

**RELIANCE**

MUTUAL  
FUND

# Markets for You

26 Jul 2017

Indices Performance

Global Indices	25-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,613	21,513	100	0.47
Nasdaq	6,412	6,411	1	0.02
FTSE	7,435	7,378	57	0.77
Nikkei	19,955	19,976	-20	-0.10
Hang Seng	26,852	26,847	5	0.02
Indian Indices	25-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	32,228	32,246	-18	-0.05
Nifty 50	9,965	9,966	-2	-0.02
Nifty 100	10,307	10,304	3	0.03
Nifty Bank	24,521	24,421	100	0.41
SGX Nifty	9,981	9,958	23	0.23
S&P BSE Power	2,289	2,294	-5	-0.21
S&P BSE Small Cap	16,054	16,036	18	0.12
S&P BSE HC	14,726	14,775	-49	-0.33

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
25-Jul	23.47	1.21	25.45	1.00
Month Ago	22.80	1.25	24.37	1.11
Year Ago	20.51	1.39	23.69	1.23

Nifty 50 Top 3 Gainers

Company	25-Jul	Prev_Day	% Change <sup>#</sup>
Vedanta Limited	274	265	3.65
Indiabulls HFC	1198	1157	3.51
Hindalco	220	214	2.71

Nifty 50 Top 3 Losers

Company	25-Jul	Prev_Day	% Change <sup>#</sup>
Zee Entertainment	539	552	-2.39
Ultratech Cem	4106	4198	-2.19
Tech Mahindra	391	399	-1.99

Advance Decline Ratio

	BSE	NSE
Advances	1200	748
Declines	1492	952
Unchanged	150	77

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-270	55959
MF Flows**	98	46163

\*25<sup>th</sup> Jul 2017; \*\*20<sup>th</sup> Jul 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.90%	5.11%	-0.09%
	(Jun-17)	(Mar-17)	(Jun-16)
IIP	1.70%	0.80%	8.00%
	(May-17)	(Feb-17)	(May-16)
GDP	6.10%	7.00%	9.20%
	(Mar-17)	(Dec-16)	(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 mixed note ahead of the policy meeting of the U.S. Federal Reserve (Fed), which will provide further cues on U.S. central bank's rate hike decision. Improved crude oil prices also helped gains after Saudi Arabia pledged to reduce exports from Aug 2017 and Nigeria agreed to curb production as well. However, upside was limited after China's top decision-making body hinted for stricter financial discipline for the rest of 2017. Today (As on Jul 26), Asian market opened higher following rise in Wall Street overnight. Both Nikkei Average and Hang Seng were trading up 0.66% and 0.54%, respectively (as at 8.00 a.m IST).
- As per the last close, European market closed higher following stronger than expected business confidence data from Germany and by the progress that is being made in Greece. Banks stocks rose after hawkish comments from an ECB member.
- As per the last close, U.S. markets closed mostly higher following positive reaction to the quarterly results of couple of major companies. Surprising improvement in U.S. consumer confidence index in Jul 2017, added to the gains.

Indian Equity Market

- Indian equity markets ended the session in the red, even after Nifty hit the crucial 10,000-mark for the first time ever, in opening trade. Better earnings numbers from industry majors, economic expansion, and government reforms helped the index to breach the crucial 10,000-level. Continuous capital inflows and extensive buying by retail investors also supported the growth. However, profit booking and cautious stance ahead of U.S. Federal Reserve's monetary policy meeting due later in the week contributed in pulling markets down.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went down 0.05% and 0.02% to close at 32,228.27 and 9,964.55, respectively. S&P BSE MidCap grew 0.57% while S&P BSE SmallCap grew 0.12%.
- On the BSE sectoral front, indices closed on a mixed note. S&P BSE Industrials, down 0.52% was the top loser, trailed by S&P BSE Capital Goods (-0.51%), S&P BSE Auto (-0.41%), S&P BSE Energy (-0.37%), and S&P BSE FMCG and S&P BSE Healthcare (both -0.33%). Some of the gainers included S&P BSE Telecom (2.04%), S&P BSE Metal (1.43%), S&P BSE Realty and S&P BSE Basic Materials (both 0.65%), and S&P BSE Bankex (0.44%).

Domestic News

- According to media reports, the Department of Telecommunications and the Ministry of Finance have broadly agreed on relief measures for the debt-ridden telecom sector. Measures include nearly doubling of the deferred payment period for spectrum bought in auctions, lowering the interest burden on companies, and allowing spectrum to be used as collateral for loans.
- Capital market regulator Securities and Exchange Board of India (SEBI) is considering reducing the time taken for a security to list on an exchange to three days from the date of closure of its initial public offer (IPO), instead of the earlier envisaged timeline of four days. Presently, public issues take six days to list after closing for a subscription. SEBI is of the view that reducing the listing timeline to three days would lower the impact of market volatility.
- SEBI has notified stricter norms for participatory notes (P-Notes). According to the norms, SEBI has stipulated a "regulatory fee" of \$1,000 on each offshore derivative instruments subscriber. The fee needs to be collected and deposited by the issuing foreign portfolio investor once every three years, starting from Apr 1, 2017.
- Mahindra & Mahindra Financial Services posted net profit of Rs. 47.4 crore for the quarter ended Jun 2017, down 46% from Rs. 87 crore in the year ago quarter. During the quarter, net interest income stood at Rs. 859 crore, up 27.3% YoY. Also, company's provisions and write offs grew 89.6% to Rs. 425 crore.
- Asian Paints posted consolidated net profit of Rs. 440.74 crore for the quarter ended Jun 2017, down 20.23% from Rs. 552.56 crore in the prior year quarter. During the quarter, total income of the company grew 5% YoY to Rs. 4,306.60 crore.
- Axis Bank posted net profit of Rs. 1,305.60 crore for the quarter ended Jun 2017, down 16% from Rs. 1,555.53 crore in the year ago period. During the quarter, net interest income stood at Rs. 4,616 crore, down 2.36% YoY. The asset quality of the bank remained stable as gross non-performing assets stood at 5.03% as of Jun as against 5.04% as of Mar 2017.

FII Derivative Trade Statistics		25-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3598.52	4117.53	23555.02	
Index Options	43000.78	42280.05	87219.75	
Stock Futures	16086.25	14679.20	62236.68	
Stock Options	7753.67	7540.61	9005.60	
Total	70439.22	68617.39	182017.05	

Derivative Statistics- Nifty Options			
	25-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.47	1.48	-0.01
Put Call Ratio(Vol)	1.15	1.21	-0.06

Debt Watch				
	25-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.08%	6.07%	6.08%	6.39%
CBLO	6.24%	6.18%	5.87%	6.46%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.09%	6.11%	6.21%	6.55%
364 Day T-Bill	6.22%	6.35%	6.36%	6.70%
10 Year Gilt	6.43%	6.46%	6.46%	7.25%
G-Sec Vol. (Rs.Cr)	51274	39867	46122	68432
1 Month CP Rate	6.41%	6.43%	6.55%	7.04%
3 Month CP Rate	6.51%	6.54%	6.70%	7.30%
5 Year Corp Bond	7.16%	7.22%	7.27%	7.76%
1 Month CD Rate	6.25%	6.25%	6.31%	6.48%
3 Month CD Rate	6.23%	6.26%	6.34%	6.67%
1 Year CD Rate	6.51%	6.60%	6.65%	7.27%

Currency Market			
Currency	25-Jul	Prev_Day	Change
USD/INR	64.36	64.45	-0.09
GBP/INR	83.88	83.82	0.06
EURO/INR	75.06	75.13	-0.07
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	25-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	47.76	46.35	42.84	42.37
Brent Crude(\$/bl)	49.13	47.86	43.18	43.45
Gold(\$/oz)	1249	1242	1256	1315
Gold(Rs./10 gm)	28423	28188	28753	30688

Source: ICRON Research

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#### Derivatives Market

- Nifty Jul 2017 Futures were at 9,973.80, a premium of 9.25 points below the spot closing of 9,964.55. The turnover on NSE's Futures and Options segment went down from Rs. 5,48,765.76 crore on Jul 24 to Rs. 5,27,501.22 crore on Jul 25.
- The Put-Call ratio stood unchanged from the previous session's close of 1.04.
- The Nifty Put-Call ratio stood at 1.51 compared with the previous session's close of 1.49.
- The open interest on Nifty Futures stood at 23.50 million as against previous session's close of 23.31 million.

#### Indian Debt Market

- Bond yields rose as market participants preferred to book profits from the recent bond rally. They also remained on the sidelines ahead of the outcome of the U.S. Fed's monetary policy review due Jul 26.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 2 bps to 6.43% from 6.41% in the previous trading session. During the session, bond yields traded in the range of 6.40% and 6.44%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 6,826 crore (gross) on Jul 25, down from Rs. 7,106 crore (gross) borrowing on Jul 24. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 5,601 crore on Jul 24.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 10,009 crore was allotted at a cut-off rate of 6.24%.

#### Currency Market Update

- The Indian rupee stood almost steady against the U.S. dollar as market participants preferred to remain on the sidelines ahead of the outcome of the U.S. Fed's monetary policy review due Jul 26. The rupee inched down 0.06% to close at 64.38 per dollar from the previous close of 64.34.
- The euro strengthened against the U.S. dollar after the German business confidence index rose in Jul 2017 contrary to market expectations. Euro was trading at \$1.1689, up 0.44% compared with the previous close of \$1.1638.

#### Commodity Market Update

- Gold prices traded lower ahead of the U.S. Fed's policy meeting.
- Brent crude prices traded higher after the OPEC and non-OPEC producers discussed to extend their deal on curbing output by 1.8 million barrels per day (bpd) beyond Mar 2018, if necessary.

#### International News

- According to the National Association of Realtors, existing home sales in the U.S. fell 1.8% to an annual rate of 5.52 million in Jun 2017 from 5.62 million in May 2017, as low supply muted overall activity. Total housing inventory at the end of Jun fell 0.5% MoM and 7.1% YoY to 1.96 million existing homes available for sale.
- According to the IFO institute survey, Germany's business confidence index surprisingly gained to 116 in Jul 2017 from a revised 115.2 in Jun 2017. The record high index in the reporting period reflects that companies became more satisfied with their current situation amid the improving business outlook.

Thank you for  
your time.