

RELIANCE

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FUND

Markets for You

05 Jul 2018

Indices Performance

Global Indices	04-Jul	Prev_Day	Abs. Change	% Change [#]
Dow Jones	Closed	24,175	NA	NA
Nasdaq	Closed	7,503	NA	NA
FTSE	7,573	7,593	-20	-0.27
Nikkei	21,717	21,786	-69	-0.31
Hang Seng	28,242	28,546	-304	-1.06
Indian Indices	04-Jul	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	35,645	35,379	267	0.75
Nifty 50	10,770	10,700	70	0.65
Nifty 100	11,033	10,974	59	0.54
Nifty Bank	26,434	26,204	230	0.88
SGX Nifty	10,777	10,747	30	0.27
S&P BSE Power	1,906	1,916	-10	-0.54
S&P BSE Small Cap	16,051	15,990	61	0.38
S&P BSE HC	14,326	14,212	114	0.80

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-Jul	22.81	1.23	26.02	1.21
Month Ago	22.83	1.15	26.92	1.24
Year Ago	22.84	1.26	24.47	1.11

Nifty 50 Top 3 Gainers

Company	04-Jul	Prev_Day	% Change [#]
Bajaj Auto	2979	2862	4.08
Lupin	934	903	3.44
Bharti Infratel	300	292	2.74

Nifty 50 Top 3 Losers

Company	04-Jul	Prev_Day	% Change [#]
HPCL	252	259	-2.53
Cipla	629	640	-1.80
BPCL	368	374	-1.62

Advance Decline Ratio

	BSE	NSE
Advances	1230	835
Declines	1378	942
Unchanged	137	99

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-987	-5135
MF Flows**	2353	68279

*4th Jul 2018; **29th Jun 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.87% (May-18)	4.44% (Feb-18)	2.18% (May-17)
IIP	4.90% (Apr-18)	7.40% (Jan-18)	3.20% (Apr-17)
GDP	7.70% (Mar-18)	7.00% (Dec-17)	6.10% (Mar-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 markets traded mostly on lower note as investors remained cautious over U.S. tariffs imposition plan on Chinese goods scheduled to become effective from July 6. Stronger yen and lower cues from overnight U.S. markets further weighed on the sentiments. However, the services sector in Japan continued to expand in Jun at a faster rate as per the latest survey from Nikkei PMI. Today (as of Jul 5), Asian markets opened lower as investors were cautious ahead of deadline when tariffs from the U.S. and China are due to be implemented. Both Nikkei and Hang Seng were trading down 0.15% and 0.18%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower amid elevated tensions between the U.S. and China over forthcoming trade tariffs and investment restrictions implementation.
- As per the last close, U.S. markets were closed on account of U.S. Independence Day holiday.

Indian Equity Market

- Indian Equity markets closed in the green following solid services PMI data for Jun 2018. Further, cabinet's approval to raise minimum support price (MSP) for kharif crops improved market sentiment. However, a section of investors remained worried as raise in MSP may create inflationary pressure. Gains were capped as investors remained cautious ahead of the deadline on U.S. imposition of tariff on goods imported from China.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.75% and 0.65% to close at 35,645.40 and 10,769.90, respectively. S&P BSE Mid-Cap fell 0.17% and S&P BSE Small Cap grew 0.38%.
- The overall market breadth on BSE was weak with and 1,378 scrips declining and 1,230 scrips advancing. A total of 137 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Auto was the major gainer, up 1.31% followed by S&P BSE Energy that grew 1.03%. S&P BSE Healthcare and S&P BSE Finance grew 0.80% and 0.78%, respectively. S&P BSE Information Technology was the major loser, down 0.60% followed by S&P BSE Teck that fell 0.55%.

Domestic News

- The Nikkei India Services Purchasing Managers' Index (PMI) climbed to 52.6 in Jun from 49.6 in May. This is the highest since June 2017. Further, the recovery in services firms' activity, along with an improved manufacturing growth lifted the composite PMI to 53.3, its highest level since Oct 2016.
- The Cabinet Committee on Economic Affairs has raised minimum support price (MSP) for kharif crops for FY19. MSP for common variety of paddy has been increased by approximately Rs. 200 per quintal and that of fine paddy from Rs. 1,550 in FY18 to Rs. 1,750. MSP has also been raised for urad from Rs 5,400 per 100 kg to Rs. 5,600 per 100 kg. The announcement comes as relief for farmers.
- The Securities and Exchange Board of India (SEBI) after consulting the Reserve Bank of India increased the overseas investment limit of alternative investment funds (AIFs) and venture capital funds (VCFs) to \$750 million from the current \$500 million. The market regulator has also asked AIFs and VCFs to disclose the utilisation of the such limits within 5 working days on the SEBI portal.
- The government will change the base year for calculation of Gross Domestic Product (GDP) and retail inflation to 2017-18 and 2018 respectively. The same will likely come into effect by 2019-20. The government had last revised the base year for GDP, IIP to 2011-12 and consumer price index to 2012.
- By 2020, Maruti Suzuki is planning to increase its manufacturing capacity by another 750,000 units from its three production lines in Gujarat plant. This is expected to take its total capacity to more than 2.25 million units in a year. The company is analysing ways to increase its production capacity to more than 2.25 million units per annum, after 2020.
- United States Food and Drug Administration has given final approval to Unichem Laboratories for its Montelukast chewable tablets with strengths of 4 mg and 5 mg. These tablets are used for prevention and treatment of asthma.

FII Derivative Trade Statistics		04-Jul	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2610.73	2563.65	19322.63
Index Options	68038.37	67922.40	52310.58
Stock Futures	9905.46	9424.82	79603.74
Stock Options	4351.23	4347.15	3581.95
Total	84905.79	84258.02	154818.90

Derivative Statistics- Nifty Options			
	04-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.53	1.50	0.03
Put Call Ratio(Vol)	1.08	0.87	0.22

Debt Watch				
	04-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.09%	6.14%	5.87%	6.04%
CBLO	5.94%	6.09%	5.75%	6.04%
Repo	6.25%	6.25%	6.00%	6.25%
Reverse Repo	6.00%	6.00%	5.75%	6.00%
91 Day T-Bill	6.46%	6.51%	6.48%	6.27%
364 Day T-Bill	7.14%	7.10%	6.06%	6.35%
10 Year Gilt	7.85%	7.87%	7.88%	6.55%
G-Sec Vol. (Rs.Cr)	32259	23103	18363	49477
FBIL MIBOR	6.25%	6.28%	6.00%	6.22%
3 Month CP Rate	7.20%	7.55%	8.10%	6.71%
5 Year Corp Bond	8.83%	8.73%	8.65%	7.56%
1 Month CD Rate	6.54%	6.92%	7.21%	6.31%
3 Month CD Rate	7.12%	6.99%	7.73%	6.37%
1 Year CD Rate	8.14%	8.12%	8.25%	6.70%

Currency Market			
Currency	04-Jul	Prev_Day	Change
USD/INR	68.53	68.69	-0.16
GBP/INR	90.52	90.35	0.18
EURO/INR	80.02	80.02	0.00
JPY/INR	0.62	0.62	0.00

Commodity Prices				
Commodity	04-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	Closed	76.16	64.76	45.97
Brent Crude(\$/bl)	76.58	75.58	73.35	49.39
Gold(\$/oz)	1256	1252	1292	1224
Gold(Rs./10 gm)	30510	30536	30716	28149

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty July 2018 Futures were at 10771.35, a premium of 1.45 points, above the spot closing of 10,769.90. The turnover on NSE's Futures and Options segment went up to Rs. 8,72,089.67 crore on Jul 4 from Rs. 5,74,868.04 crore on Jul 3.
- The Put-Call ratio stood at 0.90 against previous session's close of 0.86.
- The Nifty Put-Call ratio stood at 1.53 against the previous session's close of 1.50.
- Open interest on Nifty Futures stood at 21.83 million as against the previous session's close at 20.90 million.

Indian Debt Market

- Bond yields fell following short covering by the market participants and as central government increased minimum support prices (MSP) by up to 52.47% YoY, which was largely in line with market expectations. In the last budget, government pledged to raise MSP by at least at 1.5 times of the cost of production.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 3 bps to close at 7.85% as against its previous close of 7.88%. During the session, bond yields traded in the range of 7.83% and 7.92%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,897 crore (gross) on Jul 4, compared with Rs. 3,841 crore (gross) borrowed on Jul 3. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 45,291 crore on Jul 3.

Currency Market Update

- The rupee rose initially against the greenback following gains in the domestic equity market. However, the trend reversed following greenback purchases by banks. The rupee fell 0.23% to close at 68.74 per dollar from the previous close of 68.58 per dollar.
- The euro inched down against the greenback as persisting concerns of a global trade war weighed on the market sentiment. Euro was last seen trading at \$1.1644, down 0.09% from the previous close of \$1.1655.

Commodity Market Update

- Gold prices moved up on persisting trade tensions.
- Brent crude prices gained following a second successive drop in U.S. crude inventories driven by supply disruptions from Canadian oil sands facility.

International News

- According to a report released by the Commerce Department, U.S. factory orders rose unexpectedly by 0.4% in May 2018 after declining 0.4% in Apr 2018. The unexpected rebound was due to sharp increase in orders for non-durable goods by 1.1% in May as against 0.3% rise in Apr. However, durable goods orders fell 0.4% in May as against 1% fall in Apr.
- According to IHS Markit, eurozone's services Purchasing Managers' Index (PMI) rose to 55.2 in Jun 2018 from 53.8 in May 2018. Eurozone's composite output index rose to 54.9 in Jun from 54.1 in May.
- According to IHS Markit, U.K. services PMI rose to 55.1 in Jun 2018 from 54.0 in May 2018. The increase came due to strong growth in new work.



Thank you for
your time.