

RELIANCE

MUTUAL
FUND

Markets for You

07 Jan 2019

Indices Performance

Global Indices	04-Jan	Prev_Day	Abs. Change	% Change [#]
Dow Jones	23,433	22,686	747	3.29
Nasdaq	6,739	6,464	275	4.26
FTSE	6,837	6,693	145	2.16
Nikkei	19,562	Closed	NA	NA
Hang Seng	25,626	25,064	562	2.24
Indian Indices	04-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	35,695	35,514	181	0.51
Nifty 50	10,727	10,672	55	0.52
Nifty 100	10,966	10,915	51	0.47
Nifty Bank	27,195	26,960	235	0.87
SGX Nifty	10,804	10,725	79	0.74
S&P BSE Power	1,966	1,947	19	0.97
S&P BSE Small Cap	14,592	14,573	20	0.14
S&P BSE HC	13,823	13,742	80	0.59

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-Jan	23.43	1.17	25.84	1.26
Month Ago	23.39	1.22	26.30	1.22
Year Ago	25.25	1.12	26.86	1.08

Nifty 50 Top 3 Gainers

Company	04-Jan	Prev_Day	% Change [#]
Bharti Infratel	285	272	4.95
Yes Bank	190	184	3.01
Tata Motors	171	166	2.95

Nifty 50 Top 3 Losers

Company	04-Jan	Prev_Day	% Change [#]
HCL Tech	932	948	-1.69
Tech Mahindra	681	691	-1.47
TCS	1877	1900	-1.22

Advance Decline Ratio

	BSE	NSE
Advances	1288	883
Declines	1319	893
Unchanged	158	112

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1058	-2023
MF Flows**	439	1171

*4th Jan 2019; **3rd 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 equity markets were mostly high with the exception of Japan. Investor sentiment was buoyed by strong Chinese services data and progress on U.S.-China trade front. The two countries have decided to hold vice-ministerial level trade talks in Beijing on Jan 7-8. Japan fell as yen strengthened against the U.S. dollar. Today (as of Jan 7), Asian markets opened higher as investor sentiment slightly boosted ahead of a round of trade negotiations between U.S and China. Nikkei and Hangseng grew 3.23% and 1.14%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed higher following strong U.S. nonfarm payrolls and six-month high China's service sector growth data for Dec 2018. Also, statement from the China's commerce ministry that the U.S. and China would hold trade talks on Jan 7-8 boosted market sentiment.
- As per the last close, U.S markets closed almost higher following strong job growth data in Dec 2018. Comments from the U.S. Federal Reserve Chairman that central bank could pause its rate hikes and there is no preset path for policy boosted investor sentiment.

Indian Equity Market

- Indian equity markets ended the week in the green as global cues came in positive and the rupee strengthened against the U.S dollar. The gains were limited by an anxious lot of investors as companies are going to start reporting their earnings in the coming week.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.51% and 0.52% to close at 35,695.10 and 10,727.35, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.48% and 0.14%, respectively.
- The overall market breadth on BSE was weak with 1,319 scrips declining and 1,288 scrips advancing. A total of 158 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 2.73%, followed by S&P BSE Metal and S&P BSE Basic Utilities, up 1.44% and 1.03%, respectively. S&P BSE Finance and S&P BSE Power gained 0.97% each. S&P BSE Information Technology was the major loser, down 1.15%, followed by S&P BSE Teck and S&P BSE Consumer Durables, down 0.58% and 0.19%, respectively. A strengthening rupee is putting pressure on IT companies since they drive a majority of their revenues from exports.

Domestic News

- The Nikkei India Services Purchasing Managers' Index (PMI) fell to 53.2 in Dec 2018 from 53.7 in Nov 2018. The downside reflects moderated pace of new work orders and business activity compared with Nov, though job creation saw a significant uptick. Seasonally adjusted Nikkei India Composite PMI Output Index fell to 53.6 in Dec 2018 as against 54.5 in Nov 2018 because of weaker rise in private sector output.
- A parliamentary committee has asked the Reserve Bank of India (RBI) to ease capital adequacy rules for banks and review supervisory Prompt Corrective Action (PCA) framework. The panel has requested the government to set up a committee to look into issues concerning accountability of RBI as a regulator. The standing committee on finance has asked the central bank to evaluate the efficacy of its own guidelines on dealing with frauds. The committee suggested increasing the retirement of age of chiefs of public sector banks to 70 years and effect proper manpower planning and HR development strategies.
- A major global rating and research agency has said RBI's decision to allow a one-time restructuring of some loans to micro, small and medium enterprises (MSMEs) will foster indiscipline among borrowers. The relief to small businesses was the new RBI governor's first big policy step after taking seat.
- Economic affairs secretary has said the government has not yet decided on further printing of Rs. 2,000 notes as there are more than adequate notes of this denomination in the system. Printing of notes is planned as per requirement, he said. The Rs. 2,000 notes constitute 35% by value of the total circulation.
- The Goods and Services Tax (GST) anti-profiteering authority has issued orders against nine businesses. These businesses were found to have not passed on rate cut benefits of Rs. 559.88 crore to borrowers. Minister of State for Finance said the GST Council has recommended goods and services tax rate reduction in respect of 400 groups of goods and 96 groups of services.

FII Derivative Trade Statistics		04-Jan	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2852.03	3329.04	28118.97
Index Options	156098.00	154396.04	45362.19
Stock Futures	11042.05	11955.46	79360.82
Stock Options	5219.46	5079.06	5403.88
Total	175211.54	174759.60	158245.86

Derivative Statistics- Nifty Options			
	04-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.34	1.34	0.01
Put Call Ratio(Vol)	0.76	0.84	-0.08

Debt Watch				
	04-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.31%	6.57%	6.35%	5.81%
T-Repo	6.23%	6.52%	6.30%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.58%	6.52%	6.70%	6.11%
364 Day T-Bill	6.85%	6.93%	7.18%	6.47%
10 Year Gilt	7.45%	7.39%	7.57%	7.33%
G-Sec Vol. (Rs.Cr)	34618	29338	50826	25971
FBIL MIBOR	6.46%	6.68%	6.47%	5.95%
3 Month CP Rate	7.85%	7.25%	7.55%	7.19%
5 Year Corp Bond	8.38%	8.26%	8.48%	8.02%
1 Month CD Rate	6.73%	7.09%	6.61%	6.21%
3 Month CD Rate	7.49%	7.01%	7.37%	6.75%
1 Year CD Rate	8.16%	8.05%	8.27%	7.12%

Currency Market			
Currency	04-Jan	Prev_Day	Change
USD/INR	69.87	70.36	-0.50
GBP/INR	88.26	88.28	-0.02
EURO/INR	79.57	79.92	-0.35
JPY/INR	0.65	0.66	-0.01

Commodity Prices				
Commodity	04-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	47.71	45.10	53.16	61.93
Brent Crude(\$/bl)	55.23	50.51	61.24	69.22
Gold(\$/oz)	1285	1281	1238	1323
Gold(Rs./10 gm)	31769	31547	30945	29341

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty Jan 2019 Futures were at 10,777.60, a premium of 50.25 points, over the spot closing of 10,727.35. The turnover on NSE's Futures and Options segment declined to Rs. 6,87,035.88 crore on Jan 4, 2019, compared with Rs. 18,81,982.17 crore on Jan 3.
- The Put-Call ratio stood at 0.84 compared with the previous session's close of 0.75.
- The Nifty Put-Call ratio stood at 1.34, unchanged from the previous session's close.
- Open interest on Nifty Futures stood at 26.43 million as against the previous session's close at 26.15 million.

Indian Debt Market

- Bond yields rose on fears of widening fiscal deficit, which dampened the bond market sentiment. In addition, the steep rise in crude oil prices also triggered the yield to end higher.
- Yield on the 10-year benchmark paper (7.17% GS 2028) increased 2 bps to close at 7.45% as compared with 7.43% in the previous session after trading in the range of 7.40% to 7.47%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,082 crore (gross) on Jan 4, 2019 compared with a borrowing of Rs. 3,661 crore (gross) on Jan 3, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 25,664 crore on Jan 3, 2019.
- Banks did not borrow under the central bank's Marginal Standing Facility on Jan 3, 2019 compared with borrowing of Rs. 60 crore on Jan 2, 2019.

Currency Market Update

- The Indian rupee strengthened on dollar weakness. The greenback is reeling under the pressure of concerns over U.S. economic growth and the Federal Reserve's policy stance on interest rate hikes. The rupee closed at 69.72 a dollar, up 0.67% compared with the previous close of 70.19.
- The euro continued to gain as anticipation of weak U.S. factory activity and concerns over the Federal Reserve's policy stance on slowing the pace of interest rate hikes weighed down on the greenback.

Commodity Market Update

- Gold prices tumbled on signs of easing trade tension between U.S. and China as the two economies scheduled to hold trade talks for resolving disputes.
- Brent crude prices rebound on signs of easing global growth worries.

International News

- According to the Labor Department, non-farm payroll employment soared by 312,000 jobs in Dec 2018 after climbing by 176,000 jobs in Nov 2018.
- IHS Markit data showed British services sector expanded at a faster than expected pace at the end of 2018. This happened as modest gains were seen in activity and demand. The CIPS U.K. Services PMI increased to 51.2 from 50.4 in Nov 2018, which is a 28-month low.
- Nikkei data showed Japan's manufacturing sector continued to expand in Dec 2018 at a faster rate. The PMI score came in at 52.6, up from the 15-month low of 52.2 in Nov 2018.

Thank you for
your time.