

RELIANCE

MUTUAL
FUND

Markets for You

05 Feb 2018

Indices Performance

Global Indices	02-Feb	Prev_Day	Abs. Change	% Change [#]
Dow Jones	25,521	26,187	-666	-2.54
Nasdaq	7,241	7,386	-145	-1.96
FTSE	7,443	7,490	-47	-0.63
Nikkei	23,275	23,486	-212	-0.90
Hang Seng	32,602	32,642	-40	-0.12
Indian Indices	02-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	35,067	35,907	-840	-2.34
Nifty 50	10,761	11,017	-256	-2.33
Nifty 100	11,111	11,385	-274	-2.41
Nifty Bank	26,451	27,221	-770	-2.83
SGX Nifty	Closed	11,030	NA	NA
S&P BSE Power	2,229	2,321	-91	-3.94
S&P BSE Small Cap	17,848	18,717	-870	-4.65
S&P BSE HC	14,068	14,359	-291	-2.03

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
2-Feb	24.53	1.12	26.04	1.05
Month Ago	25.07	1.13	26.70	1.09
Year Ago	21.94	1.44	23.38	1.26

Nifty 50 Top 3 Gainers

Company	02-Feb	Prev_Day	% Change [#]
Tech Mahindra	619	611	1.37
HCL Tech	991	985	0.61
TCS	3154	3139	0.48

Nifty 50 Top 3 Losers

Company	02-Feb	Prev_Day	% Change [#]
Bajaj Finance Limited	1629	1729	-5.81
Bajaj Auto	3241	3413	-5.03
Ultratech Cem	4179	4391	-4.83

Advance Decline Ratio

	BSE	NSE
Advances	295	135
Declines	2548	1716
Unchanged	119	31

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1166	14682
MF Flows**	1051	7386

*2nd 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 & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

Global Indices

- Asian markets traded mixed ahead of the U.S. monthly jobs report for Jan 2018, which will provide clues on U.S. Federal Reserve's future rate hike stance. Upcoming key economic data in China also kept investors on the sidelines. However, elevated crude oil prices limited the downside. Meanwhile, the Bank of Japan raised its bond purchases as part of efforts to prevent bond yields from rising. Today (As of Feb 5), Asian markets opened lower following losses in the Wall Street amid a stronger than expected jobs report that sent interest rates higher. Both Nikkei and Hang Seng were trading down 2.34% and 1.82% (as at 8.a.m. IST).
- As per the last close, European market ended lower due to concerns of rate hike by the U.S. Federal Reserve after release of upbeat U.S. jobs data and disappointing result of a major bank in Germany.
- As per the last close, U.S markets ended lower after the Labor Department released a report showing stronger than expected job growth and a jump in wages that increased the concern about higher interest rates. Disappointing result from big tech companies also contributed to the losses.

Indian Equity Market

- After the announcements of Union Budget FY19 on Feb 1, 2018, Indian equity markets plunged heavily as investors closely followed the developments on the implementation of the Budget proposals, especially, fiscal deficit target. The finance minister had raised the fiscal deficit target for FY18 to 3.5% of gross domestic product as against 3.2% earlier. The target for FY19 has been fixed at 3.3% as against previous target of 3%.
- Also, government's proposal of 10% long-term capital gains tax on equity gains above Rs. 1 lakh weighed on market sentiment. Further, announcement by a major credit rating agency that high debt burden of the government constrains India's rating upgrade further muted buying interest.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 2.34% and 2.33% to close at 35,066.75 and 10,760.60, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 4.03% and 4.65%, respectively.
- On the BSE sectoral front, S&P BSE Realty was the top loser and was down 6.28%, followed by S&P BSE Basic materials (-3.97%), S&P BSE Utilities (-3.95%), S&P BSE Power (-3.94%) and S&P BSE Industrials and S&P BSE Consumer Discretionary Goods & Services (-3.81% each).

Domestic News

- Government data showed that India's fiscal deficit during Apr to Dec 2017 stood at Rs. 6.21 lakh crore or 113.6% of the budgeted target for FY18. During the corresponding period last year, fiscal deficit was at 93.9% of the Budget Estimate. Total receipts were Rs. 10.78 lakh crore or 67.4% of the Budget Estimate, while revenue expenditure amounted to Rs. 14.62 lakh crore or 79.6% of the financial year estimates. In the Union Budget 2018-19, government increased its fiscal deficit target from 3.2% of Budgeted Estimate (BE) to 3.5% for the current financial year. For FY19, fiscal deficit is projected at 3.3% of BE, which is also higher than 3% estimated in the previous budget.
- According to a major credit rating agency, high debt burden of the government is a constrain for India's rating upgrade. In Union Budget 2018-19, fiscal deficit has been targeted at 3.5% of GDP, higher than 3.2% estimated earlier.
- The Union Budget 2018-19 has proposed an allocation of approximately Rs. 14,500 crore for FY19 in order to augment telecom infrastructure projects, which include an alternate communication network for defence services. The finance minister allocated Rs. 10,000 crore for expansion of telecom infrastructure managed by the Department of Telecom and made a provision of Rs. 4,500 crore for Network for Spectrum project.
- The government plans to amend the Prevention of Money-laundering Act, 2002, through the Finance Act 2018. The government wants to make the Act more effective and widen its scope. Also, it wants to remove some procedural difficulties faced by the Enforcement Directorate.
- Bajaj Auto reported increase in consolidated net profit by 3.8% YoY to Rs. 1,013.16 crore in the quarter ended Dec 2017 as compared with Rs. 976.82 crore in the same quarter of previous fiscal year. Total revenue from operations of the company stood at Rs. 63.69 billion in the quarter ended Dec 2017 as against Rs. 53.54 billion in the year-ago quarter.

FII Derivative Trade Statistics		02-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4789.12	4957.67	17628.80
Index Options	192960.51	193674.63	63942.79
Stock Futures	14985.97	14233.13	78870.86
Stock Options	11781.43	11826.86	4728.28
Total	224517.03	224692.29	165170.73

Derivative Statistics- Nifty Options			
	02-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.09	1.21	-0.12
Put Call Ratio(Vol)	0.84	0.93	-0.09

Debt Watch				
	02-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.92%	5.91%	5.87%	5.96%
CBLO	4.59%	5.90%	5.77%	5.93%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.33%	6.40%	6.11%	6.13%
364 Day T-Bill	6.60%	6.51%	6.29%	6.15%
10 Year Gilt	7.76%	7.48%	7.38%	6.40%
G-Sec Vol. (Rs.Cr)	29446	39866	23331	56171
1 Month CP Rate	6.94%	6.93%	6.81%	6.71%
3 Month CP Rate	7.76%	7.75%	7.23%	7.03%
5 Year Corp Bond	7.92%	7.78%	7.67%	7.09%
1 Month CD Rate	6.23%	6.24%	6.21%	6.22%
3 Month CD Rate	7.25%	7.21%	6.61%	6.39%
1 Year CD Rate	7.55%	7.45%	7.01%	6.56%

Currency Market			
Currency	02-Feb	Prev_Day	Change
USD/INR	64.08	63.61	0.47
GBP/INR	91.34	90.18	1.16
EURO/INR	80.03	78.95	1.09
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	02-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	65.48	65.59	60.32	53.50
Brent Crude(\$/bl)	67.13	71.17	66.99	55.63
Gold(\$/oz)	1333	1348	1318	1216
Gold(Rs./10 gm)	30452	30489	29374	29207

Source: ICRON Research

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Derivatives Market

- Nifty Feb 2018 Futures were at 10,755.85 points, a discount of 4.75 points below the spot closing of 10,760.60. The turnover on NSE's Futures and Options segment went down from Rs. 15,08,842.96 crore on Feb 1 to Rs. 7,24,402.25 crore on Feb 2.
- The Put-Call ratio stood at 0.79 against previous session's close of 0.80.
- The Nifty Put-Call ratio stood at 1.09 against previous session's close of 1.21.
- India VIX moved up 8.10% to 15.2500 from 14.1075 in the previous trading session.
- Open interest on Nifty Futures stood at 23.79 million as against the previous session's close of 24.79 million.

Indian Debt Market

- Bond yields fell amid news that the Reserve Bank of India (RBI) may conduct open market and secondary market purchases of debt. Yields fell further on reports that the government is also in discussion with the central bank to raise foreign investment limit in government debt.
- Bonds also gained as the central bank did not accept any bids at the weekly auction on Feb 2.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 4 bps to close at 7.56% as against previous session's close of 7.60%. During the session, bond yields traded in the range of 7.49% and 7.68%.
- Yield on the old 10-year benchmark paper (6.79% GS 2027) fell 4 bps to close at 7.76% as against previous session's close of 7.80%. During the session, bond yields traded in the range of 7.47% and 7.88%.

Currency Market Update

- The Indian rupee slightly fell against the greenback following losses in the domestic equity market and recovery in the domestic bond market. The rupee fell 0.06% to close at 64.06 per dollar from the previous close of 64.02 per dollar.
- The euro fell against the greenback following more than expected rise in U.S. non-farm payroll data in Jan 2018. Euro fell 0.53% and was trading at \$1.2442, up from the previous close of 1.2508.

Commodity Market Update

- Gold prices inched down as market participants remained cautious ahead of the non-farm payroll data.
- Brent crude prices gained ahead of U.S. rig count figures. Sharp decline in U.S. gasoline stocks and distillate supplies and OPEC's effort to limit output continued to support the gains.

International News

- A report from the Labor Department showed that U.S. non-farm payroll employment surged 200,000 jobs in Jan 2018 after increasing by an upwardly revised 160,000 jobs (148,000 jobs originally reported) in Dec 2017. The unemployment rate came in at 4.1% in Jan and remained unchanged from the three previous months.
- A report from the Bank of Japan showed that monetary base in Japan was up 9.7% year on year in Jan 2018 and came in at 477.259 trillion yen as against a gain of 11.2% in Dec 2017. Banknotes in circulation added an annual 4.4% and coins in circulation gained 1.1%. Meanwhile, current account balances grew 11.4%, including a 9.8% increase in reserve balances.



Thank you for
your time.