

**RELIANCE**

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# Markets for You

03 Jan 2019

**Indices Performance**

Global Indices	02-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	23,346	Closed	NA	NA
Nasdaq	6,666	Closed	NA	NA
FTSE	6,734	Closed	NA	NA
Nikkei	Closed	Closed	NA	NA
Hang Seng	25,130	Closed	NA	NA
Indian Indices	02-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,892	36,255	-363	-1.00
Nifty 50	10,793	10,910	-118	-1.08
Nifty 100	11,032	11,149	-117	-1.05
Nifty Bank	27,175	27,392	-218	-0.79
SGX Nifty	10,873	10,967	-95	-0.86
S&P BSE Power	1,974	2,004	-30	-1.49
S&P BSE Small Cap	14,658	14,767	-109	-0.74
S&P BSE HC	13,886	13,961	-75	-0.54

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
2-Jan	23.39	1.17	26.00	1.25
Month Ago	23.90	1.19	26.31	1.22
Year Ago	25.07	1.13	26.70	1.09

**Nifty 50 Top 3 Gainers**

Company	02-Jan	Prev_Day	% Change <sup>#</sup>
Sun Pharma	440	434	1.50
TCS	1923	1903	1.08
Asian Paints	1383	1372	0.86

**Nifty 50 Top 3 Losers**

Company	02-Jan	Prev_Day	% Change <sup>#</sup>
Eicher Motors	21162	23195	-8.76
Vedanta	193	202	-4.43
Tata Steel	494	516	-4.29

**Advance Decline Ratio**

	BSE	NSE
Advances	923	545
Declines	1637	1212
Unchanged	157	117

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	472	-530
MF Flows**	529	529

\*2<sup>nd</sup> Jan 2019; \*\*1<sup>st</sup> Jan 2019

**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 markets remained under pressure amid persisting concerns over partial U.S. government shutdown. Investor sentiments soured after final reading of a private survey showed that China's manufacturing sector contracted for the first time in 19 months in Dec 2018 due to ongoing trade friction with the U.S. Today (as of Jan 3), Asian markets opened lower after a major tech company warned that its first quarter sales would come in lower than previously expected. Hangseng fell 0.20% (as at 8.a.m. IST). Nikkei remained closed.
- As per the last close, European markets closed on a mixed note. Concerns over ongoing U.S. government shutdown and China's weak manufacturing data for Dec 2018 weighed on the indices. However, rebound in crude oil prices restricted the losses.
- As per the last close, U.S markets closed almost higher after a volatile session as weak Chinese manufacturing activity in Dec 2018 kept investors wary. Selling pressure faded as investors picked up stocks at reduced levels following steep losses in 2018. Gains in information technology, banking and energy stocks helped boost the indices.

**Indian Equity Market**

- Indian equity markets closed on a lower note as weak sales data from automakers weighed on the markets. Metal stocks remained under pressure as global base metal prices fell, thereby weighing on the indices. Further, concerns over global growth outlook and uncertainty ahead of 2019 general elections in India led to volatility. Fall in Nikkei India Manufacturing Purchasing Managers' Index in Dec 2018 and weakness in rupee added to the woes.
- Additionally, weak global cues amid ongoing U.S. government shutdown and disappointing China's manufacturing data muted buying interest. Investors remained cautious ahead of the corporate earnings that is set to begin in the week ending Jan 11, 2019.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 1.00% and 1.08% to close at 35,891.52 and 10,792.50, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap fell 1.26% and 0.74%, respectively.
- The overall market breadth on BSE was weak with 1,637 scrips declining and 923 scrips advancing. A total of 157 scrips remained unchanged.

**Domestic News**

- The Nikkei India Manufacturing Purchasing Managers' Index (PMI) came in at 53.2 in Dec 2018 as against 54.0 in Nov 2018. Though the score eased as against Nov 2018, the rise in production was among the quickest witnessed in 2018. The decline reflects moderated growth in new orders and output.
- The finance ministry announced that the Goods and Services Tax (GST) collection fell to Rs. 94,726 crore in Dec 2018 as against collection of Rs. 97,637 crore in Nov 2018. However, it stated that the compliance improved as the total number of sales returns or GSTR-3B filed in Dec 2018 came in at 72.44 lakh, as against 69.6 lakh filed in Nov 2018. Also, the finance ministry stated that the government has settled Rs. 18,409 crore to Central GST and Rs. 14,793 crore to State GST from Integrated GST.
- The Securities and Exchange Board of India (SEBI) announced that it has decided to implement mandatory physical settlement for all stock derivatives by Oct 2019. The market regulator stated that beginning Apr 2019, the new system will be implemented in three phases. According to SEBI, the stocks that are currently being cash settled, shall be ranked in descending order based on average daily market capitalisation of the company during Dec 2018. By Apr 2019, bottom 50 companies will be moved to mandatory physical settlement, followed by the next 50 bottom companies which will be moved by Jul 2019 and the remaining stocks will be moved to physical settlement by Oct 2019.
- The Confederation of All India Traders (CAIT) has asked the Centre to simplify the procedures of GST in 2019. It stated that if the procedures were made simple, half of the seven crore small businesses can be brought under the indirect tax regime.
- The finance ministry announced that the direct tax-to-GDP ratio came in 5.98% as against 5.57% in FY17 and 5.47% in FY16. This GDP ratio marked to be the best in 10 years. Also, the ministry stated that the demonetisation was done to move the country from being tax non-compliant to tax compliant and the impact is visible on collection of personal income tax.

FII Derivative Trade Statistics		02-Jan	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	825.14	1301.13	24964.97
Index Options	36084.38	35681.08	40745.08
Stock Futures	3951.31	4034.72	79274.68
Stock Options	2175.71	2103.35	3203.14
Total	43036.54	43120.28	148187.87

Derivative Statistics- Nifty Options			
	02-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.53	1.47	0.06
Put Call Ratio(Vol)	0.96	0.85	0.11

Debt Watch				
	02-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.33%	6.57%	6.41%	5.87%
T-Repo	6.21%	6.56%	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	6.59%	6.67%	6.77%	6.11%
364 Day T-Bill	6.91%	6.93%	7.19%	6.29%
10 Year Gilt	7.35%	7.26%	7.61%	7.38%
G-Sec Vol. (Rs.Cr)	44742	39171	38079	23331
FBIL MIBOR*	6.50%	6.65%	6.55%	6.00%
3 Month CP Rate	7.80%	7.30%	7.75%	7.23%
5 Year Corp Bond	8.28%	8.19%	8.43%	8.02%
1 Month CD Rate	6.80%	7.18%	6.65%	6.21%
3 Month CD Rate	7.47%	7.16%	7.24%	6.61%
1 Year CD Rate	8.24%	8.05%	8.48%	7.01%

Currency Market			
Currency	01-Jan	Prev_Day	Change
USD/INR	69.61	69.71	-0.15
GBP/INR	88.83	88.97	-0.17
EURO/INR	79.96	79.93	0.04
JPY/INR	0.64	0.64	0.28

Commodity Prices				
Commodity	02-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	46.26	45.99	50.73	60.32
Brent Crude(\$/bl)	53.95	51.87	57.55	66.99
Gold (\$/oz)	1285	1267	1222	1318
Gold(Rs./10 gm)	31792	31452	30240	29374

Source: Thomson Reuters Eikon

\*As on 01-Jan-19

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**Derivatives Market**

- Nifty Jan 2019 settled at 10,830.85, a premium of 38.35 points, over the spot closing of 10,792.50. The turnover on NSE's Futures and Options segment rose to Rs. 5,67,285.76 crore on Jan 2, 2019, compared with Rs. 5,67,489.25 crore on Jan 1.
- The Nifty Put-Call ratio stood at 1.53.
- India VIX increased 7.19% to 16.4275 compared with 15.3250 at the previous trading session.
- Open interest on Nifty Futures stood at 24.95 million as against the previous session's close at 24.00 million.

**Indian Debt Market**

- Bond yields declined as investors resorted to value buying. In addition, the bond market sentiment remained upbeat ahead of the central bank's scheduled note purchase programme under open market operation.
- Yield on the 10-year benchmark paper (7.17% GS 2028) declined 7 bps to close at 7.35% as compared with 7.42% in the previous session after trading in the range of 7.34% to 7.41%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,401 crore (gross) on Jan 2, 2019 compared with a borrowing of Rs. 3,844 crore (gross) on Jan 1, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 69,257 crore on Jan 1, 2019.
- Banks borrowed Rs. 572 crore under the central bank's Marginal Standing Facility on Jan 1, 2019 compared with borrowing of Rs. 5,735 crore Dec 31, 2018.

**Currency Market Update**

- The Indian rupee weakened against the greenback as the domestic equity market plunged following weak Chinese date. The drop in Caixin/Markit Manufacturing PMI below the 50-mark dampened market sentiment. The rupee closed at 70.17 a dollar, down 1.04% compared with the previous close of 69.45.
- The euro declined against the greenback as lower than expected economic growth and inflation rate in the eurozone hurt investor sentiment.

**Commodity Market Update**

- Gold prices traded higher as the safe-haven appeal of the greenback was dented by speculations over the U.S. Federal Reserve's stance of interest rate hikes in 2019.
- Brent crude prices continued to remain weak amid global growth uncertainty and oversupply concerns.

**International News**

- A report from the IHS Markit showed that CIPS U.K. manufacturing Purchasing Managers' Index (PMI) grew to 54.2 in Dec 2018 as against 53.6 in Nov 2018. This marked the fastest pace of growth in 6 months.
- A preliminary report from the Federal Statistical Office showed that Germany's number of employed persons grew by 562,000 or 1.3% to an annual average 44.8 million in 2018, thereby marking a record high.
- A report from the IHS Markit showed that Spain's IHS Markit factory PMI fell to 51.1 in Dec 2018 as against 52.6 in Nov 2018. This marked the slowest pace since mid-2016 due to economic instability and ongoing weakness in the automobile industry.



Thank you for  
your time.