

RELIANCE

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FUND

Markets for You

06 Feb 2018

Indices Performance

Global Indices	05-Feb	Prev_Day	Abs. Change	% Change [#]
Dow Jones	24,346	25,521	-1,175	-4.60
Nasdaq	6,968	7,241	-273	-3.78
FTSE	7,335	7,443	-108	-1.46
Nikkei	22,682	23,275	-592	-2.55
Hang Seng	32,245	32,602	-357	-1.09
Indian Indices	05-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	34,757	35,067	-310	-0.88
Nifty 50	10,667	10,761	-94	-0.87
Nifty 100	11,024	11,111	-87	-0.79
Nifty Bank	26,099	26,451	-352	-1.33
SGX Nifty	10,663	Closed	NA	NA
S&P BSE Power	2,244	2,229	15	0.68
S&P BSE Small Cap	17,782	17,848	-66	-0.37
S&P BSE HC	14,075	14,068	7	0.05

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Feb	24.51	1.12	25.78	1.06
Month Ago	25.40	1.12	26.99	1.07
Year Ago	21.98	1.43	23.29	1.26

Nifty 50 Top 3 Gainers

Company	05-Feb	Prev_Day	% Change [#]
Bharti Airtel	440	422	4.23
Tata Motors	396	384	3.14
HPCL	384	375	2.50

Nifty 50 Top 3 Losers

Company	05-Feb	Prev_Day	% Change [#]
HDFC Ltd.	1823	1904	-4.23
L&T Ltd.	1364	1415	-3.66
IndusInd Bank	1713	1761	-2.74

Advance Decline Ratio

	BSE	NSE
Advances	1027	684
Declines	1753	1160
Unchanged	196	49

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1290	15972
MF Flows**	1051	7386

*5th 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 low following loss in the U.S. markets over the weekend. Additionally, strong jobs data in the U.S. exaggerated rate-hike concerns after non-farm payroll employment increased. However, downside was limited as China's private sector activity expanded at the fastest pace in seven years in Jan 2018 and Japan's service sector activity expanded at a slightly faster pace in Jan. Today (As of Feb 6), 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 5.41% and 3.91% (as at 8.a.m. IST).
- As per the last close, European market ended lower as losses extended due to concerns of rate hike by the U.S. Federal Reserve after release of upbeat U.S. jobs data.
- As per the last close, U.S markets plunged as investors continued to react negatively over concern about higher interest rates after the Labor Department released a report showing stronger than expected job growth and a jump in wages in Jan 2018.

Indian Equity Market

- Indian equity markets slumped amid concerns over inflationary pressure, which may prompt the Monetary Policy Committee to raise interest rates soon. Investors were worried about the finance minister's statement in the Union Budget FY19 regarding increase of government spending for rural areas and support to farmers, while slowing the pace of fiscal consolidation. A cautious stance by the Reserve Bank of India would further increase the probability of interest rate increases in the coming fiscal year.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.88% and 0.87% to close at 34,757.16 and 10,666.55, respectively. Meanwhile, S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 0.09% and 0.37%, respectively.
- On the BSE sectoral front, majority of the indices closed in the red. S&P BSE Capital Goods was the major loser, down 2.65%, followed by S&P BSE Finance and S&P BSE Bankex, which fell 1.53% and 1.11%, respectively. S&P BSE Basic Materials and S&P BSE Industrials fell 1.01% and 0.59%, respectively. Meanwhile, S&P BSE Telecom was the top gainer, up 1.68%, followed by S&P BSE Auto and S&P BSE Power, which rose 0.73% and 0.68%, respectively.

Domestic News

- The Nikkei India Services Purchasing Managers' Index (PMI) Business Activity Index rose to 51.7 in Jan 2018 from 50.9 in Dec 2017. This marked the fastest growth in a three-month period. The upside was driven by a renewed increase in new business. However, though growth rates for activity and employment accelerated since Dec, it remained weaker than their respective long-run survey averages. Meanwhile, the Nikkei India composite PMI output index fell to 52.5 in Jan from 53.0 in Dec.
- The government announced that the proposed long-term capital gains tax on equity holdings will apply on profits made from sale of shares on or after Apr 1, 2018. However, it stated that the acquisition cost for the purpose of computing the capital gains will be the higher of the actual purchase price or the maximum traded price on Jan 31, 2018.
- Government has granted infrastructure status to affordable housing. This would allow these projects to avail benefits such as lower borrowing rates, tax concessions and increased flow of foreign and private capital. The government has made several efforts to create enabling environment and ecosystem to promote affordable housing. This announcement comes as a part of such effort. Also, announcements were made related to affordable housing such as profit-linked income tax deduction, relaxations on tax for vacant or unsold units for one year, counting of the carpet area instead of the built-up area of 30 and 60 square meters.
- Tata Motors posted net profit of Rs. 12 billion for the quarter ended Dec 31, 2017, as against Rs. 937.7 million in the year-ago period. This marked a 13-fold rise in quarterly profit driven by higher sales from its Jaguar Land Rover business. Meanwhile, consolidated revenue grew 16.1% YoY to Rs. 741.56 billion during the quarter.
- Suzuki Motor Corp reported surge in operating profit by 68% in the quarter ended Dec 2017 due to ongoing growth in automobile and motorcycle sales in India, Europe and Japan.

FII Derivative Trade Statistics		05-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3458.11	5446.41	16800.45
Index Options	84910.38	83385.01	71868.98
Stock Futures	15471.51	14770.79	76906.69
Stock Options	11209.56	11486.03	5462.23
Total	115049.56	115088.24	171038.35

Derivative Statistics- Nifty Options			
	05-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.10	1.09	0.01
Put Call Ratio(Vol)	0.85	0.84	0.01

Debt Watch				
	05-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.86%	5.89%	5.88%	6.00%
CBLO	5.80%	5.87%	4.79%	4.53%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.37%	6.40%	6.13%	6.10%
364 Day T-Bill	6.56%	6.51%	6.47%	6.15%
10 Year Gilt	7.60%	7.44%	7.17%	6.41%
G-Sec Vol. (Rs.Cr)	18355	30262	52738	40676
1 Month CP Rate	6.94%	6.94%	6.81%	6.68%
3 Month CP Rate	7.76%	7.79%	7.24%	7.00%
5 Year Corp Bond	7.93%	7.78%	7.67%	7.06%
1 Month CD Rate	6.24%	6.25%	6.20%	6.21%
3 Month CD Rate	7.25%	7.20%	6.77%	6.40%
1 Year CD Rate	7.56%	7.46%	7.10%	6.55%

Currency Market			
Currency	05-Feb	Prev_Day	Change
USD/INR	64.03	64.08	-0.05
GBP/INR	90.40	91.34	-0.93
EURO/INR	79.73	80.03	-0.30
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	05-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	64.16	65.63	61.44	53.76
Brent Crude(\$/bl)	67.37	68.25	68.50	55.61
Gold(\$/oz)	1339	1340	1320	1220
Gold(Rs./10 gm)	30267	30223	29443	28977

Source: ICRON Research

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Derivatives Market

- Nifty Feb 2018 Futures were at 10,684.6 points, a premium of 18.05 points above the spot closing of 10,666.55. The turnover on NSE's Futures and Options segment went down from Rs. 7,24,402.25 crore on Feb 2 to Rs. 5,89,594.95 crore on Feb 5.
- The Put-Call ratio stood at 0.73 against previous session's close of 0.79.
- The Nifty Put-Call ratio stood at 1.10 against previous session's close of 1.09.
- India VIX moved up 5.26% to 16.0525 from 15.2500 in the previous trading session.
- Open interest on Nifty Futures stood at 22.86 million as against the previous session's close of 23.79 million.

Indian Debt Market

- Bond yields rose as investors were cautious ahead of the Monetary Policy Committee's policy review meeting that is scheduled on Feb 6 and Feb 7.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 4 bps to close at 7.60% as against previous session's close of 7.56%. During the session, bond yields traded in the range of 7.57% and 7.62%.
- Yield on the old 10-year benchmark paper (6.79% GS 2027) rose 2 bps to close at 7.78% as against previous session's close of 7.76%. During the session, bond yields traded in the range of 7.75% and 7.81%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,540 crore (gross) on Feb 5 compared with Rs. 2,907 crore on Feb 2. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 57,465 crore on Feb 2.

Currency Market Update

- The Indian rupee stood steady against the U.S. dollar as greenback sales by exporters offset the impact of upbeat U.S. non-farm payrolls data for Jan 2018 that increased dollar demand. The rupee stood steady at 64.06, same as previous session.
- The euro fell against the U.S. dollar as stronger than expected U.S. jobs data for Jan 2018 continued to support the greenback. Euro fell 0.13% and was trading at \$1.2444, up from the previous close of 1.2460.

Commodity Market Update

- Gold prices inched up as investors turned cautious ahead of political decision on U.S. spending bills and debt-ceiling issues due on Feb 8.
- Brent crude prices fell as the number of oil drilling rigs climbed for the second week in a row.

International News

- A report from the Commerce Department showed that U.S. factory orders surpassed market expectations and surged 1.7% in Dec 2017 and came in line with the upwardly revised gain witnessed in Nov 2017 (1.3% originally reported). The increase partly reflects gains in durable goods orders that grew 2.8% in Dec as against a gain of 1.7% in Nov. Meanwhile, orders for non-durable goods grew 0.7% in Dec as against a gain of 1.6% in Nov.
- According to a report from the University of Michigan, U.S. consumer sentiment index for Jan 2018 was upwardly revised to 95.7 as against preliminary reading of 94.4. Also, it surpassed market expectations. Meanwhile, current economic conditions index fell to 110.5 in Jan from 113.8 in Dec.



Thank you for
your time.