

**RELIANCE**

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FUND

# Markets for You

17 Jan 2018

**Indices Performance**

Global Indices	16-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,793	Closed	NA	NA
Nasdaq	7,224	Closed	NA	NA
FTSE	7,756	7,769	-13	-0.17
Nikkei	23,952	23,715	237	1.00
Hang Seng	31,905	31,339	566	1.81
Indian Indices	16-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	34,771	34,844	-72	-0.21
Nifty 50	10,700	10,742	-41	-0.38
Nifty 100	11,143	11,208	-65	-0.58
Nifty Bank	25,975	26,069	-94	-0.36
SGX Nifty	10,726	10,747	-21	-0.20
S&P BSE Power	2,373	2,416	-43	-1.78
S&P BSE Small Cap	19,603	20,047	-444	-2.21
S&P BSE HC	14,801	14,920	-119	-0.80

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
16-Jan	25.55	1.11	26.96	1.06
Month Ago	24.80	1.16	26.46	1.10
Year Ago	21.28	1.43	22.50	1.31

**Nifty 50 Top 3 Gainers**

Company	16-Jan	Prev_Day	% Change <sup>#</sup>
Wipro	332	315	5.38
HCL Tech	949	909	4.40
Infosys	1123	1081	3.86

**Nifty 50 Top 3 Losers**

Company	16-Jan	Prev_Day	% Change <sup>#</sup>
Coal India	292	306	-4.67
HPCL	410	426	-3.67
Bajaj Finance	1687	1738	-2.92

**Advance Decline Ratio**

	BSE	NSE
Advances	721	340
Declines	2259	1491
Unchanged	111	40

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	153	2296
MF Flows**	278	2559

\*16<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**

• Asian markets mostly traded on a positive note on optimism of higher corporate earning numbers and weaker yen along with upcoming key economic data from China. Improved crude oil prices further buoyed sentiments. However, lack of cues from U.S. markets limited the upside. Today (As of Jan 17), Asian markets opened lower following weakness in the Wall Street. Both Nikkei and Hang Seng were trading down 0.45% and 0.73% (as at 8.a.m. IST).

• As per the last close, European market ended mixed. Fall in euro and positive news for some companies provided support to the market. However, fall in crude oil prices reversed most of the gains.

• As per the last close, U.S markets ended lower as a government shutdown weighed on investor's sentiments. Profit taking by investors also led to the fall of market. However, better than expected earnings of few companies restricted the losses.

**Indian Equity Market**

• Indian equity markets closed in the red after witnessing a volatile session. Markets came under selling pressure, soon after commencing the session in the green, as official data showed that India's trade deficit reached \$14.88 billion in Dec 2017, up about 41% year-on-year, as crude oil and gold import bill inflated. Besides, investors preferred to cash in recent gains after the markets touched record highs in recent times.

• Key benchmark indices, S&P BSE Sensex and Nifty 50 slipped 0.21% and 0.38% to close at 34,771.05 and 10,700.45, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 1.74% and 2.21%, respectively.

• The overall market breadth on BSE was weak with 2,223 scrips declining and 749 scrips advancing. A total of 119 scrips remained unchanged.

• On the BSE sectoral front, barring S&P BSE IT and S&P BSE Teck, all the indices closed in the red. S&P BSE Realty was the major loser, down 3.51%, followed by S&P BSE Metal and S&P BSE Energy, which slipped 2.83% and 2.31%, respectively. Both S&P BSE Oil & Gas and S&P BSE Utilities fell 1.84% each.

**Domestic News**

• Government data showed that India's trade deficit expanded to \$14.88 billion in Dec 2017 from \$10.55 billion in the same period of the previous year and \$13.83 billion in the previous month. Exports grew 12.36% to \$27.03 billion in Dec as against an increase of 30.55% to \$26.20 billion in the previous month. India's exports in the same period of the previous year stood at \$24.06 billion. India's imports in Dec grew 21.12% to \$41.91 billion from \$34.60 billion in the same period of the previous year.

• Governor, Viral Acharya the central bank won't intervene to protect banks from fluctuation in interest rates. The remark comes after RBI lowered the prices of select government securities as bond yields surged after the government breached its fiscal deficit target. Some state run banks earlier had approached the RBI and sought exemption from recognizing mark to market losses and instead requested the central bank to allow them to spread these losses over two quarters.

• According to the International Monetary Fund (IMF), India is reclaiming its place as a growth leader after a temporary slowdown. IMF maintained an upbeat outlook for the Asian region which it attributed to increasing exports, positive consumption, investment and steady capital inflows. On the global front, IMF is of the view that consumer demand and capital-intensive investment is rising.

• The Ministry of Commerce has advocated to bring down import duty on gold in the upcoming Union Budget on Feb 1, 2018. The objective of the move is to promote exports of gold jewellery. The Gems and Jewellery Export Promotion Council has sought reduction in import duty on gold to 4% from the current 10%. According to media reports, India is the world's second biggest gold consumer after China.

• Federal Bank reported 26% rise in net profit to Rs. 260 crore in quarter ended Dec 2017 as against Rs. 206 crore in the corresponding quarter a year earlier. Increase in net profit was mainly due to 22% rise in loans that helped the bank offset lower treasury income.

FII Derivative Trade Statistics	16-Jan		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1954.44	2508.82	19942.15
Index Options	41392.94	41477.96	79327.51
Stock Futures	10245.62	8574.97	74041.78
Stock Options	7490.52	7377.30	8943.78
Total	61083.52	59939.05	182255.22

Derivative Statistics- Nifty Options	16-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.66	1.78	-0.12
Put Call Ratio(Vol)	1.35	1.38	-0.03

Debt Watch	16-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.88%	5.87%	5.99%	5.98%
CBLO	5.93%	5.84%	6.15%	6.08%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.27%	6.09%	6.16%	6.21%
364 Day T-Bill	6.53%	6.10%	6.32%	6.18%
10 Year Gilt	7.55%	7.37%	7.14%	6.44%
G-Sec Vol. (Rs.Cr)	27684	34213	41341	37859
1 Month CP Rate	6.89%	6.84%	6.70%	6.71%
3 Month CP Rate	7.48%	7.34%	6.84%	7.04%
5 Year Corp Bond	7.80%	7.68%	7.52%	7.10%
1 Month CD Rate	6.23%	6.25%	6.23%	6.25%
3 Month CD Rate	6.96%	6.78%	6.30%	6.39%
1 Year CD Rate	7.23%	7.10%	6.77%	6.58%

Currency Market	16-Jan	Prev_Day	Change
Currency			
USD/INR	63.76	63.41	0.35
GBP/INR	87.91	87.18	0.73
EURO/INR	78.20	77.45	0.76
JPY/INR	0.58	0.57	0.00

Commodity Prices	16-Jan	Wk Ago	Mth. Ago	Year Ago
Commodity				
NYMEX Crude(\$/bl)	63.77	62.87	57.24	52.31
Brent Crude(\$/bl)	69.64	69.90	64.55	53.84
Gold( \$/oz)	1339	1313	1255	1203
Gold(Rs./10 gm)	30056	29499	28585	29018

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 10,709.55, a premium of 9.10 points above the spot closing of 10,700.45.
- The Put-Call ratio closed at 1.02 against the previous session's close of 1.00.
- The Nifty Put-Call ratio stood at 1.66 against previous session's close of 1.78.
- India VIX moved down 1.54% to 14.0850 from 14.3050 in the previous trading session.
- Open interest on Nifty Futures stood at 31.88 million as against the previous session's close of 31.49 million.

**Indian Debt Market**

- Bond yields rose as investor's risk sentiment got dampened after the deputy governor of the Reserve Bank of India stated that it will not intervene to protect banks from fluctuation in interest rates. Hence it has advised banks to use hedging instruments to manage their interest rate risk and shield themselves against large movement in bond yields. Sharp fall in rupee also weighed on investor's sentiments.
- Yield on the existing 10-year benchmark paper (6.79% GS 2027) rose 11 bps to close at 7.55% as against previous session close of 7.44%. During the session, bond yields traded in the range of 7.48% and 7.58%.
- Yield on the new 10-year benchmark paper (7.17% GS 2028) rose 11 bps to close at 7.38% as against previous session close of 7.27%. During the session, bond yields traded in the range of 7.31% and 7.40%.

**Currency Market Update**

- The Indian rupee weakened against the greenback after increase in global crude oil prices and India's widening trade deficit in Dec 2017 weighed on the market sentiment. However, selling of the greenback by state run banks restricted further losses.
- The euro weakened against the greenback amid political uncertainty in Germany. Reports that the European Central Bank was unlikely to discontinue its bond buying program in its monetary policy review due next week also weighed on the common bloc currency.

**Commodity Market Update**

- Gold prices traded lower, amid growing speculation that the U.S. Federal Reserve may hike interest rates for the first time in 2018 in Mar 2018 with a second round of rate hike arriving in Jun 2018.
- Brent Crude prices edged lower ahead of weekly information on U.S. stockpiles of crude and refined products.

**International News**

- A report from the Organization for Economic Cooperation and Development (OECD) showed that jobless rate in OECD area remained stable in Nov 2017. The jobless rate came in at 5.6% in Nov unchanged from Oct 2017. The jobless rate among youth aged below 24 grew to 11.9% in Nov from 11.8% in Oct.
- According to a report from the Office for National Statistics, U.K. house price index grew 5.1% YoY in Nov 2017 as against upwardly revised gain of 5.4% in Oct 2017 (4.5% originally reported). The average U.K. house price was GBP 226,000 in Nov, up GBP 11,000 from Nov 2016 and unchanged from Oct.



Thank you for  
your time.