

**RELIANCE**

MUTUAL  
FUND

# Markets for You

01 Feb 2018

Indices Performance

Global Indices	31-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	26,149	26,077	73	0.28
Nasdaq	7,411	7,402	9	0.12
FTSE	7,534	7,588	-54	-0.72
Nikkei	23,098	23,292	-194	-0.83
Hang Seng	32,887	32,607	280	0.86
Indian Indices	31-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,965	36,034	-69	-0.19
Nifty 50	11,028	11,050	-22	-0.20
Nifty 100	11,394	11,425	-31	-0.27
Nifty Bank	27,379	27,269	110	0.40
SGX Nifty	11,085	11,058	27	0.24
S&P BSE Power	2,319	2,328	-8	-0.35
S&P BSE Small Cap	18,717	18,874	-157	-0.83
S&P BSE HC	14,559	14,800	-240	-1.62

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
31-Jan	25.42	1.09	27.50	1.03
Month Ago	25.22	1.12	26.92	1.08
Year Ago	21.58	1.42	22.86	1.29

Nifty 50 Top 3 Gainers

Company	31-Jan	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	352	344	2.06
Kotak Bank	1109	1088	1.92
Tech Mahindra	613	603	1.61

Nifty 50 Top 3 Losers

Company	31-Jan	Prev_Day	% Change <sup>#</sup>
Tata Steel	705	776	-9.13
Dr.Reddy	2225	2306	-3.50
United Phos	752	771	-2.43

Advance Decline Ratio

	BSE	NSE
Advances	1036	635
Declines	1776	1165
Unchanged	160	70

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	32	13781
MF Flows**	1051	7386

\*31<sup>st</sup> Jan 2018; \*\*30<sup>th</sup> Jan 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.58%	3.14%	2.10%
	(Dec-17)	(Sep-17)	(Dec-16)
IIP	8.40%	4.80%	5.10%
	(Nov-17)	(Aug-17)	(Nov-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

- Asian markets traded in mixed ahead of the U.S. Federal Reserve's policy meeting, falling oil prices, negative cues from overnight U.S. market and concerns over U.S. immigration policy following U.S. President's speech. However, downside was limited as some key economic data came better than expected. Today (As of Feb 01), Asian markets opened slightly higher following rise on the Wall Street overnight. Both Nikkei and Hang Seng were trading higher 1.13% and 0.34%, respectively (8 a.m. IST).
- As per the last close, European market mostly fell as market participants remained cautious ahead of the U.S. Federal Reserve policy meeting. Rise in euro and pound against the U.S. dollar continue to put additional pressure on the shares of European exporters.
- As per the last close, U.S market closed on a positive note after moving in a range after the U.S. Federal Reserve kept its interest rates unchanged as widely expected. The central bank's was seen slightly more hawkish, reinforcing expectations that they will raise rates at its next meeting in Mar 2018.

Indian Equity Market

- Indian equity markets ended in the red as investors preferred to remain on the sidelines ahead of the Union Budget FY19 that is scheduled on Feb 1, 2018. Also, traders were cautious ahead of the fiscal deficit data for Apr-Dec 2017 and revised estimate of annual gross domestic product data for FY17. Mixed cues from global markets ahead of the outcome of the U.S. Federal Reserve's interest rate decision also weighed on market sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.19% and 0.20% to close at 35,965.02 and 11,027.70, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 1.29% and 0.83%, respectively.
- The market breadth on BSE was weak with 1,749 scrips declining and 1,072 scrips advancing. A total of 151 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Healthcare was the top loser and was down 1.62%, followed by S&P BSE Metal and S&P BSE FMCG (-1.25%) each, S&P BSE Capital Goods (-1.12%) and S&P BSE Information technology (-1.1%). The top gainers comprised S&P BSE Energy, up 0.6%, followed by S&P BSE Oil & Gas and S&P BSE Bankex, which rose 0.48% and 0.40%, respectively.

Domestic News

- According to the Central Statistics Office (CSO), Gross Domestic Product (GDP) exhibited growth of 7.1% during FY17 and 8.2% during FY16. Nominal GDP for FY17 witnessed growth of 10.8% as against 10.4% growth during FY16. Nominal Gross Value Added (GVA) at basic prices increased 10.1% during FY17 as against 9.2% during FY16. Real GVA witnessed growth of 7.1% in FY17 as against growth of 8.1% in FY16. Growth in real GVA during FY17 has been lower than that in FY16 mainly due to slowdown in manufacturing, construction, transport, storage, communication & services related to broadcasting, trade, repair, hotels and restaurants, financial services, real estate and ownership of dwelling & professional services.
- Government data showed that the index of eight core industries grew 4.0% in Dec 2017 from upwardly revised 7.4% in the previous month (6.8% originally reported) and 5.6% in the same period of the previous year. The decrease in pace of growth reflects slowdown in all sectors barring fertilizers and cement. Steel witnessed maximum slowdown to 2.6% from 17.1%. The growth of the index of eight core industries from Apr to Dec of FY18 slowed to 4.0% from 5.3% in the same period of the previous year.
- According to a gazette notification issued by the government, bonds that will be issued to state-run banks under capitalisation plan of the government will have tenure of 10-15 years and carry coupon interest rates of 7.35%-7.68%. The amount set aside for each bank is adding up to Rs. 80,000 crore for all banks. The special securities will be issued at par and the date of issue of the special securities will be the date of receipt of subscription amount from the eligible banks. The proceeds from the bonds will be used by the government to infuse capital in these banks, thereby making the entire transaction cash neutral for the government.
- Larsen & Toubro profit for the quarter ended Dec 31, 2017, came in at Rs. 1,490 crore, up 53% YoY. Consolidated gross revenue came in at Rs. 28,747 crore, up 9.4% YoY owing to some improvement in execution momentum and growth in services business.

FII Derivative Trade Statistics		31-Jan		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1513.56	2954.08	18547.56	
Index Options	41753.60	40531.86	60701.33	
Stock Futures	10268.82	9582.30	78314.31	
Stock Options	6199.24	6175.68	3376.91	
Total	59735.22	59243.92	160940.11	

Derivative Statistics- Nifty Options			
	31-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.30	1.37	-0.08
Put Call Ratio(Vol)	0.89	1.00	-0.11

Debt Watch				
	31-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.92%	5.90%	6.10%	6.02%
CBLO	5.85%	5.94%	6.05%	6.17%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.36%	6.40%	6.14%	6.15%
364 Day T-Bill	6.58%	6.55%	6.26%	6.20%
10 Year Gilt	7.60%	7.44%	7.33%	6.41%
G-Sec Vol. (Rs.Cr)	33473	33457	45921	41586
1 Month CP Rate	6.95%	6.93%	6.86%	6.73%
3 Month CP Rate	7.76%	7.73%	7.06%	7.08%
5 Year Corp Bond	7.82%	7.79%	7.68%	7.10%
1 Month CD Rate	6.27%	6.25%	6.34%	6.23%
3 Month CD Rate	7.17%	7.23%	6.33%	6.43%
1 Year CD Rate	7.47%	7.45%	6.98%	6.54%

Currency Market			
Currency	31-Jan	Prev_Day	Change
USD/INR	63.69	63.75	-0.07
GBP/INR	90.35	89.39	0.97
EURO/INR	79.21	78.75	0.46
JPY/INR	0.59	0.59	0.00

Commodity Prices				
Commodity	31-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	64.77	65.66	60.41	52.70
Brent Crude(\$/bl)	67.65	70.10	67.07	55.29
Gold(\$/oz)	1345	1358	1302	1211
Gold(Rs./10 gm)	30207	30239	29252	29008

Source: ICRON Research

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#### Derivatives Market

- Nifty Feb 2018 Futures were at 11,055.4 points, a premium of 27.70 points above the spot closing of 11,027.70. The turnover on NSE's Futures and Options segment went up from Rs. 3,52,935.77 crore on Jan 30 to Rs. 4,73,999.37 crore on Jan 31.
- The Put-Call ratio stood at 0.84 against previous session's close of 0.83.
- The Nifty Put-Call ratio stood at 1.30 against previous session's close of 1.37.
- India VIX moved down 2.95% to 15.9300 from 16.4150 in the previous trading session.
- Open interest on Nifty Futures stood at 25.51 million as against the previous session's close of 26.66 million.

#### Indian Debt Market

- Bond yields stood steady as investors deferred purchases before the government's Union Budget that is scheduled on Feb 1.
- Yield on the 10-year benchmark paper (7.17% GS 2028) stood at 7.43%, unchanged from previous session's close. During the session, bond yields traded in the range of 7.40% and 7.44%.
- Yield on the old 10-year benchmark paper (6.79% GS 2027) stood at 7.60%, same as previous session's close. During the session, bond yields traded in the range of 7.56% and 7.62%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,660 crore (gross) on Jan 31 compared with Rs. 2,600 crore on Jan 30. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 25,783 crore on Jan 30.

#### Currency Market Update

- The Indian rupee was little changed as investors preferred to remain on the sidelines ahead of the Union Budget FY19 scheduled on Feb 1, 2018. The rupee slightly gained 0.03% to close at 63.58 per dollar from the previous close of 63.60 per dollar.
- The euro strengthened against the greenback as the latter weakened ahead of the U.S. Federal Reserve's monthly policy decision due later in the day. Euro grew 0.44% and was trading at \$1.2454, up from the previous close of 1.2400.

#### Commodity Market Update

- Gold prices inched up ahead of the U.S. Federal Reserve's (Fed) policy meeting.
- Brent crude prices inched down after data from the American Petroleum Institute indicated that U.S. oil inventories rose by nearly 3.2 million barrels in the week to Jan 26.

#### International News

- Data from the Conference Board showed that the U.S. consumer confidence index rose more than expected to 125.4 in Jan 2018 from an upwardly revised 123.1 in Dec 2017 (122.1 originally reported). The more than expected increase by the headline index came as the expectations index rose to 105.5 in Jan from 100.8 in Dec.
- According to data from Eurostat, eurozone inflation came in at 1.3% in Jan 2018 but weaker than Dec 2017's 1.4%. Inflation continued to stay below the European Central Bank's target of 'below, but close to 2%'. Excluding energy, food, alcohol and tobacco, core inflation rose marginally to 1% from 0.9% in Dec.

Thank you for  
your time.