RELIANCE Mutual Fund

Markets for You

09 January 2017

Indices Performance

Global Indices	06-Jan	Prev_Day	Abs. Change	% Change#
Dow Jones	19,964	19,899	65	0.32
Nasdaq	5,521	5,488	33	0.60
FTSE	7,210	7,195	15	0.20
Nikkei	19,454	19,521	-66	-0.34
Hang Seng	22,503	22,457	46	0.21
Indian Indices	**06-Jan**	**Prev_Day**	**Abs. Change**	**% Change#**
S&P BSE Sensex	26,759	26,878	-119	-0.44
Nifty 50	8,244	8,274	-30	-0.36
Nifty 100	8,473	8,502	-29	-0.34
Nifty Bank	18,264	18,116	148	0.82
SGX Nifty	8,280	8,289	-9	-0.11
S&P BSE Power	2,039	2,047	-7	-0.35
S&P BSE Small Cap	12,440	12,493	-53	-0.43
S&P BSE HC	15,071	15,033	38	0.25

P/E Dividend Yield

	Sensex		Nifty	
Date	**P/E**	**Div. Yield**	**P/E**	**Div. Yield**
6-Jan	20.88	1.46	22.09	1.34
Month Ago	20.54	1.48	21.56	1.36
Year Ago	18.95	1.42	20.93	1.49

Nifty 50 Top 3 Gainers

Company	06-Jan	Prev_Day	% Change#
Yes Bank	1247	1210	3.02
Kotak Bank	717	699	2.56
Eicher Motors	22718	22324	1.76

Nifty 50 Top 3 Losers

Company	06-Jan	Prev_Day	% Change#
Tech Mahindra	470	488	-3.76
HCL Tech	814	845	-3.58
Idea Cellular	73	75	-2.54

Advance Decline Ratio

	BSE	NSE
Advances	1161	612
Declines	1576	1011
Unchanged	156	64

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-43	-2304
MF Flows**	365	481

*6th Jan 2017; **3rd Jan 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.15% (Nov-16)	3.85% (Aug-16)	-2.04% (Nov-15)
IIP	-1.90% (Oct-16)	-2.50% (July-16)	9.90% (Oct-15)
GDP	7.30 (Sep-16)	7.10 (Jun-16)	7.60 (Sep -15)

Global Indices

- Most of the Asian markets closed in the green barring Chinese and Japanese markets. Chinese market fell after the country's central bank intervened to make yuan stronger against the dollar, to curb capital outflows. Today (As on Jan 09), Asian market mostly opened higher following rise in Wall Street overnight. While Nikkei Average was trading down 0.34%, Hang Seng was up 0.26% (as at 8.00 a.m IST).
- As per the last close, European market closed little changed after moving in a narrow range. U.S. Nonfarm payroll for Dec 2016 came slightly lower than market expectations while unemployment rate fell but was in line with expectations.
- As per the last close, U.S. market closed higher after showing a lack of direction. U.S. Nonfarm payroll for Dec 2016 came slightly lower than market expectations while unemployment rate fell but was in line with expectations. Additionally, the annual rate of growth in average hourly employee earnings rose 2.9%, better than 2.5%. It was the fastest rate of growth since Jun 2009.

Indian Equity Market

- Despite starting on a positive note, the Indian equity market closed in the red on worries over H-1B visas that impacted the IT sector heavily. Investors also turned cautious ahead of corporate earnings results and U.S. job data. Commencement of the European trading session on a subdued note dampened sentiment further.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went down 0.44% and 0.36% to close at 26,759.23 points and 8,243.80 points, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap also fell 0.27% and 0.43%, respectively.
- The overall market breadth on BSE was negative with 1,576 scrips declining and 1,161 scrips advancing. A total of 156 scrips remained unchanged.
- On the BSE sectoral front, most of the indices closed in the red barring S&P BSE Bankex (0.86%), S&P BSE Finance (0.59%), and S&P BSE Healthcare (0.25%). S&P BSE IT (-2.54%) and S&P BSE Teck (-2.16%) continued to be the major laggards followed by S&P BSE Realty (-0.97%) and S&P BSE FMCG (-0.81%).

Domestic News

- Data from the government showed that the country's gross domestic product growth could slow down to 7.1% in FY17 from 7.6% in FY16. The anticipated growth of real Gross Value Added (GVA) at basic prices in FY17 was projected at 7.0% against 7.2% in FY16. The growth of agriculture, forestry and fishing is expected to expand to 4.1% in FY17 from 1.2% in FY16, while forestry and fishing is expected to contract to 1.8% from 7.4% in the same period. Growth of manufacturing sector is expected at 7.4% in FY17, down from 9.3% in FY16.
- The government is considering amending the regulation that deals with taxation of indirect transfer of shares. Earlier, the government had issued a clarification on taxing indirect transfer of shares, which had led to concerns among foreign investors.
- The capital market regulator Securities and Exchange Board of India (SEBI) issued guidance on how companies should evaluate the performance of their directors. The objective of the move is to ensure objectivity and improve corporate governance. SEBI added that companies need to consider whether discussions among board members are healthy and whether conflicts of interest are monitored and resolved accordingly.
- According to the finance minister, the measures taken by the government including demonetisation, which was adopted to check black money and tax evasion, will positively impact the growth and bring about fiscal consolidation of the country in the long term. The minister opined that India is much better placed in the global economy, which can be attributed to the country’s strong macroeconomic fundamentals.
- Public sector undertaking BEML Ltd got in-principal approval from the Cabinet Committee on Economic Affairs to divest 26% equity shares in the company, out of the government shareholding of 54.03%. The strategic buyer will be identified by the government following due procedure.

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FII Derivative Trade Statistics	06-Jan		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4015.40	2341.80	12371.25
Index Options	34505.55	32964.11	55962.15
Stock Futures	7106.80	6759.22	53121.50
Stock Options	3231.79	3285.32	3114.62
Total	48859.54	45350.45	124569.52

Derivative Statistics- Nifty Options

	06-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.11	1.10	0.01
Put Call Ratio(Vol)	1.04	1.20	-0.16

Debt Watch

	06-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.13%	6.10%	6.11%	6.83%
CBLO	5.23%	6.14%	6.14%	6.78%
Repo	6.25%	6.25%	6.25%	6.75%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.10%	6.18%	5.95%	7.21%
364 Day T-Bill	6.15%	6.21%	5.85%	7.21%
10 Year Gilt	6.39%	6.51%	6.20%	7.74%
G-Sec Vol. (Rs.Cr)	47832	42530	67576	39100
1 Month CP Rate	6.59%	6.63%	6.45%	7.46%
3 Month CP Rate	6.84%	6.71%	6.49%	7.99%
5 Year Corp Bond	7.09%	7.25%	6.80%	8.29%
1 Month CD Rate	6.17%	6.27%	6.09%	7.11%
3 Month CD Rate	6.32%	6.28%	6.06%	7.41%
1 Year CD Rate	6.54%	6.58%	6.33%	7.61%

Currency Market

Currency	06-Jan	Prev_Day	Change
USD/INR	67.95	67.79	0.16
GBP/INR	84.10	83.71	0.39
EURO/INR	71.87	71.56	0.31
JPY/INR (per Rs. 100)	58.50	58.33	0.17

Commodity Prices

Commodity	06-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude($/bl)	53.98	53.75	50.95	33.97
Brent Crude($/bl)	55.80	54.66	51.88	34.87
Gold($/oz)	1173	1151	1170	1094
Gold(Rs./10 gm)	28302	27830	28249	25648

Source: ICRON Research

Derivatives Market

• Nifty Jan 2017 Futures were at 8,267.65 points, a premium of 23.85 points, over the spot closing of 8,243.80 points. The turnover on NSE's Futures and Options segment went down from Rs. 5,13,764.89 crore on Jan 5 to Rs. 2,56,255.52 crore on Jan 6.

• The Put-Call ratio stood at 0.95, compared with the previous session's close of 0.93.

• The Nifty Put-Call ratio stood at 1.11, compared with the previous session's close of 1.10.

• The open interest on Nifty Futures stood at 23.85 million compared with the previous session's close of 20.19 million.

Indian Debt Market

• Bond yields increased slightly after supply improved following weekly debt auction that was conducted on Jan 6.

• Yield on the 10-year benchmark bond (6.97% GS 2026) rose 1 bps to close at 6.39% compared with the previous close of 6.38%. During the session, bond yields moved in the region of 6.35% to 6.40%.

• Banks borrowed Rs. 650 crore under the central bank's Marginal Standing Facility on Jan 5, compared with a borrowing of Rs. 925 crore on Jan 4.

• RBI conducted the auction of four-dated securities – Floating Rate Bond maturing in 2024, 6.79% Government Stock (GS) 2029, 6.57% GS 2033, and 6.62% GS 2051 for a notified amount of Rs. 11,000 crore. The cut-off rates for the securities stood at Rs. 96.85 (6.78%), Rs. 102.33 (6.52%), Rs. 97.81 (6.79%), and Rs. 95.75 (6.94%), respectively.

Currency Market Update

• The Indian rupee closed unchanged against the U.S. dollar ahead of the advance gross domestic product estimates data for fiscal year ending Mar 2017 to be release post market hour on Jan 6. Investors also remained cautious ahead of the U.S. employment and payrolls data. The rupee closed at 67.96, same as the previous close.

• The euro fell against the greenback as investors remained cautious ahead of the U.S. non-farm payrolls data. Euro was trading at $1.0587, compared with the previous close of $1.0603.

Commodity Market Update

• Gold prices traded lower as encouraging cues from the U.S. labour market led to speculations on an imminent rate hike by the U.S. Federal Reserve.

• Brent crude prices traded higher amid reports of supply cuts from Saudi Arabia and Abu Dhabi.

International News

• The Institute for Supply Management showed that U.S. non-manufacturing index came better than forecast at 57.2 in Dec 2017, but was similar to the previous month.

• According to the Labor Department, initial jobless claims in the U.S. declined more than forecast in the week ended Dec 31. Unemployment benefits fell by 28,000 to 235,000 from the previous week's revised level of 263,000. The four-week moving average showed a fall of 5,750 to 256,750 from the previous week's revised average of 262,500.

• According to payroll processor ADP, U.S. private employment increased lower than forecast by 153,000 jobs in Dec 2016, compared with 215,000 jobs (216,000 jobs originally reported) added in the prior month.