

**RELIANCE**

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FUND

# Markets for You

16 Jan 2018

**Indices Performance**

Global Indices	15-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	Closed	25,803	NA	NA
Nasdaq	Closed	7,261	NA	NA
FTSE	7,769	7,779	-10	-0.12
Nikkei	23,715	23,654	61	0.26
Hang Seng	31,339	31,413	-74	-0.23
Indian Indices	15-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	34,844	34,592	251	0.73
Nifty 50	10,742	10,681	60	0.56
Nifty 100	11,208	11,159	49	0.44
Nifty Bank	26,069	25,749	320	1.24
SGX Nifty	10,747	10,698	49	0.46
S&P BSE Power	2,416	2,409	7	0.29
S&P BSE Small Cap	20,047	19,993	54	0.27
S&P BSE HC	14,920	14,968	-47	-0.32

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
15-Jan	25.84	1.10	27.06	1.06
Month Ago	24.80	1.16	26.46	1.10
Year Ago	21.22	1.44	22.47	1.31

**Nifty 50 Top 3 Gainers**

Company	15-Jan	Prev_Day	% Change <sup>#</sup>
HDFC Ltd.	1871	1761	6.26
ICICI Bank	329	318	3.65
Ambuja Cem	277	269	2.80

**Nifty 50 Top 3 Losers**

Company	15-Jan	Prev_Day	% Change <sup>#</sup>
GAIL	489	501	-2.37
Eicher Motors	27982	28650	-2.33
ONGC	197	201	-2.07

**Advance Decline Ratio**

	BSE	NSE
Advances	1547	905
Declines	1387	898
Unchanged	183	50

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-29	2143
MF Flows**	278	2559

\*15<sup>th</sup> Jan 2018; \*\*12<sup>th</sup> Jan 2018

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.58% (Dec-17)	3.14% (Sep-17)	2.10% (Dec-16)
IIP	8.40% (Nov-17)	4.80% (Aug-17)	5.10% (Nov-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**

- Most of the Asian markets traded in the green after following positive cues from the U.S. markets over the weekend. Higher commodity prices, weak yen and optimism over corporate earnings further supported gains. However, Chinese markets ended lower after data indicated that Chinese central bank has lowered its lending amount in Dec to curb credit growth. Today (As of Jan 16), Asian markets opened higher as dollar nursed overnight losses. Also, gains in one of the Japan's major boosted the indices. Nikkei and Hang seng grew 0.42% and 0.68%, respectively (as at 8.a.m. IST).
- As per the last close, European market ended almost lower as stocks of exporters remained under pressure as Euro continued to strengthen against the dollar. Also, reports that a U.K. construction firm has entered into liquidation weighed on market sentiment. Also, trading activity was subdued due to the holiday in the United States. However, losses were capped amid hopes of shift in stance by European Central Bank.
- U.S markets remained closed on account of Martin Luther King, Jr. Day.

**Indian Equity Market**

- Indian equity markets touched new record closing highs as investors cheered official data showing industrial activity in India increased to 25-month high in Nov. Meanwhile, Inflation based on wholesale prices eased in Dec 2017 as prices of food articles declined while fuel cost witnessed a surge. However, the gains were restricted by rise in retail price based inflation to 17-month high in Dec following increase in food prices. The retail inflation breached the Monetary Policy Committee's medium-term target for the second straight month, which may intensify pressure for it to raise policy rates in the next few months.
- Positive cues from Asian markets further generated buying interest, amid overnight gains in Wall Street, after upbeat corporate earning number and robust retail sales drove investor optimism about economic growth.
- Key benchmark indices, S&P BSE Sensex and Nifty 50 rose 0.73% and 0.56% to close at 34843.51 and 10741.55, respectively. While, S&P BSE Mid-Cap closed flat, S&P BSE Small- Cap rose 0.27%.
- The market breadth on BSE was positive with 1547 scrips advancing and 1387 scrips declining. A total of 183 scrips remained unchanged.

**Domestic News**

- Government data showed that growth of India's Wholesale Price Index (WPI)-based inflation slowed to 3.58% in Dec 2017 from 3.93% in the previous month. However, it increased from 2.10% during the corresponding month of the previous fiscal. The WPI food price index also slowed to 2.91% in Dec from 4.10% in the previous month. WPI for vegetables slowed to 56.46% in Dec from 59.80% in Nov. WPI for onions surged for the third straight month and grew 197.05% in Dec from 178.19% in the previous month. The build-up inflation rate in the financial year so far was 2.21% compared with a build-up rate of 3.71% in the corresponding period of the previous year.
- The Unique Identification Authority of India (UIDAI) has introduced face authentication along with fingerprints, iris and one-time-password. This comes on the wake of providing more choice to citizens authenticating using Aadhaar. The measure that is expected to be implemented by Jul 2018 would increase security by adding another layer of verification.
- The Securities and Exchange Board of India (SEBI) has permitted commodity bourse NCDEX to launch options trading in non-farm items such as nickle and aluminium. The managing director and chief executive officer of SEBI stated that the exchange is keen on options trading in more agri-commodities as it is encouraged by the results of gurseed option that was launched last week.
- The union minister announced that the government is planning to build ring roads in the country's 28 major cities at an estimated cost of Rs. 36,290 crore. Out of this, detailed reports for projects worth Rs. 21,100 crore are under progress. These projects are part of the Bharatmala initiative announced by the Cabinet in 2017. As per the initiative, the government envisages development of 84,000 kilometre of national highways at an investment of Rs. 6.92 lakh crore by 2022.

FII Derivative Trade Statistics		15-Jan		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2108.23	2054.57	18278.92	
Index Options	63404.32	62376.56	74251.51	
Stock Futures	11083.80	9997.42	73233.24	
Stock Options	7844.63	7893.19	8239.33	
Total	84440.98	82321.74	174003.00	

Derivative Statistics- Nifty Options			
	15-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.78	1.74	0.04
Put Call Ratio(Vol)	1.38	1.46	-0.08

Debt Watch				
	15-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.91%	5.88%	5.99%	6.04%
CBLO	5.92%	5.81%	6.15%	6.10%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.32%	6.00%	6.16%	6.15%
364 Day T-Bill	5.75%	6.43%	6.32%	6.23%
10 Year Gilt	7.44%	7.34%	7.14%	6.42%
G-Sec Vol. (Rs.Cr)	26753	43017	41341	56197
1 Month CP Rate	6.88%	6.87%	6.70%	6.65%
3 Month CP Rate	7.39%	7.34%	6.84%	6.95%
5 Year Corp Bond	7.74%	7.67%	7.52%	7.07%
1 Month CD Rate	6.23%	6.23%	6.23%	6.24%
3 Month CD Rate	6.89%	6.70%	6.30%	6.38%
1 Year CD Rate	7.15%	7.07%	6.77%	6.57%

Currency Market			
Currency	15-Jan	Prev_Day	Change
USD/INR	63.41	63.53	-0.11
GBP/INR	87.18	86.05	1.13
EURO/INR	77.45	76.53	0.92
JPY/INR	0.57	0.57	0.00

Commodity Prices				
Commodity	15-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	Closed	61.68	57.24	52.31
Brent Crude(\$/bl)	71.13	69.12	64.55	54.06
Gold( \$/oz)	1340	1320	1255	1197
Gold(Rs./10 gm)	29838	29492	28585	28809

Source: ICRON Research

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**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

#### Derivatives Market

- Nifty Jan 2018 Futures were at 10743.3, a premium of 1.75 points above the spot closing of 10,741.55. The turnover on NSE's Futures and Options segment went up from Rs. 5,62,613.13 crore on Jan 12 to Rs. 5,79,639.73 crore on Jan 15.
- The Put-Call ratio closed at 1.00 against the previous session's close of 1.07.
- The Nifty Put-Call ratio stood at 1.78 against previous close of 1.74.
- India VIX moved up 4.17% to 14.3050 from 13.7325 in the previous session.
- Open interest on Nifty Futures stood at 31.49 million as against the previous close of 30.22 million.

#### Indian Debt Market

- Bond yields fell as investors resorted to value buying, after sharp rise in yields last week, even though wholesale price index rose to 17-month high in Dec 2017.
- Yield on the existing 10-year benchmark paper (6.79% GS 2027) fell 2 bps to close at 7.44% as against previous session close of 7.46%.
- Yield on the new 10-year benchmark paper (7.17% GS 2028) fell 1 bps to close at 7.27% as against previous session close of 7.28%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 8,470 crore (gross) on Jan 15 as compared with Rs. 3,255 on Jan 12. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 6,894 crore on Jan 12.
- Banks borrowed Rs. 50 crore under the central bank's Marginal Standing Facility on Jan 12, same as that of Jan 11.

#### Currency Market Update

- The Indian rupee rose against the U.S. dollar following gains in the domestic equity market. Market sentiment improved further after India's industrial output rose in Nov 2017 from a year earlier and registered the fastest pace of expansion since Oct 2015.
- The euro continued to surge against the greenback on growing economic optimism in the euro zone and expectations that the European Central Bank will tighten monetary policy.

#### Commodity Market Update

- Gold prices remained strong on weaker dollar against major currencies.
- Brent crude prices inched up amid optimism that the Organization of the Petroleum Exporting Countries (OPEC's) effort to curb excess supplies would balance the rising U.S. oil production.

#### International News

- A report from the Commerce Department showed that U.S. business inventories slightly surpassed market expectations and grew 0.4% in Nov 2017 as against a decline of 0.1% in Oct 2017. The upside partially reflects rebound in wholesale inventories that grew 0.8% in Nov as against a decline of 0.4% in Oct. Manufacturing inventories grew 0.4% and retail inventories slightly grew 0.1% in Nov.
- A report from the Eurostat showed that eurozone's trade surplus grew EUR 22.5 billion (seasonally adjusted) in Nov from EUR 19 billion in Oct. Exports surged 3.4% MoM to EUR 187.1 billion and imports surged 1.6% to EUR 164.6 billion.



Thank you for  
your time.