

RELIANCE

MUTUAL
FUND

Markets for You

04 Feb 2019

Indices Performance

Global Indices	01-Feb	Prev_Day	Abs. Change	% Change [#]
Dow Jones	25,064	25,000	64	0.26
Nasdaq	7,264	7,282	-18	-0.25
FTSE	7,020	6,969	51	0.74
Nikkei	20,788	20,773	15	0.07
Hang Seng	27,931	27,942	-12	-0.04
Indian Indices	01-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	36,469	36,257	213	0.59
Nifty 50	10,894	10,831	63	0.58
Nifty 100	11,067	10,997	70	0.64
Nifty Bank	27,086	27,295	-210	-0.77
SGX Nifty	10,904	10,832	72	0.66
S&P BSE Power	1,888	1,881	7	0.37
S&P BSE Small Cap	13,950	13,926	24	0.17
S&P BSE HC	13,997	13,881	116	0.84

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Feb	23.70	1.17	26.40	1.24
Month Ago	23.79	1.15	26.28	1.24
Year Ago	25.40	1.09	27.48	1.03

Nifty 50 Top 3 Gainers

Company	01-Feb	Prev_Day	% Change [#]
Hero Moto	2807	2614	7.39
Maruti	6962	6641	4.84
HCL Tech	1044	1005	3.85

Nifty 50 Top 3 Losers

Company	01-Feb	Prev_Day	% Change [#]
Vedanta	162	197	-17.84
Zee Ente.	354	380	-6.79
Yes Bank	186	194	-4.38

Advance Decline Ratio

	BSE	NSE
Advances	1178	819
Declines	1360	962
Unchanged	139	100

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	2756	-1506
MF Flows**	-1201	7152

*1st Feb 2019; **31st Jan 2019

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.19% (Dec-18)	3.70% (Sep-18)	5.21% (Dec-17)
IIP	0.50% (Nov-18)	6.50% (Jul-18)	8.50% (Nov-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 equity markets ended subdued as weak Chinese manufacturing data and lingering trade tensions overshadowed positive corporate earnings from the U.S. The two-day U.S.-China trade talks concluded without any concrete solution. The only positive was U.S. President saying the trade dispute could be resolved before the Mar 1, 2019, deadline. Today (as of Feb 4), Asian markets opened higher amid overnight gains in U.S. Wall Street. Both Nikkei and Hangseng were trading up 0.35% and 0.19%, respectively (as at 8.a.m. IST).

• As per the last close, European markets closed higher following strong quarterly earnings by few companies and some upbeat key economic reports of eurozone. Stronger than expected growth in U.S. non-farm employment in Jan 2019 also boosted the market.

• As per the last close, U.S markets closed mostly higher after the U.S. government released more than expected increase in jobs growth in Jan 2019. Strong quarterly earnings by some major companies further ed to gains. However, disappointing quarterly result by an online retail giant capped the gains.

Indian Equity Market

• Indian equity markets gained as sentiment buoyed on announcement of the interim budget 2019-20. The budget laid out measures to boost domestic consumption through income tax reliefs for almost 30 million low-income taxpayers and 120 million marginal farmers. It also gave sops to several sectors such as automobiles, consumer staples & durables, real estate, building materials, home improvement and retail-focused banks & financials.

• Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.59% and 0.58% to close at 36,469.43 and 10,893.65, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap increased 0.56 and 0.17%, respectively.

• On the BSE sectoral front, S&P BSE Auto was the major gainer, up 2.56%, followed by S&P BSE Consumer Discretionary Goods & Services and S&P BSE Realty, up 1.77% and 1.33%, respectively. S&P BSE Fast Moving Consumer Goods and S&P BSE Information Technology gained 1.14% and 1.11%, respectively. S&P BSE Metal was the major loser, down 3.8%, followed by S&P BSE Basic Materials and S&P BSE Bankex, down 1.76% and 1.04%, respectively.

Domestic News

• The government in the Union Budget pegged the fiscal deficit for both FY19 (revised estimates) and FY20 (budget estimates) at 3.4% of GDP which is slightly higher than the targeted 3.3% of GDP for FY19 and 3.1% of GDP for FY20. However, the government projected fiscal deficit at 3.0% of GDP for both FY21 and FY22 as it is of the view that India's debt to GDP ratio would be brought down to 40% by FY25 from 46.5% in FY18.

• The government in the Union Budget allocated Rs. 64,587 crore for railways in 2019-20 (BE). The Operating Ratio is expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 (RE) and further to 95% in 2019-20 (BE). Allocation for defence has also surpassed Rs. 3,00,000 crore for the first time in 2019-20.

• The government in the Union Budget proposed to launch a mega pension yojana namely 'Pradhan Mantri Shram-Yogi Maandhan' for the unorganised sector workers with monthly income upto Rs. 15,000. A sum of Rs. 500 crore has been allocated for the Scheme. Additional funds will be provided as needed. The scheme will also be implemented from the current year.

• The government in the Union Budget informed that tax collection has increased significantly from Rs. 6.38 Lakh crore in 2013-14 to almost Rs. 12 lakh crore this year. No. of tax payers increased from 3.79 crore to 6.85 crore during the period. For A/Y 2018-19, 99.54% of income tax returns were accepted as filed.

• Exemptions from GST for small businesses in the Union Budget has been doubled from Rs. 20 lakh to Rs. 40 lakh. Small businesses having turnover up to RS. 1.5 crore have been given an attractive composition scheme wherein they pay only 1% flat rate and have to file one annual return only. Small service providers with turnover upto Rs. 50 lakhs can now opt for composition scheme and pay GST at 6% instead of 18%. Businesses comprising over 90% of GST payers will be allowed to file quarterly return.

FII Derivative Trade Statistics		01-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	9544.41	6779.15	20878.51
Index Options	185160.17	181722.70	50539.83
Stock Futures	22721.16	21560.25	83631.64
Stock Options	7899.27	7116.57	1560.71
Total	225325.01	217178.67	156610.69

Derivative Statistics- Nifty Options			
	01-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.58	1.63	-0.04
Put Call Ratio(Vol)	1.02	0.91	0.11

Debt Watch				
	01-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.43%	6.41%	6.34%	5.89%
T-Repo	6.35%	6.39%	6.19%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.50%	6.54%	6.61%	6.34%
364 Day T-Bill	6.73%	6.76%	6.92%	6.58%
10 Year Gilt	7.61%	7.55%	7.42%	7.60%
G-Sec Vol. (Rs.Cr)	76524	32425	24846	48397
FBIL MIBOR	6.50%	6.54%	6.50%	6.00%
3 Month CP Rate	7.60%	7.65%	7.70%	7.76%
5 Year Corp Bond	8.57%	8.49%	8.33%	8.07%
1 Month CD Rate	6.72%	6.64%	6.72%	6.27%
3 Month CD Rate	7.19%	7.27%	7.44%	7.19%
1 Year CD Rate	7.96%	7.88%	8.24%	7.51%

Currency Market			
Currency	01-Feb	Prev_Day	Change
USD/INR	71.11	71.03	0.08
GBP/INR	93.17	93.24	-0.07
EURO/INR	81.34	81.68	-0.34
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	01-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	55.24	53.48	45.10	65.90
Brent Crude(\$/bl)	62.30	61.93	50.51	68.28
Gold(\$/oz)	1318	1303	1282	1349
Gold(Rs./10 gm)	33262	32303	31531	30286

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty Feb 2019 Futures were at 10,914.05, a premium of 20.40 points, over the spot closing of 10,893.65. The turnover on NSE's Futures and Options segment declined to Rs. 9,14,497.31 crore on Feb 1, 2019.
- The Put-Call ratio stood at 0.86 compared with the previous session's close of 0.97.
- The Nifty Put-Call ratio stood at 1.63 compared with the previous session's close of 1.60.
- India VIX decreased 9.21% to 15.5450 compared with 17.1225 at the previous trading session.
- Open interest on Nifty Futures stood at 19.53 million as against the previous session's close at 30.22 million.

Indian Debt Market

- Bond yields rose after the government announced an increase in its borrowing target for the current financial year and laid its expectation of a higher-than-expected fiscal deficit for the next financial year.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 13 bps to close at 7.61% as compared with 7.48% in the previous session after trading in the range of 7.42% to 7.65%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,606 crore (gross) on Feb 1, 2019 as compared with Rs. 3,191 crore on Jan 31, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 36,686 crore on Jan 31, 2019.
- Banks borrowed Rs. 400 crore under the central bank's Marginal Standing Facility on Jan 31, 2019 compared with borrowing of Rs. 296 crore on Jan 30, 2019.

Currency Market Update

- The Indian rupee depreciated on worries of fiscal slippage which raised tension over foreign fund outflow. The rupee closed at 71.24 a dollar, down 0.23% compared with the previous close of 71.08.
- The euro rose against the greenback following the U.S. Federal Reserve's patient stance on further interest rate hikes, which weighed down on the latter. The euro was last seen trading at 1.1468 a dollar, up 0.21% compared with the previous close of 1.1444.

Commodity Market Update

- Gold prices lost upward momentum on news that U.S. and China are expected to reach an accommodation and make a trade deal before Mar 1, 2019.
- Brent crude prices declined following a survey that revealed economic slowdown in China.

International News

- The Commerce Department said new home sales in the U.S. rebounded sharply in Nov 2018. The report showed new home sales increased 16.9% to an annual rate of 657,000 in Nov after declining 8.3% to 562,000 in Oct 2018.
- Preliminary data from Eurostat showed euro zone consumer price inflation slowed for a third month in Jan 2019 to its lowest level in 11 months. The consumer price index rose 1.4% YoY in Jan after a 1.6% increase in Dec 2018, in line with expectations.
- IHS Markit data showed U.K. manufacturing growth slowed more than expected in Jan 2019 to its lowest level in three months. The IHS Markit/CIPS Purchasing Managers' Index for manufacturing fell to 52.8 from 54.2 in Dec 2018.



Thank you for
your time.