

**RELIANCE**

MUTUAL  
FUND

# Markets for You

08 Jul 2019

Indices Performance

Global Indices	05-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,307	1,310	-2	-0.17
Nasdaq	8,162	8,170	-8	-0.10
FTSE	7,553	7,604	-50	-0.66
Nikkei	21,746	21,702	44	0.20
Hang Seng	28,775	28,796	-21	-0.07
Indian Indices	05-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	39,513	39,908	-395	-0.99
Nifty 50	11,811	11,947	-136	-1.14
Nifty 100	11,904	12,045	-141	-1.17
Nifty 500	9,658	9,777	-119	-1.22
Nifty Bank	31,476	31,472	4	0.01
S&P BSE Power	2,075	2,149	-74	-3.44
S&P BSE Small Cap	14,142	14,337	-195	-1.36
S&P BSE HC	12,719	12,888	-169	-1.31

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Jul	28.62	1.18	29.04	1.24
Month Ago	28.76	1.19	29.73	1.21
Year Ago	22.62	1.24	26.69	1.21

Nifty 50 Top 3 Gainers

Company	05-Jul	Prev_Day	% Change <sup>#</sup>
Indiabulls HFC	727	704	3.34
IndusInd Bank	1533	1493	2.64
Kotak Bank	1517	1498	1.30

Nifty 50 Top 3 Losers

Company	05-Jul	Prev_Day	% Change <sup>#</sup>
Yes Bank	88	96	-8.42
NTPC	137	143	-4.84
United Phos	666	698	-4.66

Advance Decline Ratio

	BSE	NSE
Advances	770	468
Declines	1711	1317
Unchanged	127	100

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	556	74937
MF Flows**	191	8705

\*5<sup>th</sup> Jul 2019; \*\*4<sup>th</sup> Jul 2019

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.05% (May-19)	2.57% (Feb-19)	4.87% (May-18)
IIP	3.40% (Apr-19)	1.60% (Jan-19)	4.50% (Apr-18)
GDP	5.80% (Mar-19)	6.60% (Dec-18)	8.10% (Mar-18)

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 equity markets were mostly higher as investors looked forward to the release of the U.S. jobs report later in the day. The report will give investors a peek into U.S. Federal Reserve's stance on rate cuts. Today (as of Jul 8), Asian markets opened lower as strong U.S. jobs report reduced expectations that the U.S. Federal Reserve would do a rate cut. Both Nikkei and Hang Seng were trading down 0.83% and 1.38%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower following stronger than expected jobs growth for Jun 2019 that lowered chances of rate cut by the U.S. Federal Reserve in the upcoming policy meeting. Concerns about global slowdown, geopolitical tensions and growing uncertainty about the U.S. and China agreeing on a trade deal anytime soon also weighed on the investors.
- As per the last close, U.S markets closed lower as stronger than expected U.S. jobs data for Jun 2019 dampened hopes for a rate cut by the U.S. Federal Reserve.

Indian Equity Market

- Indian equity markets lost in the aftermath of the announcement of the Union Budget 2019-20. The finance minister proposed in the budget to increase the minimum public shareholding in listed companies from 25% to 35%. This led to liquidity concerns among investors and pulled the market down. The fiscal deficit target was cut from 3.4% to 3.3% and the government plans to make some of its borrowing offshore.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.99% and 1.14% to close at 39,513.39 and 11,811.15, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 1.39% and 1.36%, respectively.
- The overall market breadth on BSE was weak with 770 scrips advancing and 1711 scrips declining. A total of 127 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE FMCG stood as the major gainer and grew 0.18%, followed by S&P BSE Bankex and S&P BSE Telecom that grew 0.14% and 0.03%, respectively. These were the only three sectors that gained. S&P BSE Metal was the major loser that fell 3.85% followed by S&P BSE Realty and S&P BSE Power that fell 3.60% and 3.44%, respectively.

Domestic News

- The government while presenting the Union Budget adhered to the fiscal consolidation roadmap as it lowered its fiscal deficit target to 3.3% of GDP for FY20 from 3.4% of GDP for FY19. The government expects the gross tax revenue to grow 9.5% in FY20 on the back of an increase in dividend receipts. It also hopes that the central government debt as a % of GDP will come down to 48.0% of GDP in FY20 from 48.4% in FY19 on the back of a benign inflation regime which will help reduce the cost of borrowing. The central government debt as a % of GDP is expected to come down further to 46.2% in FY21 and 44.4% in FY22.
- The government in the Union Budget proposed further recapitalisation of state run banks to the tune of Rs. 70,000 crore. It also proposed to give a one time six-month partial credit guarantee to public sector banks (PSB) for the first loss of up to 10% in order to tide over the liquidity crisis in the non-banking financial segment. It also put forward the suggestion of creating a Debenture Redemption Reserve (DRR) which will help non banking financial companies to raise fund through public issues.
- The government in the Union Budget allocated Rs. 65,837 crore for the railway sector. The government also allocated the highest ever outlay for capital expenditure to the tune of Rs. 1.60 lakh crore. It further added that railway infrastructure would need an investment of Rs. 50 crore between 2018 and 2030. The government also proposed to use the Public-Private Partnership for the development of Indian railways.
- The government in the Union Budget set the disinvestment target at Rs. 1.05 lakh crore for FY20. Acknowledging that exchange traded funds as a good instrument for India's divestment program and to boost long term investment in central public sector enterprises, the finance minister added that investment option in exchange traded funds on the lines of Equity Linked Savings Scheme will be offered.

FII Derivative Trade Statistics		05-Jul	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2202.98	2207.15	17051.26
Index Options	246852.09	246087.65	35390.07
Stock Futures	9202.03	8889.12	84723.01
Stock Options	3651.89	3667.23	2773.30
Total	261908.99	260851.15	139937.64

Derivative Statistics- Nifty Options			
	05-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.09	1.43	-0.34
Put Call Ratio(Vol)	0.70	0.98	-0.28

Debt Watch				
	05-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.56%	5.94%	5.87%	6.07%
T-Repo	5.58%	5.85%	5.79%	NA
Repo	5.75%	5.75%	6.00%	6.25%
Reverse Repo	5.50%	5.50%	5.75%	6.00%
91 Day T-Bill	5.85%	6.02%	6.05%	6.30%
364 Day T-Bill	6.05%	6.08%	6.16%	7.16%
10 Year Gilt	6.69%	6.88%	7.02%	7.90%
G-Sec Vol. (Rs.Cr)	126281	45259	44224	15639
FBIL MIBOR	5.69%	5.90%	5.95%	6.25%
3 Month CP Rate	6.90%	7.00%	6.75%	7.20%
5 Year Corp Bond	7.89%	8.10%	8.01%	8.89%
1 Month CD Rate	5.90%	6.07%	6.15%	6.30%
3 Month CD Rate	6.28%	6.41%	6.43%	6.94%
1 Year CD Rate	7.42%	7.16%	7.16%	8.15%

Currency Market			
Currency	05-Jul	Prev_Day	Change
USD/INR	68.75	68.85	-0.10
GBP/INR	86.50	86.57	-0.07
EURO/INR	77.52	77.69	-0.17
JPY/INR	0.64	0.64	0.00

Commodity Prices				
Commodity	05-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	Closed	58.17	53.45	73.00
Brent Crude(\$/bl)	64.82	68.96	65.00	76.68
Gold(\$/oz)	1400	1409	1325	1257
Gold(Rs./10 gm)	34571	34006	32407	30467

Source: Thomson Reuters Eikon

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**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

#### Derivatives Market

- Nifty Jul 2019 Futures stood at 11,820.95, a premium of 9.80 points, above the spot closing of 11,811.15. The turnover on NSE's Futures and Options segment decreased to Rs. 10,46,886.87 crore on Jul 5, 2019, compared with Rs. 19,71,511.37 crore on Jul 4, 2019.
- The Put-Call ratio stood at 0.79 compared with the previous session's close of 0.94.
- The Nifty Put-Call ratio stood at 1.09 compared with the previous session's close of 1.43.
- Open interest on Nifty Futures stood at 19.63 million, compared with the previous session's close of 19.38.

#### Indian Debt Market

- Bond yield dipped as worries over expanding fiscal deficit eased. Besides, the government's proposal to partially raise the gross borrowings through bond sales in the overseas market lifted the market sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 6 bps to 6.69% compared with the previous close of 6.75% after trading in a range of 6.56% to 6.77%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,417 crore (gross) on Jul 5, 2019, compared with Rs. 3,497 crore (gross) as on Jul 4, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 26,287 crore on Jul 4, 2019.
- Banks borrowed Rs. 1,447 crore under the central bank's Marginal Standing Facility on Jul 4, 2019 compared with borrowings of Rs. 340 crore on Jul 3, 2019.

#### Currency Market Update

- The Indian rupee rose against the dollar on hopes of foreign fund inflows as the government plans to borrow from the overseas market. However, gains were capped by greenback purchase by state-run banks. The rupee closed at 68.42 a dollar, up 0.11% compared with the previous close 68.50.
- The euro declined tracking fall in the German 10-year bund yield on expectations of stimulus measures from the European Central Bank.

#### Commodity Market Update

- Gold prices remained flat as market participants were waiting for the release of the U.S. jobs report to get an idea on the U.S. Federal Reserve's stance on policy rate cut.
- Brent crude prices remained below the \$65 per barrel mark following weak German factory orders numbers.

#### International News

- Office for National Statistics reported U.K. labor productivity declined for the third straight quarter. Labor productivity declined 0.2% sequentially in the first quarter, following a 0.1% drop a quarter ago. This was the third consecutive decrease. Productivity in services gained 0.2%, while that in manufacturing fell 0.9% in the first quarter.
- Figures from the Lloyds Bank subsidiary Halifax and IHS Markit showed U.K. house prices declined for the first time in three months in Jun 2019. House prices decreased 0.3% MoM in Jun 2019, reversing a 0.4% rise in May 2019. In the second quarter, house prices growth eased to 5.7% annually, in line with expectations, from 5.2% seen in three months to May.



Thank you for  
your time.