

RELIANCE

MUTUAL
FUND

Markets for You

22 Jan 2019

Indices Performance

Global Indices	21-Jan	Prev_Day	Abs. Change	% Change [#]
Dow Jones	Closed	24,706	NA	NA
Nasdaq	Closed	7,157	NA	NA
FTSE	6,971	6,968	2	0.03
Nikkei	20,719	20,666	53	0.26
Hang Seng	27,197	27,091	106	0.39
Indian Indices	21-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	36,579	36,387	192	0.53
Nifty 50	10,962	10,907	55	0.50
Nifty 100	11,153	11,110	44	0.39
Nifty Bank	27,534	27,457	77	0.28
SGX Nifty	10,975	10,955	20	0.18
S&P BSE Power	1,941	1,955	-14	-0.70
S&P BSE Small Cap	14,403	14,505	-102	-0.70
S&P BSE HC	13,842	13,802	40	0.29

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
21-Jan	24.06	1.15	26.29	1.23
Month Ago	23.49	1.21	26.02	1.24
Year Ago	26.06	1.08	27.44	1.04

Nifty 50 Top 3 Gainers

Company	21-Jan	Prev_Day	% Change [#]
RIL	1238	1184	4.50
Kotak Bank	1268	1240	2.21
Bajaj Finserv	6385	6250	2.15

Nifty 50 Top 3 Losers

Company	21-Jan	Prev_Day	% Change [#]
Hero Moto	2794	2899	-3.61
Yes Bank	192	199	-3.35
Wipro	338	346	-2.41

Advance Decline Ratio

	BSE	NSE
Advances	933	553
Declines	1671	1238
Unchanged	169	107

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1928	-4914
MF Flows**	364	4892

*21st Jan 2019; **18th Jan 2019

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.19%	3.70%	5.21%
	(Dec-18)	(Sep-18)	(Dec-17)
IIP	0.50%	6.50%	8.50%
	(Nov-18)	(Jul-18)	(Nov-17)
GDP	7.10%	8.20%	6.30%
	(Sep-18)	(Jun-18)	(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 gained as positive developments occurred in the U.S.-China trade relations. Media reports showed that China has agreed to buy more American goods through 2024 to rectify its trade imbalance with the U.S. Also, China's GDP data came along expectations, although the growth rate is the slowest in 28 years. Investors hoped this will make the government raise its support for the economy. Today (as of Jan 22), Asian markets opened mostly lower on concerns about global outlook. While Nikkei was trading higher 0.03%, Hang Seng was down 0.53% (as at 8 a.m. IST).
- As per the last close, European markets fell after Chinese economy in 2018 grew 6.6%, which is the slowest pace since 1990. This increased concerns about the global growth. Market participants are closely tracking the developments on the Brexit front and remained concerned about the impact of the ongoing government shutdown in the U.S.
- As per the last close, U.S markets remained closed on occasion of Martin Luther King, Jr. Day.

Indian Equity Market

- Indian equity markets gained amid positive global cues as U.S. and China seemed to be coming closer to a long-term solution to the trade conflict. Media reports showed China has offered to buy more American goods through 2024 to rectify the trade imbalance with the U.S. On the domestic front, investors were buoyed by upbeat corporate earnings.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.53% and 0.50%, respectively, to close at 36,578.96 and 10,961.85, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 0.56% and 0.70%, respectively.
- The overall market breadth on BSE was weak with 933 scrips advancing and 1671 scrips declining. A total of 169 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Energy was the major gainer, up 2.68%, followed by S&P BSE Oil & Gas and S&P BSE Information Technology, up 0.7% and 0.64%, respectively. S&P BSE Realty was the major loser, down 1.22%, followed by S&P BSE Auto and S&P BSE Industrials, down 1.08% and 0.79%, respectively.

Domestic News

- The International Monetary Fund (IMF) has upgraded the growth forecasts of the Indian economy for 2019 by 10 bps to 7.5%. For 2018, IMF estimated the growth of the Indian economy at 7.3% and projected the growth rate to go up to 7.7% in 2020. IMF is of the view that low global crude oil prices, slower pace of monetary tightening and fall in domestic inflationary pressures will provide support to the growth prospects of the Indian economy.
- According to media reports, the government is planning to transfer cash to farmers instead of giving them subsidies in order to ease their financial burden. The government is considering combining all farm subsidies which includes fertilizer costs and pay farmers the required cash. The additional cost will remain limited at Rs. 70,000 crore annually following the full roll out of the program. It needs to be noted that the government has surpassed its annual budget deficit target and thus has little room for spending in the current year.
- According to media reports, the government is considering lowering customs duty on certain medical items in the upcoming union budget. The objective of the move is to give a boost to the domestic manufacturing of such goods. The move is also expected to provide support to the government's Make in India initiative. It needs to be noted that the government till recently has set up a National Medical Devices Promotion Council in order to bring investments, boost manufacturing and promote exports of the fast-growing sector.
- According to a domestic research agency, cumulative fiscal deficit of states in India is expected to increase following the announcement of farm support packages by the government as a prelude to national elections due by May. The aggregate budget deficit of Indian states is seen to increase to 3.2% of gross domestic product in 2019-20 beginning Apr compared with 2.8% expected for 2018-19.

FII Derivative Trade Statistics		21-Jan		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1973.28	2371.62	38410.31	
Index Options	64278.91	65333.37	63239.00	
Stock Futures	12749.79	12212.19	85334.80	
Stock Options	9773.67	9888.25	10518.47	
Total	88775.65	89805.43	197502.58	

Derivative Statistics- Nifty Options			
	21-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.59	1.56	0.03
Put Call Ratio(Vol)	0.95	0.98	-0.03

Debt Watch				
	21-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.49%	6.37%	6.45%	5.93%
T-Repo	6.52%	6.38%	6.48%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.54%	6.60%	6.65%	6.36%
364 Day T-Bill	6.79%	6.83%	6.95%	6.48%
10 Year Gilt	7.57%	7.43%	7.28%	7.29%
G-Sec Vol. (Rs.Cr)	41537	40484	34307	35926
FBIL MIBOR*	6.48%	6.50%	6.59%	5.96%
3 Month CP Rate	7.60%	7.65%	7.20%	7.58%
5 Year Corp Bond	8.45%	8.34%	8.21%	8.03%
1 Month CD Rate	6.71%	6.69%	6.97%	6.23%
3 Month CD Rate	7.11%	7.11%	6.95%	7.03%
1 Year CD Rate	7.95%	8.13%	8.16%	7.36%

Currency Market			
Currency	21-Jan	Prev_Day	Change
USD/INR	71.38	71.14	0.24
GBP/INR	91.89	92.29	-0.40
EURO/INR	81.23	81.07	0.17
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	21-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	Closed	50.26	45.33	63.33
Brent Crude(\$/bl)	62.19	58.44	51.87	68.71
Gold(\$/oz)	1280	1292	1256	1331
Gold(Rs./10 gm)	32154	32117	31114	29958

Source: Thomson Reuters Eikon

*As on 21-01-19

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Derivatives Market

- Nifty Jan 2019 Futures were at 10,969.70, a premium of 7.85 points, over the spot closing of 10,961.85. The turnover on NSE's Futures and Options segment increased to Rs. 5,47,130.74 crore on Jan 21, 2019, compared with Rs. 5,13,332.07 crore on Jan 18, 2019.
- The Put-Call ratio stood at 0.82 compared with the previous session's close of 0.97.
- The Nifty Put-Call ratio stood at 1.59 compared with the previous session's close of 1.56.
- Open interest on Nifty Futures stood at 28.42 million as against the previous session's close at 28.18 million.

Indian Debt Market

- Bond yield eased as traders resorted to short covering on the farmer package related news. The farm package is not expected to widen the fiscal deficit this year. The farm package is estimated to have a limited impact even in the next year's fiscal deficit. This somewhat relieved investors and aided the market sentiment.
- Yield on the 10-year benchmark paper (7.17% GS 2028) decreased 2 bps to close at 7.57% as compared with 7.59% in the previous session after trading in the range of 7.54% to 7.65%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 18,973 crore (gross) on Jan 21, 2019 compared with a borrowing of Rs. 7,776 crore (gross) on Jan 18, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 27,976 crore on Jan 18, 2019.

Currency Market Update

- The Indian rupee depreciated against the greenback as crude oil prices stayed above the \$60-mark. This fueling concerns over widening current account deficit and adversely impacted the domestic currency. However, dollar sale by importers limited further losses.
- The euro inched up against the greenback on optimism about improving U.S-China trade relations. Investors cheered on the U.S. President's remark on the progress of trade talks with China, which supported the single currency.

Commodity Market Update

- Gold prices moved down amid news on China's GDP data that grew 1.5% in the last quarter of 2018, which was in line with expectation.
- Brent crude prices saw a marginal fall on news of China's GDP data. China's GDP grew in line with expectation, but it dropped over the quarter. This raised concerns over the global oil demand.

International News

- A University of Michigan preliminary report showed consumer sentiment in the U.S. saw a significant decrease in Jan 2019. Consumer sentiment index declined to 90.7 in Jan from the final Dec 2018 reading of 98.3, which is lower than expectations. This is lowest level since Oct 2016, when the data was 87.2.
- U.S. Federal Reserve report showed industrial production in the U.S. increased by a little more than expectations in Dec 2018. This happened as manufacturing and mining output more than offset a sharp decline in utilities output. The Fed said industrial production increased 0.3% in Dec after climbing 0.4% in Nov 2018, which is higher than expectations.

Thank you for
your time.