

**RELIANCE**

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# Markets for You

29 Dec 2017

**Indices Performance**

Global Indices	28-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,838	24,774	63	0.26
Nasdaq	6,950	6,939	11	0.16
FTSE	7,623	7,621	2	0.03
Nikkei	22,784	22,911	-127	-0.56
Hang Seng	29,864	29,598	266	0.90
Indian Indices	28-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	33,848	33,912	-64	-0.19
Nifty 50	10,478	10,491	-13	-0.12
Nifty 100	10,927	10,938	-11	-0.10
Nifty Bank	25,490	25,496	-6	-0.02
SGX Nifty	10,479	10,501	-22	-0.21
S&P BSE Power	2,347	2,352	-5	-0.21
S&P BSE Small Cap	19,109	19,048	61	0.32
S&P BSE HC	14,772	14,811	-39	-0.26

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
28-Dec	24.95	1.14	26.82	1.08
Month Ago	24.85	1.16	26.53	1.07
Year Ago	20.33	1.50	21.71	1.37

**Nifty 50 Top 3 Gainers**

Company	28-Dec	Prev_Day	% Change <sup>#</sup>
Hindalco	275	266	3.57
United Phos	763	740	3.10
Vedanta Limited	333	326	1.99

**Nifty 50 Top 3 Losers**

Company	28-Dec	Prev_Day	% Change <sup>#</sup>
Indian Oil	392	402	-2.37
SBI	308	315	-2.05
Hero Moto	3717	3787	-1.85

**Advance Decline Ratio**

	BSE	NSE
Advances	1436	911
Declines	1332	856
Unchanged	189	51

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	439	50393
MF Flows**	1012	116555

\*28<sup>th</sup> Dec 2017; \*\*21<sup>st</sup> 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 traded high following rise in crude oil prices and positive economic data from some regional economies. However, upside was limited as investors preferred to be on the sidelines ahead of the new year holiday. Stronger yen also weighed on sentiment. Today (As of Dec 29), Asian markets opened higher following gains in the Wall Street. Both Nikkei and Hang Seng were trading up 0.20% and 0.22%, respectively (as at 8.a.m. IST).
- As per the last close, European market ended lower due to lack of any major news. Also, trading activity remained subdued as many investors remain away from their desks ahead of the upcoming New Year's Day holiday.
- As per the last close, U.S markets ended higher following rise in natural gas prices. However, trading activity remained subdued as many investors remain away from their desks ahead of the upcoming New Year's Day holiday.

**Indian Equity Market**

- After trading in the positive terrain for major part of the session, Indian equity markets slumped in the late trade to close in the red. Investor sentiment soured due to lingering concerns over government's additional borrowing programme. The lower than expected revenue prompted government to go for additional borrowing of Rs. 50,000 crore from the market. The borrowing is over and above the budget estimate of Rs. 5.80 lakh crore for FY18, which may lead to the government missing its fiscal deficit target of 3.2% of the Gross Domestic Product for the first time in four years.
- Key benchmark indices S&P BSE Sensex and Nifty 50 slipped 0.19% and 0.12% to close at 33,848.03 and 10,477.90, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.10% and 0.32%, respectively.
- On the BSE sectoral front, the indices witnessed a mixed trend. S&P BSE Realty was the top gainer, up 2.97%, followed by S&P BSE Metal and S&P BSE Basic Materials, which rose 2.04% and 1.01%, respectively. S&P BSE Consumer Discretionary Goods & Services and S&P BSE Information Technology rose 0.12% and 0.11%, respectively.

**Domestic News**

- The government has reduced interest rates on small savings schemes by 0.2 percentage point for the Jan-Mar period. This will be applicable on National Savings Certificate (NSC), Sukanya Samridhi Account, Kisan Vikas Patra (KVP) and Public Provident Fund (PPF). The move is expected to prompt banks to lower their deposit rates too.
- The Securities and Exchange Board of India (SEBI) has notified relaxed norms to allow Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) to raise funds by issuing debt securities. This would be allowed for REITs and InvITs that are listed on stock exchanges. Also, SEBI has amended REITs and InvITs regulations to facilitate growth of such trusts.
- SEBI has allowed convergence of stock and commodity bourses from Oct 2018. This convergence will help product cross-listing and will also help a trader to trade in all asset class through one account. The move will also allow Indian bourses to launch commodity products on their platforms.
- Larsen & Toubro (L&T) announced that its construction arm L&T Construction's power transmission and distribution business has received an order worth Rs. 1,600 crore from Saudi Electricity Company. Per the contract, L&T will build a double circuit overhead transmission line.
- Lupin Ltd. announced that the U.S. Food and Drug Administration has given final approval for its generic version of Dovonex scalp solution. This scalp-solution comes with a strength of 0.005% and is used in treatment of psoriasis of scalp.
- State Bank of India announced that it has received approval from its board of directors to raise Rs. 8,000 crore through various sources including masala bonds. This comes on the wake of meeting Basel III capital norms.
- Vedanta announced that its subsidiary Cairn India has acquired controlling stake in AvanStrate with an investment of \$158 million. Currently, AvanStrate is majorly owned by Carlyle Group and is a manufacturer of glass substrates for small and medium sized high resolution thin film transistor liquid crystal display panels.

FII Derivative Trade Statistics	28-Dec		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	7058.33	5680.73	18406.96
Index Options	69660.79	68772.16	103449.50
Stock Futures	28779.37	28692.00	76005.98
Stock Options	5251.78	5280.99	6123.58
Total	110750.27	108425.88	203986.02

Derivative Statistics- Nifty Options	28-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.62	1.59	0.03
Put Call Ratio(Vol)	1.24	1.18	0.06

Debt Watch	28-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.00%	5.94%	5.85%	6.13%
CBLO	6.03%	5.96%	5.89%	6.19%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.13%	6.19%	6.12%	6.23%
364 Day T-Bill	6.39%	6.36%	6.23%	6.32%
10 Year Gilt	7.40%	7.21%	7.03%	6.58%
G-Sec Vol. (Rs.Cr)	37930	38338	43336	21075
1 Month CP Rate	6.91%	6.88%	6.58%	6.68%
3 Month CP Rate	7.01%	7.03%	6.80%	6.73%
5 Year Corp Bond	7.71%	7.62%	7.41%	7.37%
1 Month CD Rate	6.37%	6.35%	6.06%	6.27%
3 Month CD Rate	6.40%	6.45%	6.24%	6.28%
1 Year CD Rate	6.98%	6.90%	6.60%	6.56%

Currency Market	28-Dec	Prev_Day	Change
USD/INR	64.17	64.16	0.01
GBP/INR	86.22	85.84	0.38
EURO/INR	76.56	76.23	0.34
JPY/INR	0.57	0.57	0.00

Commodity Prices	28-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	59.79	58.31	57.91	53.96
Brent Crude(\$/bl)	66.48	64.98	64.00	55.00
Gold( \$/oz)	1295	1267	1294	1142
Gold(Rs./10 gm)	29250	28676	29453	27532

Source: ICRON Research

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**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

**Derivatives Market**

- Nifty Dec 2017 Futures settled at spot closing of 10,477.9 points. Nifty Jan 2018 Futures were at 10,517.9, a premium of 40.00 points above the spot closing. The turnover on NSE's Futures and Options segment went up from Rs. 9,10,323.17 crore on Dec 27 to Rs. 13,50,886.08 crore on Dec 28.
- The Put-Call ratio stood at 0.98 against the previous session's close at 0.99.
- The Nifty Put-Call ratio stood at 1.62 against previous session's close at 1.59.
- Open interest on Nifty Futures stood at 31.20 million as against the previous session's close of 27.34 million.

**Indian Debt Market**

- Bond yields witnessed the highest single-session jump in about 11 months after the government announced to increase its fiscal year borrowing amount that raised concerns among the investors about the government's fiscal prudence.
- The government announced to borrow an additional 500 billion rupees through previously scheduled auctions in Jan 2018 and Feb 2018. Investors now expect that the government may breach its fiscal deficit target for FY18 by around 0.3% of GDP.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 18 bps to close at 7.40% from the previous close of 7.22%. During the session, bond yields traded in the range of 7.25% and 7.40%.
- Banks borrowed Rs. 885 crore under the central bank's Marginal Standing Facility on Dec 27 compared with no borrowing on Dec 26.

**Currency Market Update**

- The Indian rupee rose against the U.S. dollar following selling of the greenback by exporters. The rupee rose 0.12% to close at 64.08 per dollar from the previous close of 64.15.
- The euro rose against the greenback as the latter remained under pressure due to a dip in U.S. 10-year Treasury yields. U.S. Treasury prices gained as market participants rebalanced portfolios before the end of the year amid lack of any market triggers. The euro was trading at \$1.1936, up 0.42% compared with the previous close of \$1.1886.

**Commodity Market Update**

- Gold prices surged on weak dollar and persisting geopolitical tension.
- Brent crude prices rose after China released strong import quotas for 2018 and following supply disruption in North Sea's Forties Pipeline System and Libya.

**International News**

- According to a preliminary report from the Ministry of Economy, Trade and Industry, Japan's industrial output grew 0.6% MoM (seasonally adjusted) in Nov 2017 as against an increase of 0.5% in Oct 2017. Industrial production grew 3.7% YoY in Nov as against a 5.9% growth in Oct.
- A report from the Ministry of Economy, Trade and Industry showed that Japan retail sales grew 1.9% MoM (seasonally adjusted) in Nov 2017 as against downwardly revised 0.1% contraction in Oct 2017. Retail sales grew 2.2% in Nov on yearly basis as against a decline of 0.2% in Oct.



Thank you for  
your time.