

RELIANCE

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FUND

Markets for You

08 Feb 2018

Indices Performance

Global Indices	07-Feb	Prev_Day	Abs. Change	% Change [#]
Dow Jones	24,893	24,913	-19	-0.08
Nasdaq	7,052	7,116	-64	-0.90
FTSE	7,279	7,141	138	1.93
Nikkei	21,645	21,610	35	0.16
Hang Seng	30,323	30,595	-272	-0.89
Indian Indices	07-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	34,083	34,196	-113	-0.33
Nifty 50	10,477	10,498	-22	-0.21
Nifty 100	10,845	10,852	-7	-0.06
Nifty Bank	25,670	25,811	-141	-0.55
SGX Nifty	10,592	10,452	141	1.34
S&P BSE Power	2,217	2,209	8	0.35
S&P BSE Small Cap	17,732	17,392	340	1.95
S&P BSE HC	13,939	13,789	150	1.08

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
7-Feb	23.94	1.16	25.32	1.08
Month Ago	25.40	1.12	26.99	1.07
Year Ago	21.93	1.44	23.31	1.26

Nifty 50 Top 3 Gainers

Company	07-Feb	Prev_Day	% Change [#]
HPCL	396	378	4.97
Aurobindo Pharma	616	597	3.23
Coal India	298	290	2.50

Nifty 50 Top 3 Losers

Company	07-Feb	Prev_Day	% Change [#]
Ambuja Cem	248	255	-2.74
Bharti Airtel	430	439	-2.03
Bharti Infratel	339	345	-1.86

Advance Decline Ratio

	BSE	NSE
Advances	2022	1387
Declines	757	402
Unchanged	89	48

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1718	13171
MF Flows**	-957	7802

*7th 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 largely remained under pressure with investors closely following the oil price movement and the U.S. bond market after a heavy sell-off in the global equity markets. Chinese markets reversed earlier gains to close sharply lower as investors booked profits in recent outperformers. Today (As of Feb 8), Asian markets opened higher following recovery in global market. Both Nikkei and Hang Seng were trading up 0.56% and 0.45% (as at 8.a.m. IST).
- As per the last close, European market ended in green following gains in Wall Street on Feb 6 and in afternoon trade of last session. Strong corporate earnings also boosted market.
- As per the last close, U.S markets ended lower as investors were cautious of rising inflation that pushed U.S. 10-year treasury yield higher. The threat of a government shutdown also weighed investor's sentiments.

Indian Equity Market

- Indian equity markets closed lower following the outcome of the Monetary Policy Committee's (MPC) latest meeting. The MPC kept interest rates unchanged, but hinted that monetary conditions are likely to remain tight because of rising risks to inflation.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.33% and 0.21% to close at 34,082.71 and 10,476.70, respectively. Meanwhile, broader indices bucked the trend with S&P BSE Small-Cap and S&P BSE Mid-Cap rising by 1.95% and 0.43%, respectively.
- The overall market breadth on BSE was positive with 2,022 scrips advancing and 757 scrips declining. A total of 89 scrips remained unchanged.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Oil & Gas was the top gainer, up 1.69%, followed by S&P BSE Realty and S&P BSE Energy, which rose 1.54% and 1.10%, respectively. S&P BSE Healthcare and S&P BSE Utilities rose 1.08% and 0.88%, respectively. Meanwhile, S&P BSE Telecom was the major loser down 1.12%, followed by S&P BSE Teck and S&P BSE IT, which slipped 0.63% and 0.55%, respectively.

Domestic News

- The Monetary Policy Committee (MPC) in its sixth bi-monthly policy review kept key policy repo rate unchanged at 6.0% and also retained its "neutral" stance. Consequently, the reverse repo rate stood unaltered at 5.75%, and the marginal standing facility (MSF) rate and bank rate each remained at 6.25%. Five policymakers were in favour of the monetary policy decision and one advocated for a policy rate increase of 25 bps.
- According to the fifth bi-monthly policy, inflation was expected in the range of 4.3%-4.7% in second half of FY18, including House Rent Allowance (HRA) impact. Meanwhile, headline inflation averaged 4.6% in the third quarter, owing to an unusual increase in food prices in Nov 2017. Meanwhile, though prices eased in Dec 2017, winter seasonal food price moderation was less than usual. Also, prices of petrol and diesel surged in Jan 2018. Considering these factors, MPC expects inflation to be 5.1% in the fourth quarter, including the HRA impact. According to MPC, inflation is expected in the range of 5.1%-5.6% in the first half of FY19, including diminishing statistical HRA impact of central government employees, and in the range of 4.5%-4.6% in the second half, with risks tilted to the upside.
- MPC lowered the real Gross Value Added (GVA) growth for 2017-18 from 6.7% to 6.6%. According to the committee, while Goods and Services Tax (GST) implementation is stabilising, thereby augmenting well for economic activity. Also, according to MPC, there are early signs of revival in investment activity as reflected in improving credit offtake and improving capital goods production and imports. MPC stated that the process of recapitalization of public sector banks has got underway with large distressed borrowers being referenced for resolution under the Insolvency and Bankruptcy Code. This is expected to improve credit flows further and create demand for fresh investment.

FII Derivative Trade Statistics		07-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	5707.45	7345.69	18270.33
Index Options	129441.34	126605.14	78384.50
Stock Futures	16169.79	14733.16	75111.83
Stock Options	9939.15	9980.21	6738.22
Total	161257.73	158664.20	178504.88

Derivative Statistics- Nifty Options			
	07-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.01	1.13	-0.12
Put Call Ratio(Vol)	0.81	0.99	-0.18

Debt Watch				
	07-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.88%	5.92%	5.88%	6.09%
CBLO	5.90%	5.85%	4.79%	6.19%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.40%	6.36%	6.13%	6.10%
364 Day T-Bill	6.58%	6.58%	6.47%	6.13%
10 Year Gilt	7.53%	7.43%	7.17%	6.43%
G-Sec Vol. (Rs.Cr)	38287	33473	52738	50374
1 Month CP Rate	6.88%	6.95%	6.81%	6.64%
3 Month CP Rate	7.79%	7.76%	7.24%	6.98%
5 Year Corp Bond	7.86%	7.82%	7.67%	7.08%
1 Month CD Rate	6.25%	6.27%	6.20%	6.16%
3 Month CD Rate	7.24%	7.17%	6.77%	6.36%
1 Year CD Rate	7.52%	7.47%	7.10%	6.51%

Currency Market			
Currency	07-Feb	Prev_Day	Change
USD/INR	64.14	64.27	-0.13
GBP/INR	89.50	89.72	-0.22
EURO/INR	79.43	79.52	-0.09
JPY/INR	0.59	0.59	0.00

Commodity Prices				
Commodity	07-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	61.89	64.77	61.44	52.14
Brent Crude(\$/bl)	65.48	67.65	68.50	53.48
Gold(\$/oz)	1318	1345	1320	1234
Gold(Rs./10 gm)	30182	30207	29443	29305

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 10,465.55 points, a discount of 11.15 points below the spot closing of 10,476.70. The turnover on NSE's Futures and Options segment went down from Rs. 9,44,331.22 crore on Feb 6 to Rs. 7,26,957.69 crore on Feb 7.
- The Put-Call ratio stood at 0.80 against previous session's close of 0.80.
- The Nifty Put-Call ratio stood at 1.01 against previous session's close of 1.13.
- India VIX moved down 2.75% to 19.4650 from 20.0150 in the previous trading session.
- Open interest on Nifty Futures stood at 24.33 million as against the previous session's close of 23.50 million.

Indian Debt Market

- Bond yields fell as the policy meeting by the Monetary Policy Committee (MPC) was less hawkish than feared by investors. Also, no clarity on future rate hike by the MPC soothed investors' nerves.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 4 bps to close at 7.53% as against previous session's close of 7.57%. During the session, bond yields traded in the range of 7.49% and 7.61%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,789 crore (gross) on Feb 7 compared with Rs. 2,420 crore on Feb 6. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 6,557 crore on Feb 6.
- Banks did not borrow under the central bank's Marginal Standing Facility on Feb 6 as against borrowing of Rs. 20 crore on Feb 5.

Currency Market Update

- The Indian rupee fell marginally as early gains in the domestic equity market were minimised after MPC kept its policy rates steady. However, losses were limited on greenback purchases by state-run banks. The rupee fell 0.05% to close at 64.28 from the previous close of 64.24.
- Euro fell against the U.S. dollar on disappointment over reports that the leader of Germany's Social Democrats would not be taking over as finance minister for Europe's biggest economy. Euro was trading at \$1.2338 compared with the previous close of \$1.2376.

Commodity Market Update

- Gold prices slipped amid strength in U.S. dollar against euro.
- Brent crude prices traded lower following ongoing concerns over rising U.S. stockpiles, which overshadowed Organization of Petroleum Exporting Countries' (OPEC) ongoing efforts to drain the market of excess supplies.

International News

- According to the European Commission, euro zone's economy will grow from 2.3% in 2018, up from the previous expectation of 2.1%. Similarly, it now expects 2% growth in 2019 as against its previous expectation of 1.9%. The upside is driven by stronger cyclical momentum in Europe and better than expected pick-up in global economic activity and trade.
- A report from Destatis showed that Germany's industrial output fell 0.6% MoM in Dec 2017 as against revised 3.1% gain in Nov 2017. Production (excluding energy and construction) fell 0.7%. Energy production grew 1.4% in Dec and construction output fell 1.7%.



Thank you for
your time.