

**RELIANCE**

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FUND

# Markets for You

24 Jan 2018

Indices Performance

| Global Indices    | 23-Jan | Prev_Day | Abs. Change | % Change <sup>#</sup> |
|-------------------|--------|----------|-------------|-----------------------|
| Dow Jones         | 26,211 | 26,215   | -4          | -0.01                 |
| Nasdaq            | 7,460  | 7,408    | 52          | 0.71                  |
| FTSE              | 7,732  | 7,715    | 16          | 0.21                  |
| Nikkei            | 24,124 | 23,816   | 308         | 1.29                  |
| Hang Seng         | 32,931 | 32,393   | 537         | 1.66                  |
| Indian Indices    | 23-Jan | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| S&P BSE Sensex    | 36,140 | 35,798   | 342         | 0.96                  |
| Nifty 50          | 11,084 | 10,966   | 118         | 1.07                  |
| Nifty 100         | 11,507 | 11,391   | 115         | 1.01                  |
| Nifty Bank        | 27,391 | 27,041   | 349         | 1.29                  |
| SGX Nifty         | 11,063 | 10,975   | 88          | 0.80                  |
| S&P BSE Power     | 2,381  | 2,369    | 11          | 0.47                  |
| S&P BSE Small Cap | 19,651 | 19,608   | 43          | 0.22                  |
| S&P BSE HC        | 15,107 | 14,966   | 141         | 0.94                  |

P/E Dividend Yield

| Date      | Sensex |            | Nifty |            |
|-----------|--------|------------|-------|------------|
|           | P/E    | Div. Yield | P/E   | Div. Yield |
| 23-Jan    | 26.24  | 1.06       | 27.81 | 1.02       |
| Month Ago | 25.03  | 1.13       | 26.86 | 1.08       |
| Year Ago  | 21.14  | 1.45       | 22.48 | 1.32       |

Nifty 50 Top 3 Gainers

| Company  | 23-Jan | Prev_Day | % Change <sup>#</sup> |
|----------|--------|----------|-----------------------|
| Vedanta  | 344    | 327      | 5.06                  |
| Hindalco | 265    | 255      | 3.86                  |
| SBI      | 318    | 307      | 3.78                  |

Nifty 50 Top 3 Losers

| Company       | 23-Jan | Prev_Day | % Change <sup>#</sup> |
|---------------|--------|----------|-----------------------|
| Ambuja Cem    | 263    | 268      | -2.14                 |
| Eicher Motors | 27071  | 27650    | -2.09                 |
| Wipro         | 315    | 322      | -1.96                 |

Advance Decline Ratio

|           | BSE  | NSE |
|-----------|------|-----|
| Advances  | 1348 | 865 |
| Declines  | 1578 | 928 |
| Unchanged | 138  | 54  |

Institutional Flows (Equity)

| Description (Cr) | Inflow/Outflow | YTD  |
|------------------|----------------|------|
| FII Flows*       | 1544           | 8400 |
| MF Flows**       | 168            | 4412 |

\*23<sup>rd</sup> Jan 2018; \*\*19<sup>th</sup> Jan 2018

Economic Indicator

| YoY(%) | Current  | Quarter Ago | Year Ago |
|--------|----------|-------------|----------|
| WPI    | 3.58%    | 3.14%       | 2.10%    |
|        | (Dec-17) | (Sep-17)    | (Dec-16) |
| IIP    | 8.40%    | 4.80%       | 5.10%    |
|        | (Nov-17) | (Aug-17)    | (Nov-16) |
| GDP    | 6.30%    | 5.70%       | 7.50%    |
|        | (Sep-17) | (Jun-17)    | (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 up after the U.S. Senate voted to end the government shutdown and subsequently passed a bill to fund the government. Additionally, the Bank of Japan kept the monetary policy unchanged and kept its inflation and growth assessment unchanged. Today (As of Jan 24), Asian markets opened on a mixed note as investors focused on quarterly earnings releases. Both Nikkei and Hang Seng were trading lower 0.38% and 0.27%, respectively (8 a.m. IST).
- As per the last close, European market mostly finished with small gains as investors reacted to the Dec 2017 quarterly results of some companies and on the end of a three-day government shutdown in the U.S. Meanwhile, the Bank of Japan also kept its massive monetary stimulus program unchanged, helping ease worries that it might shift toward a tighter policy.
- As per the last close, U.S market mostly gained as U.S. lawmakers voted to move forward on a deal to end federal government shutdown, passing a temporary bill funding the government until Feb 8, 2018. Better than expected Dec 2017 quarterly earning added to the upside.

Indian Equity Market

- Indian equity markets soared with the benchmark indices Sensex and Nifty 50 surpassing the coveted 36000- and 11000-mark, respectively. Investor sentiment improved after a report from the International Monetary Fund (IMF) showed that India could regain the title as the world's fastest growing major economy in 2018-19. IMF has also revised its forecast for world economic growth upward and said that it expects a strong Indian economy to offset decelerating growth in China.
- Buying interest found additional support after the U.S. Congress brought an end to a three-day government shutdown as Senate Democrats adopted a short-term spending bill to fund government operations.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.96% and 1.07% to close at 36,139.98 and 11,083.70, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 1.13% and 0.22%, respectively.
- The overall market breadth on BSE was weak with 1,578 scrips declining and 1,348 scrips advancing. A total of 138 scrips remained unchanged.

Domestic News

- According to the International Monetary Fund (IMF), India is expected to grow at 7.4% in 2018 as against 6.8% growth in China. This makes India as one of the fastest growing countries among emerging economies following slowdown due to demonetisation and the implementation of the goods and service tax in 2017. Meanwhile, the economy is expected to grow at a rate of 7.8% in 2019.
- Securities and Exchange Board of India (SEBI) announced that the panel of the oversight committee on 'product design' will be responsible for introduction of new contracts, modifications of existing product and reviewing the design of the already approved and running contracts. This is being done to bring uniformity with respect to the role of the oversight committee. The move comes after SEBI noted that the commodity derivatives exchanges have been adopting varied approach in terms of constitution and also the functioning of such oversight committees.
- The government is set for the extension of the Pradhan Mantri Jan-Dhan Yojana. It will possibly double the overdraft amount under the scheme and use it to give loans to promote entrepreneurship. The second phase of the financial inclusion scheme that pursues providing a bank account to everyone ends in Aug 2018.
- Edelweiss Financial Services notified 52% rise in net profit to Rs. 2.36 billion in the quarter ended Dec 2017 as against Rs. 1.55 billion in the corresponding quarter of the previous year.
- Oil and Natural Gas Corporation has got approval from the government to sell its stake in Indian Oil Corporation and GAIL for Rs. 369.15 billion to fund acquisitions of Hindustan Petroleum Corporation Ltd.
- Indiabulls Housing Finance announced 55.38% rise in consolidated net profit to Rs. 1,167.73 crore in the quarter ended Dec 2017 as against net profit of Rs 751.49 crore in the corresponding quarter of the previous fiscal.

| FII Derivative Trade Statistics |           | 23-Jan    |           |  |
|---------------------------------|-----------|-----------|-----------|--|
| (Rs Cr)                         | Buy       | Sell      | Open Int. |  |
| Index Futures                   | 4603.94   | 6408.31   | 25913.49  |  |
| Index Options                   | 61227.98  | 64739.03  | 90028.85  |  |
| Stock Futures                   | 21715.08  | 20638.07  | 75716.35  |  |
| Stock Options                   | 13600.14  | 13370.42  | 9872.60   |  |
| Total                           | 101147.14 | 105155.83 | 201531.29 |  |

| Derivative Statistics- Nifty Options |        |          |        |
|--------------------------------------|--------|----------|--------|
|                                      | 23-Jan | Prev_Day | Change |
| Put Call Ratio (OI)                  | 1.89   | 1.79     | 0.10   |
| Put Call Ratio(Vol)                  | 1.10   | 1.17     | -0.07  |

| Debt Watch         |        |         |          |          |
|--------------------|--------|---------|----------|----------|
|                    | 23-Jan | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate          | 5.89%  | 5.88%   | 5.97%    | 5.96%    |
| CBLO               | 6.00%  | 5.93%   | 5.71%    | 5.98%    |
| Repo               | 6.00%  | 6.00%   | 6.00%    | 6.25%    |
| Reverse Repo       | 5.75%  | 5.75%   | 5.75%    | 5.75%    |
| 91 Day T-Bill      | 6.32%  | 6.27%   | 6.18%    | 6.22%    |
| 364 Day T-Bill     | 6.46%  | 6.53%   | 6.37%    | 6.16%    |
| 10 Year Gilt       | 7.41%  | 7.55%   | 7.27%    | 6.45%    |
| G-Sec Vol. (Rs.Cr) | 51143  | 27684   | 38674    | 30220    |
| 1 Month CP Rate    | 6.89%  | 6.89%   | 6.89%    | 6.75%    |
| 3 Month CP Rate    | 7.58%  | 7.48%   | 7.03%    | 7.08%    |
| 5 Year Corp Bond   | 7.78%  | 7.80%   | 7.62%    | 7.10%    |
| 1 Month CD Rate    | 6.25%  | 6.23%   | 6.35%    | 6.21%    |
| 3 Month CD Rate    | 7.16%  | 6.96%   | 6.45%    | 6.41%    |
| 1 Year CD Rate     | 7.44%  | 7.23%   | 6.90%    | 6.56%    |

| Currency Market |        |          |        |
|-----------------|--------|----------|--------|
| Currency        | 23-Jan | Prev_Day | Change |
| USD/INR         | 63.77  | 63.89    | -0.12  |
| GBP/INR         | 89.20  | 88.60    | 0.61   |
| EURO/INR        | 78.22  | 78.12    | 0.09   |
| JPY/INR         | 0.58   | 0.58     | 0.00   |

| Commodity Prices   |        |        |          |          |
|--------------------|--------|--------|----------|----------|
| Commodity          | 23-Jan | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 64.40  | 63.77  | 58.24    | 52.72    |
| Brent Crude(\$/bl) | 70.05  | 69.64  | 64.95    | 54.64    |
| Gold( \$/oz)       | 1341   | 1339   | 1275     | 1217     |
| Gold(Rs./10 gm)    | 30058  | 30056  | 28686    | 29259    |

Source: ICRON Research

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#### Derivatives Market

- Nifty Jan 2018 Futures were at 11,085.45, a premium of 1.75 points above the spot closing of 11,083.70. The turnover on NSE's Futures and Options segment went up from Rs. 7,31,631.19 crore on Jan 22 to Rs. 9,98,933.13 crore on Jan 23.
- The Put-Call ratio closed at 0.93 against the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.89 against previous session's close of 1.79.
- Open interest on Nifty Futures stood at 36.14 million as against the previous session's close of 34.2296 million.

#### Indian Debt Market

- Bond yields fell after the government stated that it will sell lower than scheduled amount of debt at the auction this week. Meanwhile, the bond sentiment has improved since last week after the government lowered its additional borrowing for FY18.
- Yield on the existing 10-year benchmark paper (6.79% GS 2027) fell 5 bps to close at 7.41% as against previous session's close of 7.46%.
- Yield on the new 10-year benchmark paper (7.17% GS 2028) fell 1 bps to close at 7.25% as against previous session close of 7.26%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 13,572 crore (gross) on Jan 23 compared with Rs. 11,722 crore on Jan 22. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 6,907 crore on Jan 22.

#### Currency Market Update

- The Indian rupee strengthened amid gains in domestic equity market and greenback sales. However, gains were slightly capped amid higher crude oil prices that drove inflation concerns. The rupee gained 0.15% to close at 63.77 per dollar from the previous close of 63.87.
- The euro weakened against the U.S. dollar as the latter gained amid reports that a deal to temporarily end the U.S. government shutdown was made. Euro fell 0.18% and was trading at \$1.2238, down from the previous close of 1.2260.

#### Commodity Market Update

- Gold prices inched up as investors remained cautious of rate decision by the European Central Bank (ECB).
- Brent crude prices inched down ahead of the weekly data from the U.S. on stockpiles of crude and refined products.

#### International News

- The International Monetary Fund (IMF) upgraded its global growth expectation for 2018 and 2019, reflecting acceleration in global economic activity and the impact of U.S. tax policy changes. Global output is expected to grow by 3.9% for both 2018 and 2019 as against previous expectation of 3.7%.
- The ZEW indicator of economic sentiment in Germany grew 3 points to 20.4 in Jan 2018, thereby marking an eight-month high. The assessment of the current economic situation also improved in Jan and the corresponding index surged 5.9 points to 95.2 points.

Thank you for  
your time.