.01
Put Call Ratio(Vol)	1.08	1.05	0.03

Debt Watch				
	20-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.44%	6.60%	6.43%	5.98%
T-Repo	6.44%	6.60%	6.46%	6.03%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.59%	6.66%	6.77%	6.19%
364 Day T-Bill	6.96%	7.02%	7.26%	6.40%
10 Year Gilt	7.27%	7.41%	7.79%	7.22%
G-Sec Vol. (Rs.Cr)	45131	73572	29111	22951
FBIL MIBOR*	6.51%	6.60%	6.50%	6.15%
3 Month CP Rate	7.20%	7.20%	8.00%	6.89%
5 Year Corp Bond	8.24%	8.32%	8.56%	7.89%
1 Month CD Rate	6.90%	7.01%	6.89%	6.31%
3 Month CD Rate	6.90%	7.17%	7.45%	6.39%
1 Year CD Rate	8.16%	8.21%	8.17%	6.85%

Currency Market			
Currency	20-Dec	Prev_Day	Change
USD/INR	70.28	70.11	0.17
GBP/INR	88.85	88.74	0.10
EURO/INR	80.05	79.82	0.24
JPY/INR	0.63	0.62	0.00

Commodity Prices				
Commodity	20-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	45.59	52.64	53.34	58.04
Brent Crude(\$/bl)	52.78	58.97	60.64	64.54
Gold(\$/oz)	1260	1242	1221	1266
Gold(Rs./10 gm)	31040	31410	30913	28630

Source: Thomson Reuters Eikon

\*As on 19 Dec 2018

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**Derivatives Market**

- Nifty Dec 2018 Futures were at 10,978.20 points, a premium of 26.50 points, above the spot closing of 10,951.70. The turnover on NSE's Futures and Options segment rose to Rs. 18,22,475.52 crore on Dec 20 compared with Rs. 8,34,692.34 crore on Dec 19.
- The Put-Call ratio stood at 0.83 against the previous day's close of 0.95.
- The Nifty Put-Call ratio stood unchanged at 1.66 compared with the previous session's close.
- Open interest on Nifty Futures stood at 24.28 million as against the previous session's close at 23.91 million.

**Indian Debt Market**

- Bond yield rose as market participants resorted to profit booking. In addition, the U.S. Federal Reserve's indication of conducting two interest rate hikes next year dampened the market sentiment.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 5 bps to close at 7.27% as compared to 7.22% in the previous session after trading in the range of 7.22% to 7.28%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 18,434 crore (gross) on Dec 20 compared with a borrowing of Rs. 4,358 crore (gross) on Dec 19. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 12,640 crore on Dec 19.
- Banks borrowed Rs. 135 crore under the central bank's Marginal Standing Facility on Dec 19 compared with borrowing of Rs. 65 crore on Dec 18.

**Currency Market Update**

- The Indian rupee rose, aided by corporate dollar inflow and decline in greenback after the U.S. Federal Reserve indicated of slowing down the interest rate hikes planned for 2019. The rupee rose 0.99% to close at 69.70 a dollar compared with the previous close of 70.40.
- The euro rose against the greenback on news that Italy and the European Union reached a deal over the highly debatable 2019 Roman budget after months of rigorous negotiations. The euro was last seen trading at 1.1474 a dollar, up 0.87% compared with the previous close of 1.1375.

**Commodity Market Update**

- Gold prices traded higher against the greenback after the U.S. Federal Reserve indicated of slowing down the interest rate hikes planned for 2019 at the meeting.
- Brent crude dipped more than 3.5% following the Federal Reserve's dovish comment on interest rates.

**International News**

- The U.S. Federal Reserve (Fed) said that its Federal Open Market Committee has decided to raise the target range for the federal funds rate by 25 bps to 2.25% - 2.50%. The Fed also indicated of slowing down the interest rate hikes planned for 2019.
- According to the National Association of Realtors, U.S. existing home sales rose 1.9% to an annual rate of 5.32 million in Nov 2018 after rising 1.4% to a rate of 5.22 million in Oct 2018.
- The Bank of England held its key interest rate unchanged at 0.75% and kept asset purchase targets unchanged, in line with markets expectations. According to the bank, uncertainties due to Brexit as intensified which is weighing on U.K. financial markets and on the near-term growth outlook.

Thank you for  
your time.