

**RELIANCE**

MUTUAL  
FUND

# Markets for You

08 Feb 2019

**Indices Performance**

Global Indices	07-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,170	25,390	-221	-0.87
Nasdaq	7,288	7,375	-87	-1.18
FTSE	7,094	7,173	-80	-1.11
Nikkei	20,751	20,874	-123	-0.59
Hang Seng	Closed	Closed	NA	NA
Indian Indices	07-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	36,971	36,975	-4	-0.01
Nifty 50	11,069	11,062	7	0.06
Nifty 100	11,229	11,206	23	0.21
Nifty Bank	27,387	27,402	-15	-0.06
SGX Nifty	11,079	11,124	-45	-0.40
S&P BSE Power	1,816	1,825	-8	-0.46
S&P BSE Small Cap	13,779	13,668	111	0.81
S&P BSE HC	14,068	13,863	204	1.47

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
7-Feb	23.64	1.15	27.41	1.22
Month Ago	23.39	1.17	25.95	1.25
Year Ago	23.94	1.16	25.32	1.08

**Nifty 50 Top 3 Gainers**

Company	07-Feb	Prev_Day	% Change <sup>#</sup>
Zee Ent.	409	388	5.35
Sun Pharma	435	417	4.39
Eicher Motors	21904	21104	3.79

**Nifty 50 Top 3 Losers**

Company	07-Feb	Prev_Day	% Change <sup>#</sup>
Lupin	823	842	-2.29
RIL	1290	1310	-1.52
L&T Ltd.	1296	1314	-1.40

**Advance Decline Ratio**

	BSE	NSE
Advances	1386	1037
Declines	1163	760
Unchanged	170	99

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1093	613
MF Flows**	459	7165

 \*7<sup>th</sup> Feb 2019; \*\*6<sup>th</sup> Feb 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 &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

**Global Indices**

- Asian equity markets were mixed as investors looked forward to progress in U.S.-China trade talks. This made markets overlook U.S. President's State of the Union address wherein he spoke tough words on immigration. Today (as of Feb 8), Asian markets opened lower amid fresh U.S and China trade concerns following reports that a meeting between U.S and Chinese President is highly unlikely in the coming weeks. Nikkei and Hangseng fell 1.31% and 1.22%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed on a lower note on growth worries after the European Union lowered its growth outlook for eurozone for 2019 and 2020. A lower projection by Bank of England for U.K. for 2019 and 2020 and Germany's weak industrial production for Dec also dampened investor sentiment.
- As per the last close, U.S markets closed on a lower note following media reports that a trade meeting between U.S and Chinese President would not happen before the deadline of Mar 2019. Further, projection of slowdown of eurozone and U.K growth for 2019 and 2020, weighed on the market sentiment.

**Indian Equity Market**

- Indian equity markets gave up early gains to end flat. The Reserve Bank of India (RBI) reduced interest rates and said inflation could stay within its target range and also changed its monetary policy stance to 'neutral' from the earlier 'calibrated tightening'. This could mean further softening of rates.
- Key benchmark indices S&P BSE Sensex lost 0.01% and Nifty 50 gained 0.06%, to close at 36,971.09 and 11,069.40, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.74% and 0.81%, respectively.
- The overall market breadth on BSE was strong with 1386 scrips advancing and 1163 scrips declining. A total of 171 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 2.48%, followed by S&P BSE Auto, up 1.77%, and S&P BSE Healthcare, up 1.47%. S&P BSE Consumer Discretionary Goods & Services gained 1.02% and S&P BSE Basic Materials gained 0.82%. S&P BSE Utilities was the major loser, down 0.88%, followed by S&P BSE Energy and S&P BSE Power, down 0.77% and 0.46%, respectively.

**Domestic News**

- The Monetary Policy Committee (MPC) in its sixth bi-monthly monetary policy review for FY19 lowered the key policy repo rate by 25 basis points after keeping it unchanged in Oct 2018 and Dec 2018. It had increased the same in by 25 bps each in Jun 2018 and Aug 2018. This marked to be the first MPC meeting under the newly appointed governor of the Reserve Bank of India. Out of six committee members four voted in favour of the decision. The move comes as the headline inflation is expected to remain soft in the near term amid current low level of inflation and the soft food inflation outlook. Meanwhile, the MPC changed the stance to neutral from calibrated tightening, the decision for which was unanimous. MPC had changed the stance to calibrated tightening in fourth bi-monthly monetary policy review. Now, the key policy repo rate is 6.25% as against previous rate of 6.50%. Consequently, the reverse repo rate is now at 6.00% and the marginal standing facility rate and the Bank Rate is now 6.50%.
- MPC retained its expectation for gross domestic product (GDP) growth at 7.4% for FY19. It expects GDP growth to be 7.5% in the first half of FY20. GDP growth for FY20 is projected at 7.4% (7.2%-7.4% in first half, and 7.5% in third quarter). According to MPC, strong aggregate bank credit and overall financial flows to the commercial sector is expected to influence the growth outlook. Further, slowing global demand is expected to act as headwinds.
- Tata Motors consolidated loss came in at Rs. 26,961 crore for the quarter ended Dec 2018 as against a profit of Rs. 1,214.60 crore in the year-ago period. The company stated that it took one-time exceptional non-cash charge of 3.1 billion pounds for asset impairment. Consolidated revenue came in at Rs. 77,001 crore, up 5% YoY.
- According to media reports, hospitality firm OYO witnessed a more than four fold jump in its hotel sales globally to \$1.8 billion in the calendar year 2018 compared to \$0.4 billion for 2017.

FII Derivative Trade Statistics		07-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4820.87	2002.89	27450.84
Index Options	76070.34	75807.41	60938.07
Stock Futures	12264.85	11399.02	88290.85
Stock Options	7522.42	7440.24	6463.83
Total	100678.48	96649.56	183143.59

Derivative Statistics- Nifty Options			
	07-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.78	1.82	-0.03
Put Call Ratio(Vol)	1.06	1.13	-0.07

Debt Watch				
	07-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.48%	6.38%	6.38%	5.88%
T-Repo	6.47%	6.34%	6.34%	--
Repo	6.25%	6.50%	6.50%	6.00%
Reverse Repo	6.00%	6.25%	6.25%	5.75%
91 Day T-Bill	6.29%	6.50%	6.60%	6.40%
364 Day T-Bill	6.60%	6.73%	6.88%	6.58%
10 Year Gilt	7.50%	7.48%	7.51%	7.53%
G-Sec Vol. (Rs.Cr)	67344	35641	38657	38287
FBIL MIBOR*	6.48%	6.50%	6.50%	6.00%
3 Month CP Rate	7.45%	7.60%	7.80%	7.79%
5 Year Corp Bond	8.47%	8.41%	8.41%	8.09%
1 Month CD Rate	6.58%	6.57%	6.69%	6.25%
3 Month CD Rate	6.97%	7.27%	7.24%	7.24%
1 Year CD Rate	8.19%	8.05%	8.18%	7.52%

Currency Market			
Currency	07-Feb	Prev_Day	Change
USD/INR	71.47	71.57	-0.10
GBP/INR	92.45	92.69	-0.24
EURO/INR	81.20	81.55	-0.34
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	07-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.63	53.79	48.22	61.89
Brent Crude(\$/bl)	61.10	62.90	56.69	65.48
Gold(\$/oz)	1310	1321	1289	1318
Gold(Rs./10 gm)	33000	33209	31764	30182

Source: Thomson Reuters Eikon

\*As on Feb 6, 2019

**Disclaimer:**

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Reliance Nippon Life Asset Management Company Limited (RNLAM) (formerly Reliance Capital Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; RNLAM does not in any manner assure the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect RNLAM's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

 Readers are requested to click here for ICRON disclaimer - <http://www.icraonline.com/legal/standard-disclaimer.html>
**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**
**Derivatives Market**

- Nifty Feb 2019 Futures were at 11,093.80, a premium of 24.40 points, over the spot closing of 11,069.40. The turnover on NSE's Futures and Options segment rose to Rs. 17,97,505.44 crore on Feb 7, 2019, compared with Rs. 6,50,160.10 crore on Feb 6, 2019.
- The Put-Call ratio stood at 0.84 compared with the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.78 compared with the previous session's close of 1.82.
- Open interest on Nifty Futures stood at 23.06 million as against the previous session's close at 22.89 million.

**Indian Debt Market**

- Bond yields saw a steep decline after the Monetary Policy Committee surprised market participants by trimming the key policy interest rate by 25 basis points to 6.25%. The committee anticipates inflation to be below target in the next year despite the expansionary fiscal stance.
- Yield on the 10-year benchmark paper (7.17% GS 2028) declined 7 bps to close at 7.50% as compared with 7.57% in the previous session after trading in the range of 7.47% to 7.59%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 12,211 crore (gross) on Feb 7, 2019, compared with Rs. 5,428 crore (gross) as on Feb 6, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 5,188 crore on Feb 6, 2019.

**Currency Market Update**

- The Indian rupee appreciated against the greenback following the Monetary Policy Committee's unexpected policy rate cut by 25 basis points to 6.25%. The rupee closed at 71.45 a dollar, up 0.14% compared with the previous close of 71.55.
- The euro moved down after the European Commission sharply lowered the economic growth forecast of the eurozone. The euro was last seen trading at 1.1330 a dollar, down 0.26% compared with the previous close of 1.1360.

**Commodity Market Update**

- Gold prices were subdued following the U.S. Federal Reserve Chairman's optimistic assessment of the economy, which lifted the greenback
- Brent crude prices plunged on reports of increasing crude inventory and record U.S. output.

**International News**

- A report from the Commerce Department showed that U.S. trade deficit narrowed to \$49.3 billion in Nov 2018 as against a revised deficit of \$55.7 billion (\$55.5 billion originally reported) in Oct 2018. The trade deficit narrowed more than market expectations following a steep decline in the value of imports that plunged 2.9% in Nov. Meanwhile, value of exports fell 0.6% in Nov.
- According to a preliminary report from the Federal Statistical Office, Germany's industrial production fell 0.4% MoM (calendar and seasonally adjusted) in Dec 2018 as against a revised decline of 1.3% (1.9% decline originally reported) in Nov 2018. This marked the fourth consecutive monthly decline owing to slump in construction.



Thank you for  
your time.