

**RELIANCE**

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FUND

# Markets for You

02 Feb 2018

**Indices Performance**

Global Indices	01-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	26,187	26,149	37	0.14
Nasdaq	7,386	7,411	-26	-0.35
FTSE	7,490	7,534	-43	-0.57
Nikkei	23,486	23,098	388	1.68
Hang Seng	32,642	32,887	-245	-0.75
Indian Indices	01-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,907	35,965	-58	-0.16
Nifty 50	11,017	11,028	-11	-0.10
Nifty 100	11,385	11,394	-8	-0.07
Nifty Bank	27,221	27,379	-159	-0.58
SGX Nifty	11,030	Closed	NA	NA
S&P BSE Power	2,321	2,319	1	0.05
S&P BSE Small Cap	18,717	18,717	1	0.00
S&P BSE HC	14,359	14,559	-201	-1.38

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Feb	25.40	1.09	27.48	1.03
Month Ago	25.03	1.13	26.68	1.09
Year Ago	21.91	1.39	23.27	1.27

**Nifty 50 Top 3 Gainers**

Company	01-Feb	Prev_Day	% Change <sup>#</sup>
M&M	799	763	4.68
Eicher Motors	28047	26924	4.17
Bajaj Finance Limited	1729	1678	3.08

**Nifty 50 Top 3 Losers**

Company	01-Feb	Prev_Day	% Change <sup>#</sup>
Sun Pharma	554	580	-4.41
ONGC	195	203	-4.20
Dr.Reddy	2158	2225	-3.03

**Advance Decline Ratio**

	BSE	NSE
Advances	1288	821
Declines	1486	982
Unchanged	149	50

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-265	13517
MF Flows**	1051	7386

\*1st Feb 2018; \*\*30th Jan 2018

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.58% (Dec-17)	3.14% (Sep-17)	2.10% (Dec-16)
IIP	8.40% (Nov-17)	4.80% (Aug-17)	5.10% (Nov-16)
GDP	6.30% (Sep-17)	5.70% (Jun-17)	7.50% (Sep-16)

Since May-17, MOSPI has revised base year of IIP &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

**Global Indices**

• Asian markets traded in mixed after the U.S. Federal Reserve (Fed) kept interest rates unaltered in its policy review as per expectations, but indicated to raise rates at its next meeting in Mar 2018. Meanwhile, improved manufacturing data from China and Japan helped gains. Today (As of Feb 2), Asian markets opened lower following mixed close in the Wall Street and rise in U.S. government debt yields. Both Nikkei and Hang Seng were trading down 1.34% and 0.52% (as at 8.a.m. IST).

• As per the last close, European market ended lower following disappointing earnings results from few companies and losses in Wall Street. The continued rise in global bond yields made equities less appealing to investors. Also, strengthening of Euro and the British pound against the dollar brought additional pressure to shares of European exporters.

• As per the last close, U.S markets ended mixed. Better than expected results of few companies that boosted investor's sentiments. However, downbeat U.S. economic data and cautiousness over monthly jobs report to be released today weighed on investor's sentiments.

**Indian Equity Market**

• Indian equity markets ended in the red as proposals like long-term capital gains tax on equities in the Union Budget FY19 weighed on investor sentiment. Market sentiment was further dented after the finance minister announced that the fiscal deficit target for FY18 was raised to 3.5% of gross domestic product as against 3.2% earlier. The target for FY19 has been fixed at 3.3%.

• Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.16% and 0.10% to close at 35,906.66 and 11,016.90, respectively. S&P BSE Mid-Cap fell 0.54%. Meanwhile, S&P BSE Small-Cap remained unchanged.

• On the BSE sectoral front, S&P BSE Consumer Durables was the top loser and was down 1.78%, followed by S&P BSE Energy (-1.55%), S&P BSE Healthcare (-1.38%), S&P BSE Oil & Gas (-1.28%) and S&P BSE Realty (-0.89%). Top gainers were S&P BSE Capital Goods, up 1.57%, followed by S&P BSE Auto and S&P BSE FMCG, which rose 0.67% and 0.64%, respectively. S&P BSE Industrials and S&P BSE Basic Materials rose 0.57% and 0.42%, respectively.

**Domestic News**

• The Nikkei India Manufacturing Purchasing Managers' Index (PMI) fell to 52.4 in Jan 2018 from 54.7 in Dec 2017. The decline reflects growth in output, new orders and employment at slower rates. However, new export orders grew at the sharpest rate since Sep 2016.

• In the Union Budget 2018-19, government has increased its fiscal deficit target from 3.2% of Budgeted Estimate (BE) to 3.5% for the current financial year. For FY18-19, fiscal deficit is projected at 3.3% of BE, which is also higher than 3% estimated in the previous budget.

• Government's net borrowings for FY18-19 has been lowered by around Rs. 73,000 crore to Rs. 4.07 lakh crore from the market compared with the current fiscal. However, gross borrowing for the next financial year has been increased to Rs. 6.05 lakh crore. For the current fiscal year, net borrowing was sharply raised to Rs. 4.79 lakh crore compared with the Budget estimate of Rs. 3.5 lakh crore.

• The budget has proposed to tax Long Term Capital Gains (LTCG) from listed equities exceeding Rs. 1 lakh at 10%, without allowing any indexation benefit. The finance minister also proposed to introduce a tax on distributed income by equity-oriented mutual funds at the rate of 10%, to provide a level field across growth-oriented funds and dividend distributing funds.

• ICICI Bank announced decline in net profit by 32% YoY to Rs. 1,650 crore in the quarter ended Dec 2017 from Rs. 2,442 crore a year ago due to lower income from treasury although provisions for non-performing assets remained elevated.

• Hyundai Motor India Ltd (HMIL) posted increase in total sales by 8.5% YoY to 56,216 units in Jan 2018 from 51,834 units sold in Jan 2017. Domestic sales and export of the company rose by 8.3% and 9.1%, respectively.

• Vedanta reported decline in net profit by 4% to Rs. 2,053 crore in the third quarter of FY18 as compared with Rs. 2,133 crore in the same quarter of FY17. The company witnessed decline in profit even though a secular increase in metal prices led to rise in revenue by 19% in the period under review.

FII Derivative Trade Statistics		01-Feb		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2056.62	2140.33	18486.38	
Index Options	53705.01	54052.68	63266.40	
Stock Futures	10264.00	11016.46	78570.05	
Stock Options	6631.52	6600.25	4005.32	
Total	72657.15	73809.72	164328.15	

Derivative Statistics- Nifty Options			
	01-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.30	1.21	0.09
Put Call Ratio(Vol)	0.89	0.93	-0.04

Debt Watch				
	01-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.89%	5.91%	5.92%	6.05%
CBLO	5.84%	5.90%	5.79%	6.12%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.34%	6.40%	6.12%	6.17%
364 Day T-Bill	6.54%	6.51%	6.29%	6.14%
10 Year Gilt	7.80%	7.48%	7.34%	6.43%
G-Sec Vol. (Rs.Cr)	48397	39866	21453	76088
1 Month CP Rate	6.95%	6.93%	6.80%	6.73%
3 Month CP Rate	7.76%	7.75%	7.20%	7.06%
5 Year Corp Bond	7.89%	7.78%	7.70%	7.11%
1 Month CD Rate	6.27%	6.24%	6.26%	6.22%
3 Month CD Rate	7.19%	7.21%	6.31%	6.41%
1 Year CD Rate	7.51%	7.45%	6.99%	6.55%

Currency Market			
Currency	01-Feb	Prev_Day	Change
USD/INR	63.61	63.69	-0.08
GBP/INR	90.18	90.35	-0.18
EURO/INR	78.95	79.21	-0.27
JPY/INR	0.58	0.59	-0.01

Commodity Prices				
Commodity	01-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	65.90	65.59	60.41	53.85
Brent Crude(\$/bl)	68.28	71.17	67.07	55.75
Gold( \$/oz)	1349	1348	1302	1209
Gold(Rs./10 gm)	30286	30489	29363	29030

Source: ICRON Research

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

**Derivatives Market**

- Nifty Feb 2018 Futures were at 11,031.3 points, a premium of 14.40 points above the spot closing of 11,016.90. The turnover on NSE's Futures and Options segment went up from Rs. 4,73,999.37 crore on Jan 31 to Rs. 15,08,842.96 crore on Feb 1.
- The Put-Call ratio stood at 0.80 against previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.21 against previous session's close of 1.30.
- Open interest on Nifty Futures stood at 24.79 million as against the previous session's close of 25.51 million.

**Indian Debt Market**

- Bond yields rose after the government widened its fiscal deficit aim to 3.3% for FY19 as compared to previous target of 3%. Investors were also concerned that greater rural spending will increase the inflation of the economy. Investors are also waiting for Monetary Policy Committee's meeting due on Feb 6 and Feb 7.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 17 bps to close at 7.60% as against previous session's close of 7.43%. During the session, bond yields traded in the range of 7.37% and 7.61%.
- Yield on the old 10-year benchmark paper (6.79% GS 2027) rose 20 bps to close at 7.80% as against previous session's close of 7.60%. During the session, bond yields traded in the range of 7.54% and 7.80%.
- According to the Scheduled Bank's Statement of Position in India as of Jan 19, 2018, banks' deposit and credit growth stood at 5.10% and 10.58% YoY, respectively.

**Currency Market Update**

- The Indian rupee plunged against the greenback after the government widened its fiscal deficit aim to 3.3% for FY19 from the previous target of 3.0%. Also, indication of rate hike by the U.S. Federal Reserve in the near term boosted greenback's demand. The rupee fell 0.68% to close at 64.02 per dollar from the previous close of 63.58 per dollar.
- The euro strengthened against the greenback following release of upbeat euro zone manufacturing data in Jan 2018. Euro grew 0.27% and was trading at \$1.2454, up from the previous close of 1.2420.

**Commodity Market Update**

- Gold prices inched down after the U.S. Federal Reserve (Fed) left interest rates unchanged in its policy review as expected, but hinted to raise rates at its next meeting in Mar 2018.
- Brent crude prices gained after data from the EIA showed that demand for gasoline and distillates improved in the U.S.

**International News**

- The U.S. Federal Reserve (Fed) voted to leave its benchmark interest rate unchanged in a range between 1.25% and 1.50%. Meanwhile, Fed indicated that it will increase the benchmark rate at its next meeting, in late Mar 2018. This announcement comes on the wake of improving economy and signs of inflation. Fed expects inflation to increase in 2018, thereby increasing the possibility for one of three rate hikes projected by the end of 2018.
- According to the latest survey from Caixin, China's manufacturing PMI came in at 51.5 in Jan 2018 and remained unchanged from Dec 2017. On an individual basis, growth was supported by further, though slightly softer, increases in total new work and new export sales.



Thank you for  
your time.