

**RELIANCE**

MUTUAL  
FUND

# Markets for You

07 Jul 2017

Indices Performance

Global Indices	06-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,320	21,478	-158	-0.74
Nasdaq	6,089	6,151	-61	-1.00
FTSE	7,337	7,368	-30	-0.41
Nikkei	19,994	20,082	-88	-0.44
Hang Seng	25,465	25,522	-57	-0.22
Indian Indices	06-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	31,369	31,246	124	0.40
Nifty 50	9,675	9,638	37	0.38
Nifty 100	10,005	9,966	39	0.39
Nifty Bank	23,467	23,353	114	0.49
SGX Nifty	9,661	9,649	13	0.13
S&P BSE Power	2,228	2,232	-4	-0.16
S&P BSE Small Cap	15,790	15,741	49	0.31
S&P BSE HC	14,238	14,220	17	0.12

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
6-Jul	23.00	1.25	24.62	1.10
Month Ago	22.53	1.31	24.35	1.19
Year Ago	19.77	1.44	22.88	1.24

Nifty 50 Top 3 Gainers

Company	06-Jul	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	415	403	2.89
SBI	281	275	2.22
Indiabulls HFC	1083	1061	2.10

Nifty 50 Top 3 Losers

Company	06-Jul	Prev_Day	% Change <sup>#</sup>
Bajaj Auto	2729	2771	-1.54
Eicher Motors	27689	28067	-1.35
Hindalco	197	199	-1.08

Advance Decline Ratio

	BSE	NSE
Advances	1541	976
Declines	1180	722
Unchanged	122	81

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	125	52879
MF Flows**	871	42044

\*6<sup>th</sup> Jul 2017; \*\*3<sup>rd</sup> Jul 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

- Asian markets closed in the red after the minutes from the U.S. Federal Reserve's last meeting showed a lack of consensus among members over when to start reducing the central bank's securities portfolio. Investors also awaited cues from upcoming G20 summit and U.S. jobs report for further direction. Rising geopolitical tensions also dented sentiment. Today (As on Jul 07), Asian market opened on a negative note following decline on the Wall Street overnight. Both Nikkei Average and Hang Seng were trading lower 0.52% and 0.35%, respectively (as at 8.00 a.m IST).
- As per the last close, European market fell but recovered some ground at the end. European Central Bank's policy minutes of the latest meeting revealed that policymakers acknowledged the necessity of substantial monetary policy stimulus to support the ongoing euro area recovery.
- As per the last close, U.S. market fell following lower than expected rise in ADP based private sector jobs in the U.S during Jun 2017. Unexpected acceleration in the ISM based U.S. services sector in Jun 2017, did little to recover the market.

Indian Equity Market

- Indian equity markets ended in the green for the second consecutive session driven by strong recovery in PSU banks due to rating upgrades by brokerage houses. Also, expectation of positive quarterly earnings (expected to roll-out later in Jul 2017) amid hassle-free roll-out of goods and service tax (GST) improved market sentiment. However, gains were restricted after minutes from the U.S. Federal Reserve's meeting showed a lack of consensus on the future pace of interest rate increases.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.40% and 0.38% to close at 31,369.34 and 9,674.55, respectively. S&P BSE Small-Cap and S&P BSE Mid-Cap grew 0.31% and 0.30%, respectively.
- On the BSE sectoral front, indices closed on a mixed note. The top gainer was S&P BSE Realty, up 1.57%, trailed by S&P BSE Telecom (1.26%), S&P BSE FMCG (0.75%), S&P BSE Finance (0.64%), S&P BSE Bankex (0.45%), S&P BSE Auto (0.37%), and S&P BSE Industrials (0.33%). Meanwhile, the losers comprised S&P BSE Oil & Gas (-0.38%), S&P BSE Consumer Durables (-0.32%), and S&P BSE Utilities (-0.29%), S&P BSE Information Technology (-0.26%), and S&P BSE Power (-0.16%).

Domestic News

- Finance, Audit and Investment Committee (FAIC), which is the Employees Provident Fund Organisation's (EPFO) advisory body, has decided to invest 2% of investible deposits in AA+ rated corporate bonds, a notch lower than the earlier norm of AAA. With this decision, EPFO will be able to invest Rs. 3,000 crore per annum in such securities.
- The Indian Railways' revenue grew to Rs. 43,000 crore in the first quarter, up 10% from Rs. 38,833 crore in the prior year period. The upside was driven by dynamic fare system for premium trains and robust growth in the passenger and freight segments. Revenue in the passenger segment surged to approximately Rs. 14,000 crore from Rs. 12,000 crore in the year-ago period, thereby marking the highest ever revenue railways has posted in the passenger segment.
- The government has allowed exemption to goods imported by units or developers of special economic zones (SEZ) from integrated goods and services tax, thereby providing relief to them. A SEZ area is considered to be a foreign territory for trade operations and duties. It is mainly set up in order to promote exports.
- EPFO is expected to announce the interest rate on provident fund deposits for FY18 at its trustee meeting is due in Aug 2017. EPFO had lowered the rate of return for 2016-17 to 8.65% from 8.8% in 2015-16.
- Amazon has invested an additional amount of Rs. 1,680 crore in its India unit. The global giant intends to further strengthen its operations in the booming e-commerce market in the country. The investment is a part of Amazon's \$5 billion commitment to Indian market.
- National Insurance Company announced that it is seeking for government's approval to list the company on the stock exchanges. It has cleaned up its balance sheet in the last financial year, thereby improving the solvency margin from 1.26 in the previous year to 1.90. The company expects to list the company by last quarter of this financial year or first quarter of next financial year.

FII Derivative Trade Statistics		06-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1210.46	1044.66	20371.19	
Index Options	37325.84	36868.89	55258.93	
Stock Futures	6619.03	5853.69	70438.16	
Stock Options	3500.77	3464.96	3528.82	
Total	48656.10	47232.20	149597.10	

Derivative Statistics- Nifty Options			
	06-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.30	1.26	0.04
Put Call Ratio(Vol)	1.23	1.17	0.07

Debt Watch				
	06-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.03%	6.06%	6.10%	6.25%
CBLO	6.04%	6.10%	6.19%	6.18%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.27%	6.25%	6.28%	6.54%
364 Day T-Bill	6.34%	6.35%	6.40%	6.80%
10 Year Gilt	6.54%	6.51%	6.64%	7.39%
G-Sec Vol. (Rs.Cr)	61417	46295	38503	128374
1 Month CP Rate	6.56%	6.58%	6.53%	7.54%
3 Month CP Rate	6.68%	6.70%	6.68%	7.83%
5 Year Corp Bond	7.28%	7.29%	7.43%	8.04%
1 Month CD Rate	6.30%	6.34%	6.29%	6.55%
3 Month CD Rate	6.36%	6.36%	6.40%	6.78%
1 Year CD Rate	6.67%	6.69%	6.82%	7.38%

Currency Market			
Currency	06-Jul	Prev_Day	Change
USD/INR	64.78	64.72	0.06
GBP/INR	83.82	83.61	0.22
EURO/INR	73.43	73.50	-0.07
JPY/INR	0.57	0.57	0.00

Commodity Prices				
Commodity	06-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	45.47	44.83	48.08	46.68
Brent Crude(\$/bl)	48.82	47.06	47.75	45.03
Gold( \$/oz)	1225	1245	1294	1356
Gold(Rs./10 gm)	28135	28782	29323	31095

Source: ICRON Research

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#### Derivatives Market

- Nifty Jul 2017 Futures were at 9,673.35 points, a discount of 1.20 points, over the spot closing 9,674.55. The turnover on NSE's Futures and Options segment went up from Rs. 4,70,334.35 crore on Jul 5 to Rs. 8,91,391.16 crore on Jul 6.
- The Put-Call ratio stood at 0.89 compared with the previous session's close of 0.92.
- The Nifty Put-Call ratio stood at 1.32 compared with the previous session's close of 1.29.
- The open interest on Nifty Futures stood at 21.98 million as against previous session's close of 21.88 million.

#### Indian Debt Market

- Bond yields fell after minutes of the U.S. Federal Reserve's Jun 2017 policy meeting showed that policymakers had different views regarding the outlook of inflation in the U.S., which led to uncertainty as to what stance the U.S. central bank adopts in the coming months and the future pace of rate hikes.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell by 1 bps to 6.54% from the previous close of 6.55%. During the session, bond yields traded in the range of 6.51% and 6.55%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 1,780 crore (gross) on Jul 6, down from Rs. 1,970 crore (gross) borrowing on Jul 5. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 41,542 crore on Jul 5.

#### Currency Market Update

- Gold prices fell ahead of key U.S. non-farm payrolls data for Jun 2017 due to release on Jul 7. However, further losses were restricted after private sector jobs data in the U.S. for Jun came below market expectations.
- Brent crude prices surged after U.S. crude inventories fell more sharply than expected, down 5.8 million barrels in the week to Jun 30.

#### Commodity Market Update

- The Indian rupee closed almost steady against the greenback as market participants remained on the sidelines ahead of the U.S. non-farm payroll data for Jun 2017 due to release on Jul 7.
- The euro strengthened against the greenback after the private sector jobs data in the U.S. for Jun 2017 came below market expectations.

#### International News

- Data from payroll processor ADP showed that private sector employment in the U.S. climbed by 158,000 jobs in Jun 2017 after jumping by a revised 230,000 jobs (253,000 jobs originally reported) in May 2017.
- According to the Federal Open Market Committee's Jun meeting minutes, the U.S. Federal Reserve has decided to reduce its \$4.5 trillion balance sheet. However, no specific timeline to begin the process was provided. As per the minutes, labour market conditions continued to strengthen in current months and real GDP was expanding at a faster pace in the second quarter than in the first quarter. The central bank also indicated that the economic conditions of the country will lead to gradual increase in the interest rate.

Thank you for  
your time.