

RELIANCE

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FUND

# Markets for You

09 Jan 2018

Indices Performance

Global Indices	08-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,283	25,296	-13	-0.05
Nasdaq	7,157	7,137	21	0.29
FTSE	7,697	7,724	-28	-0.36
Nikkei	Closed	23,715	NA	NA
Hang Seng	30,900	30,815	85	0.28
Indian Indices	08-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	34,353	34,154	199	0.58
Nifty 50	10,624	10,559	65	0.61
Nifty 100	11,121	11,051	69	0.63
Nifty Bank	25,676	25,602	74	0.29
SGX Nifty	10,651	10,591	61	0.57
S&P BSE Power	2,442	2,429	13	0.52
S&P BSE Small Cap	19,896	19,705	191	0.97
S&P BSE HC	15,090	14,911	180	1.20

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
8-Jan	25.37	1.12	27.16	1.07
Month Ago	24.57	1.17	26.26	1.11
Year Ago	20.88	1.46	22.09	1.34

Nifty 50 Top 3 Gainers

Company	08-Jan	Prev_Day	% Change <sup>#</sup>
Coal India	287	279	3.12
Lupin	923	900	2.57
Infosys	1036	1012	2.38

Nifty 50 Top 3 Losers

Company	08-Jan	Prev_Day	% Change <sup>#</sup>
Bharti Airtel	516	540	-4.38
ONGC	197	198	-0.53
Power Grid	201	201	-0.35

Advance Decline Ratio

	BSE	NSE
Advances	1792	1107
Declines	1158	729
Unchanged	170	54

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	892	2511
MF Flows**	1209	118775

\*8<sup>th</sup> Jan 2018; \*\*29<sup>th</sup> Dec 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.93% (Nov-17)	3.24% (Aug-17)	1.82% (Nov16)
IIP	2.20% (Oct-17)	1.00% (Jul-17)	4.20% (Oct-16)
GDP	6.30% (Sep-17)	5.70% (Jun-17)	7.50% (Sep-16)

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 mostly traded high despite Japan market remained closed due to holiday. Positive cues from overnight U.S. markets, higher crude oil prices helped sentiments. Meanwhile, as per the People's Bank of China, Chinese foreign exchange reserves increased for the eleventh straight month in Dec 2018. Today (As of Jan 9), Asian markets opened higher amid gains in some auto and technology stocks. Investors in the region are likely to keep watch on talks held between North and South Korea during the day. Nikkei and Hang seng grew 0.51% and 0.05%, respectively (as at 8.a.m. IST).
- As per the last close, European market ended almost higher amid firm lead by U.S. stocks in the last session and reports that Germany was in fresh coalition talks. However, reshuffling of cabinet by the U.K. Prime Minister capped the gains.
- As per the last close, U.S. markets ended almost higher as investors remained optimistic on the U.S. economy. However, gains were capped as investors preferred to remain on the sidelines ahead of release of key data on retail sales and producer and consumer prices later this week.

Indian Equity Market

- Indian equity markets settled at record closing highs as optimism was seen ahead of the Union Budget 2018-19 and upcoming corporate earnings result for the third quarter of the current fiscal helped investors to shrug off worries after the government lowered its Gross Domestic Product (GDP) forecast for FY18.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.58% and 0.61% to close at 34,352.79 and 10,623.60, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.98% and 0.97%, respectively.
- The overall market breadth on BSE was positive with 1,792 scrips advancing and 1,158 scrips declining. A total of 170 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE Telecom, all the indices closed in the green. S&P BSE IT was the top gainer, up 1.40%, followed by S&P BSE Capital Goods and S&P BSE Healthcare, which rose 1.22% and 1.20%, respectively. S&P BSE Realty and S&P BSE Energy rose 0.87% and 0.86%, respectively.

Domestic News

- According to a major global credit rating agency, small and medium enterprises (SMEs) will continue to be under pressure as the impact of the new goods and services tax (GST) and demonetization will linger on in 2018. However, the global credit rating agency further noted that asset backed securities (ABS) of commercial vehicle loans will remain stable which it attributed to the healthy growth of the domestic economy.
- According to the agriculture secretary, country's wheat production is expected to touch an all-time high of over 100 million tonnes in the current 2017-18 crop year (Jul-Jun). The expectation comes on the back of a likely increase in acreage and yields. It needs to be noted that wheat production in 2016-17 crop year stood at a record level of 98.36 million tonnes. The previous high was 95.85 million tonnes in 2013-14.
- A major domestic credit rating agency has maintained its FY19 growth estimate at 7.6%. The domestic credit rating agency noted that the pace of economic growth has slowed down this fiscal. The slowdown in economic growth can be attributed to the lingering impact of demonetization, transitory disruptions caused by the implementation of the goods and services tax (GST), and weak agricultural growth. The domestic credit rating agency further added that the government's recapitalisation programme will ensure that the state-run banks do well and provide the necessary support to the growth of the Indian economy.
- According to the ministry of finance, the state run banks need to consider special packages for SMEs, especially those SMEs that are under duress. The ministry is of the view that such enterprises should have easy access to finance and market as they create employment. The ministry in this regard directed banks to consider all options including restructuring of loans that may occur during running business rather than any wrong doing.

FII Derivative Trade Statistics	08-Jan		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1111.15	2312.64	16997.60
Index Options	28543.80	27827.99	61050.33
Stock Futures	10099.81	10009.11	70346.31
Stock Options	6641.07	6660.98	5848.24
Total	46395.83	46810.72	154242.48

Derivative Statistics- Nifty Options			
	08-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.64	1.58	0.06
Put Call Ratio(Vol)	1.29	1.23	0.06

Debt Watch				
	08-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.88%	5.92%	5.90%	6.13%
CBLO	5.81%	5.79%	5.13%	5.23%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.00%	6.12%	6.11%	6.10%
364 Day T-Bill	6.43%	6.29%	6.22%	6.15%
10 Year Gilt	7.34%	7.34%	7.09%	6.39%
G-Sec Vol. (Rs.Cr)	43017	21453	37214	47832
1 Month CP Rate	6.87%	6.80%	6.66%	6.59%
3 Month CP Rate	7.34%	7.20%	6.81%	6.84%
5 Year Corp Bond	7.67%	7.70%	7.44%	7.09%
1 Month CD Rate	6.23%	6.26%	6.19%	6.17%
3 Month CD Rate	6.70%	6.31%	6.23%	6.32%
1 Year CD Rate	7.07%	6.99%	6.68%	6.54%

Currency Market			
Currency	08-Jan	Prev_Day	Change
USD/INR	63.35	63.38	-0.03
GBP/INR	85.89	86.02	-0.14
EURO/INR	76.15	76.50	-0.35
JPY/INR	0.56	0.56	0.00

Commodity Prices				
Commodity	08-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	61.68	60.41	57.10	53.93
Brent Crude(\$/bl)	69.12	67.07	64.32	55.79
Gold( \$/oz)	1320	1302	1248	1173
Gold(Rs./10 gm)	29492	29363	28492	28302

Source: ICRON Research

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#### Derivatives Market

- Nifty Jan 2018 Futures were at 10631.4, a premium of 7.80 points above the spot closing of 10,623.60. The turnover on NSE's Futures and Options segment went up from Rs. 3,66,338.98 crore on Jan 5 to Rs. 3,94,141.22 crore on Jan 8.
- The Put-Call ratio stood at 0.89 against the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 1.64 against previous close of 1.58.
- India VIX moved down 4.75% to 13.7350 from 13.1125 in the previous trading session.
- Open interest on Nifty Futures stood at 27.40 million as against the previous session's close of 26.29 million.

#### Indian Debt Market

- Bond yields rose as market participants turned bearish amid oversupply of government bonds during FY18 and concerns over government's fiscal consolidation drive.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 5 bps to close at 7.34% from the previous close of 7.29%. During the session, bond yields traded in the range of 7.27% and 7.35%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,850 crore (gross) on Jan 8, 2018, compared with the borrowings of Rs. 3,320 crore on Jan 5. Sale of securities under RBI's reverse repo window stood at Rs. 47,273 crore on Jan 5.
- Banks borrowed Rs. 350 crore under the central bank's Marginal Standing Facility on Jan 5 compared with borrowing of Rs. 90 crore on Jan 4.

#### Currency Market Update

- The Indian rupee initially rose to its highest level since Apr 29, 2015 against the U.S dollar due to weaker than expected U.S. jobs data for Dec 2017. However, gains reversed and rupee fell due to greenback purchases by state run banks likely on behalf of the Reserve bank of India.
- The euro fell against the U.S. dollar on profit booking after a recent rally. However, investors remained bullish about the outlook for the single currency due to strengthening eurozone economic recovery.

#### Commodity Market Update

- Gold prices inched down on stronger dollar against the euro.
- Brent crude prices moved up on news of a fall in the number of U.S. rigs drilling for new production as the Baker Hughes reported a decline by five to 742 in the number of U.S. rigs in the week ended Jan 5.

#### International News

- According to the Commerce Department, U.S. trade deficit widened more than expected to \$50.5 billion in Nov 2017, widest since Jan 2012, from a revised \$48.9 billion (\$48.7 billion originally reported) in Oct 2017. While the value of imports rose 2.5% in Nov owing to notable increase in imports of crude oil, value of exports rose 2.3%.
- A report from the Institute for Supply Management showed that U.S. non-manufacturing index continued to fall to 55.9 in Dec 2017 after declining to 57.4 in Nov 2017. The unexpected decrease was due to notably slower growth in business activity and new orders.

Thank you for  
your time.