

RELIANCE

MUTUAL
FUND

Markets for You

22 Dec 2017

Indices Performance

Global Indices	21-Dec	Prev_Day	Abs. Change	% Change [#]
Dow Jones	24,782	24,727	56	0.23
Nasdaq	6,965	6,961	4	0.06
FTSE	7,604	7,525	79	1.05
Nikkei	22,866	22,892	-26	-0.11
Hang Seng	29,367	29,234	133	0.45
Indian Indices	21-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	33,756	33,777	-21	-0.06
Nifty 50	10,440	10,444	-4	-0.04
Nifty 100	10,886	10,882	4	0.04
Nifty Bank	25,554	25,592	-37	-0.15
SGX Nifty	10,458	10,466	-8	-0.07
S&P BSE Power	2,347	2,303	44	1.90
S&P BSE Small Cap	18,881	18,675	207	1.11
S&P BSE HC	14,407	14,298	109	0.76

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
21-Dec	24.91	1.14	26.74	1.09
Month Ago	24.69	1.16	26.20	1.08
Year Ago	20.48	1.49	21.16	1.37

Nifty 50 Top 3 Gainers

Company	21-Dec	Prev_Day	% Change [#]
HCL Tech	890	870	2.35
L&T Ltd.	1259	1233	2.13
Hindalco	263	258	1.92

Nifty 50 Top 3 Losers

Company	21-Dec	Prev_Day	% Change [#]
Bajaj Finance	1748	1770	-1.26
HPCL	427	431	-1.08
Zee Entertainment	574	581	-1.07

Advance Decline Ratio

	BSE	NSE
Advances	1689	1118
Declines	1030	645
Unchanged	176	62

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1446	51145
MF Flows**	-885	115579

*21st Dec 2017; **19th Dec 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.93% (Nov-17)	3.24% (Aug-17)	1.82% (Nov16)
IIP	2.20% (Oct-17)	1.00% (Jul-17)	4.20% (Oct-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

- Most of the Asian markets closed in the red after taking weak cues from overnight U.S. markets and concerns over further development of U.S. tax reform policy. Japan's monetary policy could not provide much support despite maintaining status quo. However, Chinese market gathered momentum on expectations that the country would maintain economic growth in the next year. Today (As of Dec 22), Asian markets opened mostly higher tracking rise on the Wall Street overnight. Both Nikkei and Hang Seng were trading up 0.02% and 0.35%, respectively (8 a.m. IST).
- As per the last close, European market increased on hopes that the regional assembly election in Catalonia will result in a clear majority for one side or the other.
- As per the last close, U.S market rose on optimism about the economic impact of the tax reform bill after Republican lawmakers managed to send the legislation to U.S. President's desk on Wednesday. However, gains were limited after U.S. economic activity in the Sep quarter of 2017 grew at a slower than pace expected.

Indian Equity Market

- Indian equity markets closed marginally lower as Reserve Bank of India's minutes released on Dec 20 showed that members of the Monetary Policy Committee are concerned due to rise in inflation and an uncertain recovery of growth. Meanwhile, Asian markets remained muted to the passage of U.S. tax cuts as benefits were already included into stock prices.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.06% and 0.04% to close at 33,756.28 and 10,440.30, respectively.
- The overall market breadth on BSE was positive with 1,689 scrips advancing and 1,030 scrips declining. A total of 176 scrips remained unchanged.
- On the BSE sectoral front, among the gainers comprised S&P BSE Power, up 1.90% followed by S&P BSE Utilities and S&P BSE Capital Goods, which rose 1.53% and 1.42%, respectively. S&P BSE Industrials and S&P BSE Healthcare went up 0.89% and 0.76%, respectively. Among the losers comprised, S&P BSE Auto (-0.76%) and S&P BSE Energy (-0.37%).

Domestic News

- The cabinet has approved the introduction of the Consumer Protection Bill, 2017, to amend the Consumer Protection Act, 1986. The approval comes amid cabinet's focus on faster redressal of consumer grievances and ensuring stringent action against unfair trade practices. The Bill seeks to enlarge the scope of the existing Act. Also, it proposes stringent actions against misleading advertisements and food adulteration.
- According to a data from the Reserve Bank of India (RBI), foreign investment inflows to India grew approximately \$45 billion between Apr-Oct 2017, 20% up YoY. The upside was driven by improved outlook on the Indian economy, that is undergoing structural reforms. However, the concern for the regulators is that 40% of the inflows are short-term as against 24% short-term portfolio investment in the year-ago period.
- According to the Chairman of Securities and Exchange Board of India (SEBI), although cryptocurrencies are gaining popularity very fast, but it does not pose a systemic risk for Indian markets at present. However, the ministries of finance along with ministry of information technology and RBI are considering assessing the risk related to it in near future. He has further added that the capital market regulator is revisiting the settlement norms and have started rewriting certain regulations, to make the transactions simpler.
- According to the first World Inequality Report, prepared by the World Inequality Lab, India's income inequality has substantially increased since 1980s due to profound transformation in the economy that centred on the implementation of deregulation and opening-up reforms. As per the report, share of national income in 2014 accruing to India's top 1% of earners was 22%, while the share of the top 10% was around 56%. The report also stated that top 0.1% earners in the country have increased their total wealth more than those in the bottom 50% combined. The middle 40% also saw relatively lower growth in their income post 1980s.

FII Derivative Trade Statistics		21-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2382.43	2729.94	17870.05	
Index Options	67107.44	65478.89	106783.73	
Stock Futures	9947.77	8793.39	74060.67	
Stock Options	8903.11	9022.08	5922.93	
Total	88340.75	86024.30	204637.38	

Derivative Statistics- Nifty Options			
	21-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.49	1.50	-0.01
Put Call Ratio(Vol)	1.19	1.29	-0.10

Debt Watch				
	21-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.94%	5.84%	5.89%	6.11%
CBLO	5.96%	5.80%	6.01%	6.22%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.19%	6.14%	6.09%	6.21%
364 Day T-Bill	6.36%	6.32%	6.23%	6.29%
10 Year Gilt	7.21%	7.13%	6.90%	6.46%
G-Sec Vol. (Rs.Cr)	38338	41602	49977	37320
1 Month CP Rate	6.88%	6.68%	6.58%	6.66%
3 Month CP Rate	7.03%	6.83%	6.80%	6.68%
5 Year Corp Bond	7.62%	7.51%	7.31%	7.26%
1 Month CD Rate	6.35%	6.19%	6.06%	6.23%
3 Month CD Rate	6.45%	6.28%	6.23%	6.26%
1 Year CD Rate	6.90%	6.74%	6.61%	6.56%

Currency Market			
Currency	21-Dec	Prev_Day	Change
USD/INR	64.09	64.06	0.03
GBP/INR	85.63	85.76	-0.13
EURO/INR	76.03	75.83	0.21
JPY/INR	0.57	0.57	0.00

Commodity Prices				
Commodity	21-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	58.31	56.95	56.79	51.43
Brent Crude(\$/bl)	64.98	64.46	62.32	52.70
Gold(\$/oz)	1267	1253	1280	1131
Gold(Rs./10 gm)	28676	28411	29434	27343

Source: ICRON Research

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Derivatives Market

- Nifty Dec 2017 Futures were at 10,462.45, a premium of 22.15 points above the spot closing of 10,440.30. The turnover on NSE's Futures and Options segment went down Rs. 7,37,691.44 crore on Dec 20 to Rs. 9,88,369.98 crore on Dec 21.
- The Put-Call ratio stood at 0.75 against the previous session's close at 0.98.
- The Nifty Put-Call ratio stood at 1.49 against the previous session's close at 1.50.
- Open interest on Nifty Futures stood at 24.11 million as against the previous session's close of 23.40 million.

Indian Debt Market

- Bond yields fell amid news that government may cut spending in the next quarter. However, gains were capped as minutes of the Monetary Policy Committee latest policy meeting showed concerns about inflation gathering pace.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 1 bps to close at 7.21% from the previous close of 7.22%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,010 crore (gross) on Dec 21 compared with borrowings of Rs. 10,175 crore on Dec 20. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 8,292 crore on Dec 20.
- Banks borrowed Rs. 76 crore under the central bank's Marginal Standing Facility on Dec 20 compared with borrowing of Rs. 100 crore on Dec 19.

Currency Market Update

- The Indian rupee inched up against the U.S. dollar as selling of the greenback by exporters outweighed dollar purchases by foreign banks and state run banks. The rupee rose 0.09% to close at 64.05 per dollar from the previous close of 64.11.
- The euro fell against the greenback as the latter strengthened against the yen after the Bank of Japan governor kept its monetary policy on hold. The euro was trading at \$1.1853, down 0.13% compared with the previous close of \$1.1869.

Commodity Market Update

- Gold prices traded low ahead of final U.S. third-quarter economic growth data.
- Brent crude prices remained steady after data from the EIA indicated that U.S. crude oil inventories fell by 6.5 million barrels, more than expected, in the week ended Dec 15.

International News

- According to a report from the National Association of Realtors, U.S. existing home sales surpassed market expectations and grew 5.6% to an annual rate of 5.81 million in Nov 2017 as against an upwardly revised 5.50 million in Oct 2017. This marked the highest level since Dec 2006.
- The Bank of Japan kept its monetary stimulus unchanged as inflation remains well below the target of 2%. The governor of Bank of Japan and his board members have decided by an 8-1 majority vote to hold their target of raising the amount of outstanding JGB holdings at an annual pace of about JPY 80 trillion.

Thank you for
your time.