

**RELIANCE**

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FUND

# Markets for You

04 Jul 2017

Indices Performance

Global Indices	03-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,479	21,350	130	0.61
Nasdaq	6,110	6,140	-30	-0.49
FTSE	7,377	7,313	64	0.88
Nikkei	20,056	20,033	22	0.11
Hang Seng	25,784	25,765	20	0.08
Indian Indices	03-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	31,222	30,922	300	0.97
Nifty 50	9,615	9,521	94	0.99
Nifty 100	9,937	9,835	102	1.03
Nifty Bank	23,273	23,211	62	0.27
SGX Nifty	9,619	9,513	106	1.11
S&P BSE Power	2,228	2,226	2	0.09
S&P BSE Small Cap	15,573	15,411	162	1.05
S&P BSE HC	14,227	14,191	36	0.26

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
3-Jul	22.86	1.25	24.47	1.11
Month Ago	22.65	1.30	24.43	1.18
Year Ago	19.78	1.44	22.86	1.25

Nifty 50 Top 3 Gainers

Company	03-Jul	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	398	375	6.19
ITC	343	324	5.82
Hindalco	197	191	2.99

Nifty 50 Top 3 Losers

Company	03-Jul	Prev_Day	% Change <sup>#</sup>
HCL Tech	838	851	-1.50
NTPC	157	159	-1.38
Kotak Bank	949	956	-0.72

Advance Decline Ratio

	BSE	NSE
Advances	1799	1193
Declines	876	482
Unchanged	159	89

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1455	54809
MF Flows**	898	39920

\*3<sup>rd</sup> Jul 2017; \*\*29<sup>th</sup> Jun 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	2.17% (May-17)	5.51% (Feb-17)	-0.90% (May-16)
IIP	3.10% (Apr-17)	3.80% (Jan-17)	6.50% (Apr-16)
GDP	6.10% (Mar-17)	7.00% (Dec-16)	9.20% (Mar -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

- Most of the Asian markets closed in the green after a private survey showed that China's manufacturing activity recovered in Jun 2017 on the back of impressive growth in production and new orders. Upbeat business sentiment data from Japan also helped markets. However, cues from G20 summit, release of minutes of U.S. Federal Reserve's meeting, and the U.S. nonfarm payrolls data limited the upside. Today (As on Jul 04), Asian market opened on a positive note as dollar rose overnight on upbeat U.S. data. Both Nikkei Average and Hang Seng were trading higher 0.39% and 0.06%, respectively (as at 8.00 a.m IST).
- As per the last close, European market rallied due to rise in energy, mining and banking stocks. Energy stocks rose due to increase in crude oil prices. Mining stocks boosted following better than expected manufacturing data from China.
- As per the last close, U.S. market witnessed a mixed performance. Energy, trucking and financial stocks gained strongly but gold, semiconductor and software stocks showed considerable weakness.

Indian Equity Market

- Indian equity markets grew with Sensex and Nifty regaining the 31,000-mark and 9,600-level respectively, as investors turned confident following implementation of the goods and services (GST) tax from Jul 1, 2017. Markets moved up on expectations that the tax reform could boost Indian economy, and also attract global investors. An FMCG major surged on expectations that GST could lower retail prices and push sales.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.97% and 0.99% to close at 31,221.62 and 9,615.00, respectively. S&P BSE MidCap and S&P BSE SmallCap grew 1.13% and 1.05%, respectively.
- The overall market breadth on BSE was strong with 1,799 scrips advancing and 876 scrips declining. A total of 159 scrips remained unchanged.
- On the BSE sectoral front, all indices closed in the green. S&P BSE FMCG, up 3.40%, was the top gainer, followed by S&P BSE Telecom (1.86%), S&P BSE Metal (1.85%), S&P BSE Basic Materials (1.83%), S&P BSE Realty (1.48%), and S&P BSE Consumer Discretionary Goods & Services (1.41%).

Domestic News

- The Nikkei Markit India Manufacturing Purchasing Managers' Index (PMI) fell to 50.9 in Jun 2017 from 51.6 in May 2017 owing to soft rise in factory new orders that resulted in weaker growth in production. Despite an increase in orders from abroad, manufacturing activity slowed to a four month low in Jun 2017. Meanwhile, production expanded at weakest pace since Feb 2017. However, a reading above 50 indicates expansion, while a score below this mark signifies contraction.
- The Bombay Stock Exchange has introduced a new slab-based structure of charging transaction fees for securities traded under group A, B and other non-exclusive scrips. Beginning Aug 1, 2017, transaction charges for trading in equities, with lower volumes attracting higher fees, will be revised by the exchange. The exchange would charge transaction fees of Rs. 1.5 per trade for trade volumes of up to one lakh. Currently, fees of only Re 1 per trade was charged for volumes of up to 5 lakh. However, under the new slab structure, the transaction charges range from Rs. 0.50 to Rs. 1.5 per trade.
- According to Niti Ayog, digital payments grew 55% in 2016-17 and the trend is expected to continue in the coming years. The volume of overall digital payments grew at 28% CAGR from 2011-12 to 2015-16. The upside is driven by innovations in digital payment technologies and increasing consumer satisfaction.
- Foreign investors have invested more than Rs. 29,000 crore in Indian capital markets in Jun 2017. This marked the highest inflow in three months. The significant inflow is driven by the impact of rollout of the goods and service tax (GST) and forecast of a normal monsoon. This also marked inflow by overseas investors for the fifth consecutive month in a row. Notably, foreign portfolio investors (FPIs) invested most of the funds in the debt market.

FII Derivative Trade Statistics		03-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1237.26	1877.22	19865.72	
Index Options	36885.40	34988.52	50402.78	
Stock Futures	7652.68	6668.37	68819.68	
Stock Options	3861.64	3715.98	1817.71	
Total	49636.98	47250.09	140905.89	

Derivative Statistics- Nifty Options			
	03-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.13	1.18	-0.05
Put Call Ratio(Vol)	1.04	1.05	-0.02

Debt Watch				
	03-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.07%	6.08%	6.05%	6.25%
CBLO	6.06%	5.87%	6.04%	6.27%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.28%	6.21%	6.24%	6.53%
364 Day T-Bill	6.33%	6.36%	6.39%	6.84%
10 Year Gilt	6.55%	6.46%	6.62%	7.42%
G-Sec Vol. (Rs.Cr)	60034	46122	50720	88964
1 Month CP Rate	6.54%	6.55%	6.49%	7.56%
3 Month CP Rate	6.70%	6.70%	6.70%	7.79%
5 Year Corp Bond	7.37%	7.27%	7.40%	8.07%
1 Month CD Rate	6.32%	6.31%	6.23%	6.68%
3 Month CD Rate	6.36%	6.34%	6.38%	6.76%
1 Year CD Rate	6.69%	6.65%	6.80%	7.42%

Currency Market			
Currency	03-Jul	Prev_Day	Change
USD/INR	64.75	64.74	0.01
GBP/INR	84.17	84.26	-0.08
EURO/INR	73.86	74.00	-0.15
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	03-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	45.97	42.84	47.63	48.97
Brent Crude(\$/bl)	49.22	43.18	48.10	47.04
Gold( \$/oz)	1220	1256	1280	1342
Gold(Rs./10 gm)	28292	28753	28757	30980

Source: ICRON Research

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#### Derivatives Market

- Nifty Jul 2017 Futures were at 9,621.80 points, a premium of 6.80 points, over the spot closing 9,615.00. The turnover on NSE's Futures and Options segment went up from Rs. 3,12,502.19 crore on Jun 30 to Rs. 3,81,848.47 crore on Jul 3.
- The Put-Call ratio stood at 0.96 compared with the previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.21 compared with the previous session's close of 1.13.
- The open interest on Nifty Futures stood at 21.09 million as against previous session's close of 20.61 million.

#### Indian Debt Market

- Bond yields went up as supply dynamics came into play after the Reserve Bank of India (RBI) held the first open market sale of debt in two years. RBI conducted the open market debt sale to absorb excess liquidity from the banking system.
- Yield on the 10-year benchmark paper (6.79% GS 2027) went up 4 basis points to 6.55% from 6.51% from the previous close. During the session, bond yields traded in the range of 6.55% and 6.62%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 1,915 crore (gross) on Jul 3, down from Rs. 2,475 crore (gross) borrowing on Jun 30. Sale of securities under RBI's reverse repo window stood at Rs. 52,993 crore on Jun 30.
- Banks borrowing under central bank's Marginal Standing Facility was Rs. 7,000 crore on Jun 30 as against no borrowing on Jun 29.

#### Currency Market Update

- The Indian rupee weakened against the U.S. dollar following greenback purchases by banks. However, gains in the domestic equity market restricted further losses. The rupee fell 0.46% to close at 64.88 per dollar from the previous close of 64.58.
- The euro weakened against the greenback amid growing possibility that the U.S. Federal Reserve will tighten its monetary policy more than it does currently. Euro was trading at \$1.1364, down 0.52% compared with the previous close of \$1.1423.

#### Commodity Market Update

- Gold prices traded lower as U.S. dollar gained strength against the euro. Recent strength in the global equity markets also dampened the safe haven appeal of the bullion.
- Brent crude prices went up as investors continued to take positive cues from recent instances of decline in U.S. crude production.

#### International News

- According to a report from the University of Michigan, U.S. consumer sentiment index came in better than market expectations at 95.1 in Jun 2017. However, it was lower than the score of 97.1 in May 2017. While the consumer expectations index declined to 83.9 in Jun, index of current economic conditions grew to 112.5.
- China's manufacturing PMI came in better than market expectations and grew to 50.4 from 49.6 in May 2017, according to a Caixin report. The upside was driven by strengthening of production and new orders. However, inventory holdings and employment continued to decline.

Thank you for  
your time.