

RELIANCE

MUTUAL
FUND

Markets for You

01 Jan 2019

Indices Performance

Global Indices	31-Dec	Prev_Day	Abs. Change	% Change [#]
Dow Jones	23,327	23,062	265	1.15
Nasdaq	6,635	6,585	51	0.77
FTSE	6,728	6,734	-6	-0.09
Nikkei	Closed	20,015	NA	NA
Hang Seng	25,846	25,504	342	1.34
Indian Indices	31-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	36,068	36,077	-8	-0.02
Nifty 50	10,863	10,860	3	0.02
Nifty 100	11,110	11,102	9	0.08
Nifty Bank	27,160	27,125	35	0.13
SGX Nifty	10,929	10,925	4	0.04
S&P BSE Power	1,999	1,991	8	0.39
S&P BSE Small Cap	14,707	14,606	101	0.69
S&P BSE HC	13,923	13,830	93	0.67

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
31-Dec	23.64	1.16	26.17	1.24
Month Ago	23.90	1.19	26.31	1.22
Year Ago	25.22	1.12	26.92	1.08

Nifty 50 Top 3 Gainers

Company	31-Dec	Prev_Day	% Change [#]
Tata Steel	521	513	1.60
Vedanta Limited	202	199	1.40
Tech Mahindra	723	714	1.28

Nifty 50 Top 3 Losers

Company	31-Dec	Prev_Day	% Change [#]
Bharti Infratel	259	263	-1.52
Bharti Airtel	313	317	-1.28
HPCL	253	256	-1.04

Advance Decline Ratio

	BSE	NSE
Advances	1503	1078
Declines	1105	728
Unchanged	185	113

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-230	-32627
MF Flows**	1391	119898

*31st Dec 2018; **28th Dec 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.33% (Nov-18)	4.17% (Jul-18)	4.88% (Nov-17)
IIP	8.10% (Oct-18)	6.50% (Jul-18)	1.80% (Oct-17)
GDP	7.10% (Sep-18)	8.20% (Jun-18)	6.30% (Sep-17)

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 equity markets were mixed as weak Chinese economic data overshadowed progress in U.S.-China trade talks. The U.S. President said he had a "long and very good call" with the Chinese President. Media reports said Chinese President expressed belief that both sides wanted "stable progress". This raised hope among investors that a breakthrough in the trade dispute is nearing. The positive cues were negated by China's manufacturing sector falling into contraction in Dec 2018. Today (as of Jan 1, 2019), Asian markets remained closed on account of New Year Holiday.
- As per the last close, European markets closed almost higher amid optimism about a potential U.S.-China trade deal following comments from the U.S. President. However, data showing China's weak manufacturing activity in Dec 2018 weighed on the investor sentiment.
- As per the last close, U.S markets closed almost higher likely as investors reacted to U.S. President's comments that expressed optimism about trade deal between U.S. and China. However, concerns over government shutdown and the global economy restricted the gains.

Indian Equity Market

- Indian equity markets ended 2018 on a flat note owing to mixed global cues. Weak Chinese economic data once again fuelled concerns over a slowing global economy. However, improving U.S.-China trade relations after the Presidents of both nations gave positive comments on the progress of their talks boosted sentiment.
- Key benchmark indices S&P BSE Sensex fell 0.02% to close at 36,068.33, while Nifty 50 gained 0.02% to close at 10,862.55. S&P BSE Mid-Cap and S&P BSE Small Cap increased 0.51% and 0.69%, respectively.
- The overall market breadth on BSE was strong with 1,503 scrips advancing and 1,105 scrips declining. A total of 185 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 1.43%, followed by S&P BSE Basic Materials and S&P BSE Consumer Durables, up 0.92% and 0.69%, respectively. S&P BSE Healthcare and S&P BSE Power gained 0.67% and 0.39%, respectively. S&P BSE Telecom was the major loser, down 0.76%, followed by S&P BSE Energy and S&P BSE Realty, down 0.39% and 0.29%, respectively.

Domestic News

- The Securities and Exchange Board of India (SEBI) has allowed debt mutual funds to segregate their portfolios and carve out bad securities. SEBI said in case where the credit rating of an instrument held by a debt fund gets downgraded to "below investment grade" (below BBB-rating) then fund houses can choose to segregate such bad securities. After this, investors can continue to buy or sell the good portion of the scheme and the segregated portfolio will not allow any fresh investments until the fund recovers the dues from bad assets. The option of segregating is with the fund houses, but they will not be able to do this immediately as they need to first mention it in their scheme information documents.
- The Reserve Bank of India (RBI) has opposed government's calls for relaxing norms for risk weights and capital requirement for Indian banks. RBI announced it wants to revise existing prudential rules. The central bank warned that relaxing risk-adjusted capital norms, or Basel-III-plus norms, could harm the economy considering defaults are high and provisions low. RBI has proposed to take a fresh look at exposure and investment guidelines and the existing risk management framework. Capital adequacy regulations for banks in the country are higher than those recommended under Basel.
- The capital market regulator is planning to improve its market surveillance system. SEBI is also looking at tools for speedy analysis of trade data that identifies possible violations such as insider trading, share price manipulation and front running. The regulator has invited applications to provide IT services for the maintenance of its integrated market surveillance system (IMSS), data warehousing and business intelligence system (DWIBS) from the interested companies. SEBI's integrated market surveillance system was started from 2013, which collects data for suspicious market activities via multiple sources, including its network systems at exchanges and depositories.

FII Derivative Trade Statistics		31-Dec	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2774.17	2141.95	23720.52
Index Options	48309.51	45714.24	38175.25
Stock Futures	9999.40	9175.12	78463.10
Stock Options	3454.68	3158.49	2425.64
Total	64537.76	60189.80	142784.51

Derivative Statistics- Nifty Options			
	31-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.53	1.54	-0.01
Put Call Ratio(Vol)	0.96	0.93	0.03

Debt Watch				
	31-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.53%	6.50%	6.41%	6.10%
T-Repo	6.35%	6.52%	6.29%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.60%	6.60%	6.77%	6.14%
364 Day T-Bill	6.92%	6.95%	7.19%	6.26%
10 Year Gilt	7.37%	7.29%	7.61%	7.33%
G-Sec Vol. (Rs.Cr)	32827	21720	38079	45921
FBIL MIBOR*	6.68%	6.60%	6.55%	6.20%
3 Month CP Rate	7.20%	7.20%	7.75%	7.06%
5 Year Corp Bond	8.29%	8.22%	8.43%	7.98%
1 Month CD Rate	6.99%	7.13%	6.65%	6.34%
3 Month CD Rate	6.90%	7.10%	7.24%	6.33%
1 Year CD Rate	7.96%	8.17%	8.48%	6.98%

Currency Market			
Currency	31-Dec	Prev_Day	Change
USD/INR	69.79	69.98	-0.19
GBP/INR	88.55	88.66	-0.11
EURO/INR	79.78	80.18	-0.40
JPY/INR	0.63	0.63	0.00

Commodity Prices				
Commodity	31-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	Closed	45.33	50.73	60.41
Brent Crude(\$/bl)	Closed	51.87	57.55	67.07
Gold(\$/oz)	1283	1268	1222	1302
Gold(Rs./10 gm)	31566	31190	30240	29252

Source: Thomson Reuters Eikon

* As on Dec 28, 2018

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Derivatives Market

- Nifty Jan 2019 settled at 10,907.75, a premium of 47.85 points, over the spot closing 10,859.90. The turnover on NSE's Futures and Options segment fell to Rs. 4,00,246.92 crore on Dec 28 compared with Rs. Rs. 21,62,816.58 crore on Dec 27.
- The Put-Call ratio stood at 0.90 against the previous day's close of 0.86.
- The Nifty Put-Call ratio stood at 1.54 compared with the previous session's close of 1.35.
- Open interest on Nifty Futures stood at 23.06 million as against the previous session's close at 30.07 million.

Indian Debt Market

- Bond yields declined on optimism regarding easing monetary policy on expectation of lower inflation rate. Besides, the weak trend in crude oil prices aided the bond market sentiment.
- Yield on the 10-year benchmark paper (7.17% GS 2028) declined 2 bps to close at 7.37% as compared with 7.39% in the previous session after trading in the range of 7.34% to 7.39%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,138 crore (gross) on Dec 31 compared with a borrowing of Rs. 4,124 crore (gross) on Dec 28. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 40,111 crore on Dec 28.
- Banks borrowed Rs. 126 crore under the central bank's Marginal Standing Facility on Dec 28 compared with borrowing of Rs. 710 crore Dec 27.

Currency Market Update

- The Indian rupee continued its upward trend from the previous session, supported by progress in U.S.-China trade talks. The rupee closed at 69.77 a dollar, up 0.24% compared with the previous close of 69.94.
- The euro gained against the greenback, benefitting from the friction between the U.S. President and the U.S. Federal Reserve on the interest rate policy stance. The euro was last seen trading at 1.1447 a dollar, up 0.10% compared with the previous close of 1.1436.

Commodity Market Update

- Gold traded higher on concerns over global economic slowdown and on assumptions that the U.S. Federal Reserve will reduce the pace of interest rate hike.
- Brent crude market remained closed due to public holiday.

International News

- National Association of Realtors data showed pending home sales index in the U.S. fell 0.7% to 101.4 in Nov 2018 after plunging 2.6% to 102.1 in Oct 2018. Compared with the same month in the previous year, pending home sales declined 7.7%, the 11th consecutive month of annual decreases.
- MNI Indicators' report showed Chicago business barometer dipped to 65.4 in Dec 2018 after going up to 66.4 in Nov 2018. MNI Indicators said Nov 2018's order book strength translated into higher output in Dec 2018, with the production index rising to an 11-month high.
- According to the National Bureau of Statistics, manufacturing sector in China fell into contraction in Dec 2018 with a Purchasing Managers' Index (PMI) score of 49.4.

Thank you for
your time.