

**RELIANCE**

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FUND

# Markets for You

23 Jan 2018

## Indices Performance

Global Indices	22-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	26,215	26,072	143	0.55
Nasdaq	7,408	7,336	72	0.98
FTSE	7,715	7,731	-15	-0.20
Nikkei	23,816	23,808	8	0.03
Hang Seng	32,393	32,255	139	0.43
Indian Indices	22-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,798	35,512	286	0.81
Nifty 50	10,966	10,895	72	0.66
Nifty 100	11,391	11,316	75	0.67
Nifty Bank	27,041	26,910	132	0.49
SGX Nifty	10,975	10,918	57	0.52
S&P BSE Power	2,369	2,363	7	0.28
S&P BSE Small Cap	19,608	19,456	152	0.78
S&P BSE HC	14,966	14,868	98	0.66

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
22-Jan	26.03	1.07	27.62	1.03
Month Ago	25.03	1.13	26.86	1.08
Year Ago	21.07	1.45	22.37	1.32

## Nifty 50 Top 3 Gainers

Company	22-Jan	Prev_Day	% Change <sup>#</sup>
TCS	3116	2959	5.31
RIL	972	931	4.32
Indiabulls HFC	1355	1302	4.10

## Nifty 50 Top 3 Losers

Company	22-Jan	Prev_Day	% Change <sup>#</sup>
HPCL	402	416	-3.46
GAIL	457	469	-2.42
Wipro	322	329	-2.25

## Advance Decline Ratio

	BSE	NSE
Advances	1580	983
Declines	1318	799
Unchanged	179	70

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1088	6856
MF Flows**	168	4412

\*22<sup>nd</sup> Jan 2018; \*\*19<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 &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

## Global Indices

- Asian markets witnessed modest gains as investors continued to take positive cues from upbeat Chinese gross domestic product data for 2017. Market participants also followed developments of the talks to end the U.S. government shut down after the Senate failed to reach agreement over a short-term funding bill. Market participants also turned optimistic after Germany's Social Democrats voted to enter coalition talks with Chancellor Angela Merkel's government and French President said that it would be possible for Britain to secure a customized trade deal if the U.K. accepts certain pre-conditions. Today (As of Jan 23), Asian markets opened higher following strong rise on the Wall Street overnight. Both Nikkei and Hang Seng were trading higher 0.75% and 0.74%, respectively (8 a.m. IST).
- As per the last close, European market mostly closed with small gains after moving in a range during the session. Market participants continue to keep track of development both in Europe and in the U.S.
- As per the last close, U.S market rose after U.S. lawmakers reached a deal that would resume government operations.

## Indian Equity Market

- Indian equity markets surged with Sensex surpassing the 35,600-mark and Nifty 50 nearing the 11,000 level. Investors took positive cues from robust quarterly earning numbers from an industry major in energy sector. Prospects of merger and acquisition activities between index heavyweights in the energy sector further supported buying interest.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.81% and 0.66% to close at 35,798.01 and 10,966.20, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.63% and 0.78%, respectively.
- The overall market breadth on BSE was positive with 1,580 scrips advancing and 1,318 scrips declining. A total of 179 scrips remained unchanged.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Energy was the top gainer, up 2.42%, followed by S&P BSE IT and S&P BSE Realty, which went up 2.01% and 1.95%, respectively. S&P BSE Capital Goods and S&P BSE Teck rose 1.79% and 1.38%, respectively. Meanwhile, S&P BSE Telecom was the major loser, down 1.49%, followed by S&P BSE Metal and S&P BSE Utilities, which slipped 0.82% and 0.54%, respectively.

## Domestic News

- The government is considering a plan to raise the equity investment limit for the Employees' Provident Fund Organisation (EPFO) from 15% to 25%. Such a move could more than double the provident fund money invested in exchange-traded funds (ETFs) over time. The move comes on the wake of higher than expected return on equity while decline in debt, thereby compelling the government to explore wider investment options to maximise returns.
- According to a government official, the commerce ministry has pitched for continuation of tax incentives that is being enjoyed by units in special economic zones (SEZs). This comes with a view to boost shipments and job creation. Also, the Department of Commerce has asked the finance ministry to remove minimum alternate tax on SEZs.
- As per the World Economic Forum, India stands at 62<sup>nd</sup> place among 103 emerging economies on an Inclusive Development Index. The index considers the "living standards, environmental sustainability and protection of future generations from further indebtedness". Despite its low score as compared with its neighbouring countries, India is among the ten emerging economies with 'advancing' trend.
- Axis Bank's net profit grew 25% to Rs. 7.26 billion for the quarter ended Dec 2017 as against a net profit of Rs. 5.79 billion in the previous year period. The upside was driven by robust growth in net interest income. Net interest income surged 9% YoY to Rs. 47.3 billion during the quarter.
- Dewan Housing Finance witnessed net profit of Rs. 305.9 crore during the quarter ended Dec 31, 2017, up 25% YoY from Rs. 244.8 crore in the previous year period. The upside was driven by robust loan growth in the individual segment.
- Morepen Laboratories Ltd's net profit in Q3FY18 came in at Rs. 96.7 million, up 107% YoY. The significant upside was driven by 53% growth in sales in the Home Diagnostic category. Domestic sales were up by 24.8% to Rs. 1.03 billion in Q3FY18 while exports were down at Rs. 365.8 million.

FII Derivative Trade Statistics			
	22-Jan		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3117.64	3143.64	24486.94
Index Options	78803.23	78131.50	87952.86
Stock Futures	13742.75	12432.91	75141.40
Stock Options	12174.31	12269.44	9654.30
Total	107837.93	105977.49	197235.50

Derivative Statistics- Nifty Options			
	22-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.79	1.74	0.05
Put Call Ratio(Vol)	1.17	1.27	-0.10

Debt Watch				
	22-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.92%	5.91%	5.97%	6.02%
CBLO	5.98%	5.92%	5.71%	4.98%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.34%	6.32%	6.18%	6.21%
364 Day T-Bill	6.31%	5.75%	6.37%	6.17%
10 Year Gilt	7.46%	7.44%	7.27%	6.46%
G-Sec Vol. (Rs.Cr)	32334	26753	38674	41918
1 Month CP Rate	6.89%	6.88%	6.89%	6.75%
3 Month CP Rate	7.58%	7.39%	7.03%	7.08%
5 Year Corp Bond	7.76%	7.74%	7.62%	7.13%
1 Month CD Rate	6.23%	6.23%	6.35%	6.21%
3 Month CD Rate	7.15%	6.89%	6.45%	6.40%
1 Year CD Rate	7.41%	7.15%	6.90%	6.54%

Currency Market			
Currency	22-Jan	Prev_Day	Change
USD/INR	63.89	63.72	0.17
GBP/INR	88.60	88.64	-0.05
EURO/INR	78.12	78.14	-0.02
JPY/INR	0.58	0.57	0.00

Commodity Prices				
Commodity	22-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	63.61	64.17	58.24	52.28
Brent Crude(\$/bl)	69.56	71.13	64.95	54.98
Gold(\$/oz)	1334	1340	1275	1210
Gold(Rs./10 gm)	29965	29838	28686	29024

Source: ICRON Research

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#### Derivatives Market

- Nifty Jan 2018 Futures were at 10,968.00, a premium of 1.80 points above the spot closing of 10,966.20. The turnover on NSE's Futures and Options segment went down from Rs. 7,56,949.97 crore on Jan 19 to Rs. 7,31,631.19 crore on Jan 22.
- The Put-Call ratio closed at 0.91 against the previous session's close of 0.96.
- The Nifty Put-Call ratio stood at 1.79 against previous session's close of 1.74.
- Open interest on Nifty Futures stood at 34.96 million as against the previous session's close of 34.22 million.

#### Indian Debt Market

- Bond yields fell as decrease in crude oil prices eased concerns about inflation ahead of next week's annual budget. Also, shift to the new benchmark paper by the traders added to the gains.
- Yield on the existing 10-year benchmark paper (6.79% GS 2027) fell 2 bps to close at 7.46% as against previous session's close of 7.48%. During the session, bond yields traded in the range of 7.45% and 7.51%.
- Yield on the new 10-year benchmark paper (7.17% GS 2028) fell 3 bps to close at 7.26% as against previous session close of 7.29%. During the session, bond yields traded in the range of 7.25% and 7.32%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 11,722 crore (gross) on Jan 22 as compared with Rs. 2,805 crore on Jan 19. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 29,973 crore on Jan 19.

#### Currency Market Update

- The Indian rupee ended almost steady as initial losses were offset by gains in the domestic equity market. Also, investors preferred to wait for a U.S. Senate vote on a stopgap funding for federal agencies. The rupee inched down 0.03% to close at 63.87 per dollar from the previous close of 63.85.
- The euro strengthened against the U.S. dollar as the latter weakened on concerns of U.S. government shutdown. Euro grew 0.16% and was trading at \$1.2239, up from the previous close of \$1.2220.

#### Commodity Market Update

- Gold prices traded higher as investors continued to follow the developments on U.S. government shutdown.
- Brent crude prices traded a tad higher following comments from Saudi Arabia that cooperation between oil producers who have cut production to boost prices would continue beyond 2018.

#### International News

- A preliminary report from the University of Michigan showed that U.S. consumer sentiment index fell to 94.4 in Jan 2018 from the final reading of 95.9 in Dec 2017. Consumer confidence decreased as consumers evaluated current economic conditions less favorable. The index of consumer expectations rose to 84.8 in Jan from 84.3 in Dec.
- According to the Bank of Greece, Greece's current account deficit narrowed significantly to EUR 954 million in Nov 2017 from EUR 1.25 billion in the corresponding month last year. The deficit on goods trade declined to EUR 1.35 billion from EUR 1.64 billion last year.



Thank you for  
your time.