

RELIANCE

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# Markets for You

28 Jul 2017

**Indices Performance**

Global Indices	27-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,797	21,711	86	0.39
Nasdaq	6,382	6,423	-41	-0.63
FTSE	7,443	7,452	-9	-0.12
Nikkei	20,080	20,050	29	0.15
Hang Seng	27,131	26,941	190	0.71
Indian Indices	27-Jul	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	32,383	32,382	1	0.00
Nifty 50	10,021	10,021	0	0.00
Nifty 100	10,349	10,358	-9	-0.09
Nifty Bank	24,922	24,671	252	1.02
SGX Nifty	10,021	10,042	-21	-0.21
S&P BSE Power	2,296	2,303	-6	-0.28
S&P BSE Small Cap	16,015	16,099	-83	-0.52
S&P BSE HC	14,669	14,844	-175	-1.18

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
27-Jul	23.75	1.20	25.56	1.00
Month Ago	22.70	1.26	24.21	1.12
Year Ago	20.48	1.39	23.63	1.27

**Nifty 50 Top 3 Gainers**

Company	27-Jul	Prev_Day	% Change <sup>#</sup>
HDFC Ltd.	1728	1633	5.80
Yes Bank	1786	1712	4.32
HDFC Bank	1790	1748	2.41

**Nifty 50 Top 3 Losers**

Company	27-Jul	Prev_Day	% Change <sup>#</sup>
Dr.Reddy	2620	2707	-3.21
Tech Mahindra	377	389	-3.11
Tata Motors-DVR	262	271	-3.03

**Advance Decline Ratio**

	BSE	NSE
Advances	852	468
Declines	1874	1227
Unchanged	150	59

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-193	56087
MF Flows**	1038	47412

\*27<sup>th</sup> Jul 2017; \*\*24<sup>th</sup> Jul 2017

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.90% (Jun-17)	5.11% (Mar-17)	-0.09% (Jun-16)
IIP	1.70% (May-17)	0.80% (Feb-17)	8.00% (May-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 moved up after a few industry majors posted strong earnings figures, and the U.S. Federal Reserve left interest rates unchanged while saying that it would start reducing its balance sheets 'relatively soon'. Japanese markets grew on hopes that the Bank of Japan would continue its monetary stimulus programme longer than most other global central banks. Chinese markets gained on reports of growth in industrial profits in Jun 2017. Higher oil prices contributed to the gains. Today (As on Jul 28), Asian market opened lower as investors were cautious ahead of more corporate earnings due during the session. Both Nikkei Average and Hang Seng were trading down 0.50% and 0.44%, respectively (as at 8.00 a.m IST).

- As per the last close, European market closed lower following dovish comments from the U.S. Federal Reserve in its policy meeting.

- As per the last close, U.S. markets closed mixed. Strong corporate earnings from few big companies and sharp increase in durable goods order in Jun 2017 boosted investor's sentiments. However, profit making by investors later led few indices to close mix.

**Indian Equity Market**

- Indian equity market indices closed flat amid profit booking in IT, pharma, oil and gas, and technology stocks. Disappointing earnings numbers from some major companies also hit investor sentiment. However, losses were capped by strong gains in banking stocks, and after the U.S. Federal Reserve kept interest rates unchanged.

- Key benchmark indices S&P BSE Sensex as well as Nifty 50 stood steady to close at 32,383.30 and 10,020.55, respectively. S&P BSE Small-Cap and S&P BSE Mid-Cap fell 0.52% and 0.55%, respectively.

- The overall market breadth on BSE was weak with 1,874 scrips declining and 852 scrips advancing. A total of 150 scrips remained unchanged.

- On the BSE sectoral front, indices closed on a negative note. The losers comprised S&P BSE Telecom, down 1.88%, trailed by S&P BSE Information Technology (-1.76%), S&P BSE Teck (-1.64%), S&P BSE Healthcare (-1.18%), S&P Energy (-1.06%), S&P BSE Metal (-0.89%), and S&P BSE Auto (-0.78%). Meanwhile, the gainers were S&P BSE Finance (1.42%), S&P BSE Bankex (0.79%), S&P BSE Capital Goods (0.15%), and S&P BSE Realty (0.01%).

**Domestic News**

- A report from NITI Aayog showed that India's dependency on coal will continue even after decades from now that will account 42% to 50% of the country's energy mix. The report added that penetration of renewable energy in the country will increase from 3.7% in 2012 to 11% to 14% in 2047.

- The Union cabinet increased the annual investment limit in Sovereign Gold Bonds (SGBs) to 4 kg per individual from 500 gm. In addition, the ceiling on investment will not include the holdings kept as collateral by banks and financial institutions. The move will ensure regular availability and improve the liquidity of the bonds that are listed on the stock exchanges. Also, appropriate market making initiatives will be devised to improve liquidity and tradability of SGBs.

- According to the Minister of Road Transport and Highways, the revivals of stalled projects have saved the banking sector from bad loans worth Rs. 3 lakh crore. On a separate note, the minister added that the government is giving priority in setting up an efficient public transport system between states and within cities. The minister also confirmed that the government is focussing on electricity and biofuel to make mass transit environment-friendly and cost-effective.

- According to media reports, the government is considering lowering import duty on gold. The consideration comes due to reduced trade deficit that has given some room to the government. Lowering import duty is expected to make gold cheap and curb gold smuggling that may boost demand in the long run.

- Oil and Natural Gas Corp's standalone profit of Rs. 3,885 crore for the quarter ended Jun 30, 2017, fell 8% YoY from Rs. 4,233 crore a year earlier. Meanwhile, revenue surged 4.2% to Rs. 13,068 crore from the company's offshore operations in the quarter under review.

- ICICI Bank reported net profit of Rs. 2,049 crore for the quarter ended Jun 30, 2017, down 8% YoY from Rs. 2,232 crore in the year-ago period. However, net interest income grew 8% YoY to Rs. 5,589 crore. Gross non-performing assets in first quarter of FY18 were 7.99% as against 7.89% in fourth quarter of FY17.

FII Derivative Trade Statistics		27-Jul	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	6906.04	7707.03	26438.60
Index Options	41250.75	39488.02	92118.90
Stock Futures	22407.70	21710.15	63686.25
Stock Options	7772.69	7781.01	8887.77
Total	78337.18	76686.21	191131.52

Derivative Statistics- Nifty Options			
	27-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.66	1.60	0.06
Put Call Ratio(Vol)	1.21	1.11	0.10

Debt Watch				
	27-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.08%	6.05%	6.07%	6.39%
CBLO	6.20%	6.16%	6.19%	6.48%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.13%	6.10%	6.25%	6.58%
364 Day T-Bill	6.22%	6.21%	6.34%	6.70%
10 Year Gilt	6.44%	6.45%	6.46%	7.25%
G-Sec Vol. (Rs.Cr)	46594	32732	31722	53101
1 Month CP Rate	6.41%	6.44%	6.58%	7.00%
3 Month CP Rate	6.54%	6.56%	6.70%	7.26%
5 Year Corp Bond	7.13%	7.19%	7.24%	7.70%
1 Month CD Rate	6.23%	6.22%	6.34%	6.49%
3 Month CD Rate	6.23%	6.27%	6.34%	6.63%
1 Year CD Rate	6.53%	6.52%	6.69%	7.26%

Currency Market			
Currency	27-Jul	Prev_Day	Change
USD/INR	64.12	64.42	-0.30
GBP/INR	84.21	83.83	0.38
EURO/INR	75.21	74.92	0.29
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	27-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	49.00	46.68	44.20	41.85
Brent Crude(\$/bl)	50.71	48.13	46.16	42.37
Gold( \$/oz)	1259	1244	1247	1339
Gold(Rs./10 gm)	28327	28165	28738	30777

Source: ICRON Research

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

**Derivatives Market**

- Nifty Jul 2017 Futures settled at spot closing of 10,020.55. Nifty Aug 2017 Futures settled at 10,063.45, at a premium of 42.90 points above the spot closing. The turnover on NSE's Futures and Options segment went up from Rs. 6,94,741.04 crore on Jul 26 to Rs. 14,54,083.77 crore on Jul 27.
- The Put-Call ratio stood at 1.11 compared with the previous session's close of 0.97.
- The Nifty Put-Call ratio stood at 1.70 compared with the previous session's close of 1.64.
- The open interest on Nifty Futures stood at 25.17 million as against previous session's close of 24.43 million.

**Indian Debt Market**

- Yields fell initially tracking fall in the U.S treasury yields after the U.S. Federal Reserve kept the rates unchanged in its monetary policy review and refrained from providing a timeline on unwinding its balance sheet. However, gains were capped as investors preferred to remain on the sidelines ahead of Monetary Policy Committee's meeting for rate setting on Aug 2, 2017.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 1 bps to 6.44% from 6.45% in the previous trading session. During the session, bond yields traded in the range of 6.42% and 6.44%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,260 crore (gross) on Jul 27, down from Rs. 5,390 crore (gross) borrowing on Jul 26. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 8,808 crore on Jul 26.

**Currency Market Update**

- The Indian rupee strengthened against the U.S. dollar after the U.S. Federal Reserve in its monetary policy review refrained from providing a timeline on unwinding its balance sheet, while keeping the policy rate unchanged as expected. The rupee went up 0.39% to close at 64.11 per dollar from the previous close of 64.36.
- The euro weakened against the U.S. dollar after U.S. durable goods orders rose more than expected in Jun 2017. Euro was trading at \$1.1694, down 0.32% compared with the previous close of \$1.1732.

**Commodity Market Update**

- Gold prices traded near 6-week high after the U.S. Federal Reserve kept its key interest rates unchanged in the latest policy meeting.
- Brent crude prices traded lower as investors cashed in on gains following the recent rally in the oil markets.

**International News**

- Data from the U.S. Commerce Department showed that durable goods orders grew 6.5% in Jun 2017 after edging down by a revised 0.1% (1.1% drop originally reported) in May 2017.
- U.S. Federal Reserve maintained its key interest unchanged at 1.00% to 1.25% range. However, the central bank has already raised interest rates twice this year and plans more rate hikes during the rest of 2017. The bank will also begin to unwind its bloated balance sheet "relatively soon".



Thank you for  
your time.