

RELIANCE

MUTUAL
FUND

Markets for You

07 Feb 2018

Indices Performance

Global Indices	06-Feb	Prev_Day	Abs. Change	% Change [#]
Dow Jones	24,913	24,346	567	2.33
Nasdaq	7,116	6,968	148	2.13
FTSE	7,141	7,335	-194	-2.64
Nikkei	21,610	22,682	-1,072	-4.73
Hang Seng	30,595	32,245	-1,650	-5.12
Indian Indices	06-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	34,196	34,757	-561	-1.61
Nifty 50	10,498	10,667	-168	-1.58
Nifty 100	10,852	11,024	-172	-1.56
Nifty Bank	25,811	26,099	-287	-1.10
SGX Nifty	10,486	10,663	-177	-1.66
S&P BSE Power	2,209	2,244	-35	-1.58
S&P BSE Small Cap	17,392	17,782	-390	-2.19
S&P BSE HC	13,789	14,075	-286	-2.03

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
6-Feb	24.09	1.14	25.37	1.08
Month Ago	25.40	1.12	26.99	1.07
Year Ago	22.09	1.43	23.43	1.25

Nifty 50 Top 3 Gainers

Company	06-Feb	Prev_Day	% Change [#]
Bajaj Finance Limited	1662	1605	3.56
ICICI Bank	331	330	0.30
Indiabulls HFC	1295	1292	0.19

Nifty 50 Top 3 Losers

Company	06-Feb	Prev_Day	% Change [#]
Lupin	801	849	-5.68
Tata Motors	375	396	-5.14
HCL Tech	954	993	-3.96

Advance Decline Ratio

	BSE	NSE
Advances	498	303
Declines	2262	1540
Unchanged	141	38

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1083	14889
MF Flows**	-957	7802

*6th Feb 2018; **2nd Feb 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 moved down after overnight U.S. market plunged heavily on concerns over potential rise in interest rates in the U.S. Worries over tighter monetary policy stance by global central banks, fall in crude oil prices and stronger yen further dented sentiment. Today (As of Feb 7), Asian markets opened higher as risk sentiments improved after Wall Street closed in green. Both Nikkei and Hang Seng were trading up 3.09% and 2.53% (as at 8.a.m. IST).
- As per the last close, European market ended lower as losses extended amid global weakness. Rising bond yields, concerns over rising inflation and higher interest rates continued to weigh on investor's sentiments.
- As per the last close, U.S markets ended higher as investors resorted to value buying after witnessing heavy downfall in the previous few sessions amid concerns of rate hike by the U.S. Federal Reserve after release of upbeat U.S. jobs data.

Indian Equity Market

- Indian equity markets slumped following weak cues from Wall Street overnight. The major U.S. market indices witnessed highest single-day loss in multiple years amid lingering concerns over U.S. government shutdown. The Congress is expected to pass a spending bill by Feb 8, else the U.S. government will shut down again. A sharp rise in U.S. bond yields, because of concern over a possible increase in inflation and speculation over U.S. interest rates hike, also dampened the risk sentiment of investors. Back home, caution ahead of the Monetary Policy Committee's meeting, scheduled later during the week, prevented market participants from taking riskier bets.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 1.61% and 1.58% to close at 34,195.94 and 10,498.25, respectively. Additionally, S&P BSE Mid-Cap and S&P BSE Small-Cap slumped 1.68% and 2.19%, respectively.
- On the BSE sectoral front, all the indices closed in the red. S&P BSE IT was the major loser, down 2.80%, followed by S&P BSE Consumer Durables and S&P BSE Teck, which fell 2.68% and 2.51%, respectively. S&P BSE Realty and S&P BSE Industrials fell 2.08% and 2.07%, respectively.

Domestic News

- The Securities and Exchange Board of India (SEBI) has asked fund houses to prominently disclose the total expense ratio (TER), on daily basis, for all schemes under a separate head, "Total Expense ratio", on their website. The disclosure will increase transparency in mutual fund schemes and make them more investor-friendly.
- According to the finance secretary, the government will bring down its corporate income tax rate, once the personal income tax collections grow up. The finance secretary has added that in most of the other countries, personal income tax is much higher compared to corporate income tax but in India it is much lower and needs to go up. Once it will go up, the government will have more scope for reduction in corporate tax.
- The government has budgeted for Rs. 900 billion to be paid as compensation to states towards losses because of Goods and Services Tax (GST) in FY19, up 47% from Rs. 613 billion it plans to distribute in FY18. As a percentage of total 2018-19 Budget size of Rs. 24.4 trillion, GST compensation to states come to 3.6%. According to the medium-term fiscal policy statement, the Centre also projected compensation cess outlay of Rs. 900 billion each for 2019-20 and 2020-21. However, these are provisional projections and will be subject to change in future Budgets.
- The minister of state for finance stated that the government has cleared foreign direct investment (FDI) proposals worth Rs. 11,703 crore during the period Apr 2017-Dec 31, 2017. With this, the government has cleared 67 FDI proposals over the nine months period.
- Lupin reported 65% decline in net profit to Rs. 2.22 billion and net sales fell 11.5% to Rs. 39 billion in the quarter ended Dec 2017. The significant decline in profit was due to lower sales in North America and foreign exchange losses.
- PNB has posted increase in net profit by 11.06% at Rs. 2.3 billion in the quarter ended Dec 2017. The increase in profit was due to growth in other income & operating income. However, it was capped by higher provisions.

FII Derivative Trade Statistics		06-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2555.46	3110.21	17370.94
Index Options	81053.41	80878.14	73582.04
Stock Futures	12004.94	11408.40	76947.51
Stock Options	10097.34	10124.95	6564.25
Total	105711.15	105521.70	174464.74

Derivative Statistics- Nifty Options			
	06-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.13	1.10	0.03
Put Call Ratio(Vol)	0.99	0.85	0.14

Debt Watch				
	06-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.86%	5.88%	5.88%	5.98%
CBLO	5.82%	5.85%	4.79%	6.08%
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	6.55%	6.53%	6.47%	6.13%
10 Year Gilt	7.57%	7.43%	7.17%	6.41%
G-Sec Vol. (Rs.Cr)	30961	32937	52738	40676
1 Month CP Rate	6.93%	6.93%	6.81%	6.67%
3 Month CP Rate	7.79%	7.78%	7.24%	6.99%
5 Year Corp Bond	7.92%	7.82%	7.67%	7.08%
1 Month CD Rate	6.24%	6.27%	6.20%	6.18%
3 Month CD Rate	7.24%	7.22%	6.77%	6.39%
1 Year CD Rate	7.52%	7.47%	7.10%	6.52%

Currency Market			
Currency	06-Feb	Prev_Day	Change
USD/INR	64.27	64.03	0.24
GBP/INR	89.72	90.40	-0.69
EURO/INR	79.52	79.73	-0.21
JPY/INR	0.59	0.58	0.01

Commodity Prices				
Commodity	06-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	63.46	64.59	61.44	52.96
Brent Crude(\$/bl)	66.43	67.46	68.50	54.71
Gold(\$/oz)	1325	1338	1320	1235
Gold(Rs./10 gm)	30433	30305	29443	29092

Source: ICRON Research

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Derivatives Market

- Nifty Feb 2018 Futures were at 10,513.3 points, a premium of 15.05 points above the spot closing of 10,498.25. The turnover on NSE's Futures and Options segment went up from Rs. 5,89,594.95 crore on Feb 5 to Rs. 9,44,331.22 crore on Feb 6.
- The Put-Call ratio stood at 0.80 against previous session's close of 0.73.
- The Nifty Put-Call ratio stood at 1.13 against previous session's close of 1.10.
- India VIX moved up 24.68% to 20.0150 from 16.0525 in the previous trading session.
- Open interest on Nifty Futures stood at 23.50 million as against the previous session's close of 22.86 million.

Indian Debt Market

- Bond yields fell following weakness in crude oil prices that eased concerns about inflation gains in India. Lower than scheduled debt sale in FY18 amid high yields also boosted sentiment.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 3 bps to close at 7.57% as against previous session's close of 7.60%. During the session, bond yields traded in the range of 7.52% and 7.61%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,420 crore (gross) on Feb 6 compared with Rs. 2,540 crore on Feb 5. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 13,814 crore on Feb 5.
- Banks borrowed Rs. 20 crore under the central bank's Marginal Standing Facility on Feb 5 as against borrowing of Rs. 70 crore on Feb 2.

Currency Market Update

- The Indian rupee fell against the U.S. dollar following increase in demand for greenback as risk appetite for equity deteriorated. However, greenback sales by state-run banks limited further losses. The rupee fell 0.28% to close at 64.24 per dollar from the previous close of 64.06 per dollar.
- The euro fell against the U.S. dollar as weakness in the global equity market prompted investors to purchase greenback. Euro fell 0.09% and was trading at \$1.2356, down from the previous close of 1.2367.

Commodity Market Update

- Safe-haven appeal of the metal gained after global equity market witnessed heavy sell-off due to concerns over potential rise in interest rates in the U.S.
- Brent crude prices fell heavily following negative cues in global equity market.

International News

- According to a survey of purchasing managers, U.S. ISM's non-manufacturing index witnessed 59.9% in Jan 2018, up from Dec 2017's reading of 56% (seasonally adjusted). This marked 96 consecutive months of growth in the non-manufacturing sector. New orders index witnessed 62.7% in Jan, 8.2 percentage points higher than reading of 54.5% (seasonally adjusted) in Dec.
- Jerome Powell has replaced Janet Yellen and has been sworn in as the chief of U.S. Federal Reserve. Jerome Powell will now lead the U.S. central bank and manage raising interest rates at a time when inflation remains subdued.



Thank you for
your time.