

RELIANCE

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FUND

Markets for You

29 Jan 2018

Indices Performance

Global Indices	26-Jan	Prev_Day	Abs. Change	% Change [#]
Dow Jones	26,617	26,393	224	0.85
Nasdaq	7,506	7,411	95	1.28
FTSE	7,666	7,616	50	0.65
Nikkei	23,632	23,669	-38	-0.16
Hang Seng	33,154	32,654	500	1.53
Indian Indices	25-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	36,050	36,162	-111	-0.31
Nifty 50	11,070	11,086	-16	-0.15
Nifty 100	11,459	11,497	-38	-0.33
Nifty Bank	27,446	27,399	47	0.17
SGX Nifty	11,070	11,078	-9	-0.08
S&P BSE Power	2,348	2,374	-27	-1.12
S&P BSE Small Cap	19,342	19,475	-133	-0.68
S&P BSE HC	15,029	15,143	-114	-0.75

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
25-Jan	26.24	1.08	27.61	1.02
Month Ago	25.03	1.13	26.86	1.08
Year Ago	21.61	1.41	22.98	1.28

Nifty 50 Top 3 Gainers

Company	25-Jan	Prev_Day	% Change [#]
Indiabulls HFC	1394	1362	2.35
ICICI Bank	361	353	2.28
GAIL	494	485	1.81

Nifty 50 Top 3 Losers

Company	25-Jan	Prev_Day	% Change [#]
United Phos	769	824	-6.71
SBI	313	330	-5.08
Aurobindo Pharma	640	658	-2.85

Advance Decline Ratio

	BSE	NSE
Advances	1115	610
Declines	1735	1188
Unchanged	162	59

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	878	11759
MF Flows**	342	5008

*25th Jan 2018; **23rd 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 witnessed a mixed trend with investors awaiting U.S. President's comments in the World Economic Forum in Davos, Switzerland, along with preliminary data on U.S. fourth-quarter GDP, scheduled post market hours. Today (As of Jan 29), Asian markets opened higher amid Wall street gains in the last session. Also, gains in technology and energy sector in regional markets added to the gains. Nikkei and Hang seng grew 0.49% and 0.64%, respectively (as at 8.a.m. IST).
- As per the last close, European market ended higher on solid earnings results by some of the European majors. However, gains in Euro kept stocks of exporters under pressure, thereby weighing on market sentiment.
- As per the last close, U.S markets ended almost higher on strong corporate earnings by some of the U.S. majors and strong durable goods orders data for Dec 2017. Lower than expected U.S. economic growth for fourth quarter weighed on market sentiment. However, comments from analysts that the report is not weak added to the gains.

Indian Equity Market

- Indian equity market closed in the red as market participants preferred to book profit after the key indices rallied for the last six sessions. Cautious note was also witnessed ahead of the Union budget, extended weekend and expiry of monthly derivative contracts. Market sentiment dented further after government's recapitalization plan for public sector banks (PSBs) came lower than expected.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.31% and 0.15% to close at 36,050.44 and 11,069.65, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 0.75% and 0.68%, respectively.
- The overall market breadth on BSE was negative with 1,735 scrips declining and 1,115 scrips advancing. A total of 162 scrips remained unchanged.
- On the BSE sectoral front, most of the indices closed in the red barring S&P BSE Metal (0.84%) and S&P BSE Capital Goods (0.38%). S&P BSE Realty (-1.52%) stood as the major loser followed by S&P BSE Auto (-1.18%), S&P BSE TECK (-1.13%). Banking sector also fell as most of the PSUs declined after government's recapitalization plan for PSBs failed to cheer investors.

Domestic News

- The Ministry of Finance announced registration of one crore tax payer under total revenue collections under the Goods and Services Tax (GST) so far till Jan 24, 2018. Also, GST collections gathered momentum in Dec 2017 after falling for two straight consecutive months, and raised to Rs. 86,703 crore from Rs. 80,808 crore in Nov 2017.
- The government announced to deposit Rs. 88,000 crore of capital to 20 state-run banks in FY18 and also prescribe a reforms package to make them more accountable. Of this, Rs. 80,000 crore will be through recapitalisation bonds and Rs. 8,139 crore as budgetary support. Meanwhile, banks will raise Rs. 10,312 crore from the market.
- According to a major credit rating agency, finance ministry's move to recapitalise public sector banks (PSBs) may help to mitigate the risks that Indian state banks face because of weak asset quality and poor earnings, but resolution of bad assets and continued high credit costs may harm the sector's near-term performance.
- The Department of Industrial Policy and Promotion (DIPP) has notified of easing the foreign direct investment (FDI) rules for several sectors-including single brand retail, non-banking financial companies and construction. It has also mentioned that allowing 100% FDI in single brand retail under automatic route would attract more investments in production and marketing.
- Dr Reddy's Laboratories Limited reported consolidated net profit of Rs. 3.34 billion for the quarter ended Dec 2017, down 29% YoY from Rs. 4.70 billion in the year-ago period. The decline reflects higher price erosion, increased competition and the impact of adverse foreign exchange in the U.S. and European markets.
- L&T Finance Holdings Ltd's consolidated net profit grew 42% YoY to Rs. 384 crore for the third quarter ended Dec 31, 2017, from Rs. 271 crore in the same period of the previous fiscal. The increase was driven by robust growth in its rural lending and housing finance business.

FII Derivative Trade Statistics		25-Jan	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	6470.43	5212.55	30687.75
Index Options	106027.09	107140.29	90437.46
Stock Futures	38641.10	39288.49	80474.33
Stock Options	9716.41	9645.56	10519.67
Total	160855.03	161286.89	212119.21

Derivative Statistics- Nifty Options			
	25-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.78	1.81	-0.04
Put Call Ratio(Vol)	1.04	1.15	-0.11

Debt Watch				
	25-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.91%	5.90%	5.97%	5.98%
CBLO	5.90%	5.86%	5.71%	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	6.40%	6.35%	6.18%	6.20%
364 Day T-Bill	6.51%	6.49%	6.37%	6.16%
10 Year Gilt	7.48%	7.47%	7.27%	6.42%
G-Sec Vol. (Rs.Cr)	39866	36341	38674	54682
1 Month CP Rate	6.93%	6.89%	6.89%	6.76%
3 Month CP Rate	7.75%	7.58%	7.03%	7.08%
5 Year Corp Bond	7.78%	7.77%	7.62%	7.09%
1 Month CD Rate	6.24%	6.24%	6.35%	6.22%
3 Month CD Rate	7.21%	6.98%	6.45%	6.42%
1 Year CD Rate	7.45%	7.31%	6.90%	6.54%

Currency Market			
Currency	25-Jan	Prev_Day	Change
USD/INR	63.50	63.64	-0.15
GBP/INR	90.92	89.32	1.59
EURO/INR	79.07	78.45	0.61
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	26-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	66.26	63.33	59.20	52.06
Brent Crude(\$/bl)	69.92	68.71	66.82	54.23
Gold(\$/oz)	1350	1331	1283	1200
Gold(Rs./10 gm)*	30489	29891	28686	29092

Source: ICRON Research *As on 25-Jan-18

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Derivatives Market

- Nifty Jan 2018 Futures settled at spot closing of 11,069.65 points. Nifty Feb 2018 Futures were at 11,062.6 points, a discount of 7.05 points, below the spot closing. The turnover on NSE's Futures and Options segment went up from Rs. 10,41,404.92 crore on Jan 24 to Rs. 17,50,208.42 crore on Jan 25.
- The Put-Call ratio closed at 0.84 against the previous session's close of 0.92.
- The Nifty Put-Call ratio stood at 1.78 against previous session's close of 1.81.
- Open interest on Nifty Futures stood at 39.19 million as against the previous session's close of 36.84 million.

Indian Debt Market

- Bond yields rose as increase in crude oil prices raised concerns over rise in inflation rate, which reduced expectations for an interest rate reduction.
- Yield on the existing 10-year benchmark paper (6.79% GS 2027) increased 4 bps to close at 7.48% as against previous session's close of 7.44%. During the session, bond yields traded in the range of 7.46% and 7.55%.
- Yield on the new 10-year benchmark paper (7.17% GS 2028) rose 3 bps to close at 7.31% as against previous session close of 7.28%. During the session, bond yields traded in the range of 7.30% and 7.34%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,920 crore (gross) on Jan 25 compared with Rs. 2,817 crore on Jan 24. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 12,015 crore on Jan 24.

Currency Market Update

- The Indian rupee strengthened against the U.S. dollar as the latter weakened amid comments from the U.S. President stating that a strong dollar is wanted, contradicting comments by U.S. Treasury Secretary who backed a weaker dollar to help boost America's global trade.
- The euro strengthened after the president of the European Central Bank signalled that economic data indicated a solid and broad growth.

Commodity Market Update

- Gold prices traded higher amid weakness in U.S. dollar against euro following recent comments from the U.S. Treasury Secretary.
- Oil prices traded lower as concerns over seasonally weak demand outlook overshadowed favourable impact of weakness in the U.S. dollar.

International News

- The European Central Bank (ECB) kept its key interest rates and asset purchases steady at record low. The bank reiterated its forward guidance that rates will remain at current level and also ready to increase the size as well as duration of asset buys, until inflation reaches its target. The main refinancing rate is at 0% and the deposit rate at -0.40%. The marginal lending facility rate is 0.25%.
- A report from the Commerce Department showed that U.S. real gross domestic product missed market expectations for the fourth quarter 2017. It grew by 2.6% in the fourth quarter as against 3.2% growth seen in the third quarter.

Thank you for
your time.