

**RELIANCE**

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FUND

# Markets for You

01 Jun 2018

Indices Performance

Global Indices	31-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,416	24,668	-252	-1.02
Nasdaq	7,442	7,462	-20	-0.27
FTSE	7,678	7,690	-11	-0.15
Nikkei	22,202	22,019	183	0.83
Hang Seng	30,469	30,057	412	1.37
Indian Indices	31-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,322	34,906	416	1.19
Nifty 50	10,736	10,614	122	1.15
Nifty 100	11,064	10,962	103	0.94
Nifty Bank	26,956	26,328	628	2.39
SGX Nifty	10,732	10,618	115	1.08
S&P BSE Power	2,129	2,137	-8	-0.36
S&P BSE Small Cap	17,249	17,348	-98	-0.57
S&P BSE HC	13,003	13,112	-109	-0.83

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
31-May	23.19	1.14	27.19	1.23
Month Ago	23.83	1.12	26.66	1.19
Year Ago	22.67	1.29	24.35	1.19

Nifty 50 Top 3 Gainers

Company	31-May	Prev_Day	% Change <sup>#</sup>
Adani Ports & SEZ	392	374	4.74
HDFC Bank	2139	2048	4.45
IndusInd Bank	1955	1885	3.75

Nifty 50 Top 3 Losers

Company	31-May	Prev_Day	% Change <sup>#</sup>
Sun Pharma	480	495	-2.87
Tata Motors	283	289	-2.22
Hindalco	234	238	-1.64

Advance Decline Ratio

	BSE	NSE
Advances	973	646
Declines	1683	1146
Unchanged	132	59

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	507	-133
MF Flows**	365	59444

\*30<sup>th</sup> May 2018; \*\*30<sup>th</sup> May 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.58%	5.07%	2.99%
	(Apr-18)	(Jan-17)	(Mar-17)
IIP	4.40%	7.10%	4.10%
	(Mar-18)	(Dec-17)	(Mar-17)
GDP	7.20%	6.50%	6.80%
	(Dec-17)	(Sep-17)	(Dec-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 mostly traded up on improved crude oil prices and easing political tension in Italy. Upbeat manufacturing and non-manufacturing data in China for May 2018 and industrial production data in Japan for Apr 2018 along with positive cues from overnight U.S. market further helped gains. Today (As of June 01), Asian markets opened little changed following losses on the Wall Street overnight. Both Nikkei and Hang Seng index were trading higher 0.08% and 0.03%, respectively (as at 8 a.m. IST).

• As per the last close, European market fell on trade concerns after fluctuating between gains and losses initially. The U.S. administration re-imposed steel (25%) and aluminum (10%) tariffs on Canada, Mexico and the European Union.

• As per the last close, U.S markets dropped on trade concerns after the U.S. administration said to re-impose steel and aluminum tariffs on Canada, Mexico and the European Union. From U.S. economic front weekly jobless claims decline higher than market forecast in the week ended May 26.

Indian Equity Market

• Indian equity markets witnessed strong buying interest, backed by strong optimism over the GDP data of India for Q4 FY18, scheduled post market hours. Positive cues from Asian markets too supported buying interest following easing concerns over political disturbances in Italy after the two political parties renewed efforts to form a coalition government.

• Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.19% and 1.15% to close at 35,322.38 and 10,736.15, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 0.24% and 0.57%.

• The overall market breadth on BSE was weak with 1,683 scrips declining and 973 scrips advancing. A total of 132 scrips remained unchanged.

• On the BSE sectoral front, indices witnessed a mixed trend as S&P BSE Bankex (1.91%) stood as the major gainer followed by S&P BSE Finance (1.71%) and S&P BSE Oil & Gas (1.17%). Meanwhile, S&P BSE Consumer Durables (-0.97%) stood as the major loser followed by S&P BSE Realty (-0.85%) and S&P BSE Healthcare (-0.83%).

Domestic News

• Government data showed that the gross domestic product (GDP) at 2011-12 prices of the Indian economy witnessed a growth of 7.7% on a yearly basis in the fourth quarter (Q4) of FY18, up from a growth of 5.6%, 6.3% and 7.0% respectively in the first three quarters Q1, Q2 and Q3 of FY18. India thus surpassed China's growth of 6.8% in the same time. For FY18, the Indian economy grew 6.7% on a yearly basis. On the sectoral front, Agriculture, forestry & fishing, manufacturing and construction witnessed a growth of 4.5%, 9.1% and 11.5% respectively. The public administration, defense and other services witnessed a maximum growth of 13.3% while mining and quarrying sector witnessed a minimum growth of 2.7%. The Economic Affairs Secretary retained its FY19 growth forecast at 7.5%.

• Government data showed that the index of eight core industries witnessed a growth of 4.7% on a yearly basis in Apr 2018, up from 4.4% in the previous month and 2.6% in the same month of the previous year. The cement sector witnessed the maximum growth of 16.6% on a yearly basis followed by coal sector and natural gas sector that witnessed a growth of 16.0% and 7.4% respectively.

• Government data showed that India's fiscal deficit for FY18 accounted 3.53% of GDP. The revenue deficit accounted 2.65% of GDP while the effective revenue deficit accounted 1.50% of GDP. In absolute terms, India's fiscal deficit stood at Rs. 5.92 lakh crore or 99.5% of the budget estimates.

• IBM has announced the launch of its artificial intelligence (AI) powered enterprise marketing cloud services in India. This AI will let its Indian customers to host their consumer data in India, thereby complying with local regulations.

• BSNL along with Infomo, a mobile advertising platform, will provide reward points to its customers if they allow advertisements while making or receiving calls or sending messages. The customers can redeem these reward points at many partner outlets. This service will begin from Jul 2018.

FII Derivative Trade Statistics			
	31-May		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	8829.11	9165.17	26239.33
Index Options	111231.78	110036.48	75759.43
Stock Futures	29073.95	28667.43	86673.22
Stock Options	10093.83	10174.77	10742.11
Total	159228.67	158043.85	199414.09

Derivative Statistics- Nifty Options			
	31-May	Prev_Day	Change
Put Call Ratio (OI)	1.67	1.39	0.28
Put Call Ratio(Vol)	1.04	0.87	0.17

Debt Watch				
	31-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.94%	5.92%	6.02%	6.02%
CBLO	5.88%	5.95%	5.53%	6.10%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	6.00%
91 Day T-Bill	6.40%	6.20%	6.19%	6.28%
364 Day T-Bill	6.90%	6.80%	6.45%	6.42%
10 Year Gilt	7.83%	7.87%	7.77%	6.66%
G-Sec Vol. (Rs.Cr)	19565	17063	23708	22735
FBI MIBOR	6.00%	6.10%	6.00%	6.25%
3 Month CP Rate	7.95%	8.40%	7.40%	6.70%
5 Year Corp Bond	8.66%	8.72%	8.45%	7.43%
1 Month CD Rate	6.50%	6.81%	6.69%	6.21%
3 Month CD Rate	7.40%	7.83%	7.07%	6.40%
1 Year CD Rate	8.23%	8.19%	7.71%	6.83%

Currency Market			
Currency	31-May	Prev_Day	Change
USD/INR	67.45	67.63	-0.18
GBP/INR	89.79	89.70	0.09
EURO/INR	78.79	78.20	0.59
JPY/INR	0.62	0.62	0.00

Commodity Prices				
Commodity	31-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	66.98	70.72	68.51	48.24
Brent Crude(\$/bl)	76.74	79.89	76.66	49.04
Gold(\$/oz)	1298	1304	1315	1268
Gold(Rs./10 gm)	31026	31164	31033	28839

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty May 2018 Futures settled at spot closing of 10,736.15 points. Nifty June 2018 Futures were at 10702.15 points, a discount of 34.00 points, over the spot closing. The turnover on NSE's Futures and Options segment went up to Rs. 18,34,938.48 crore on May 31 from Rs. 13,59,131.65 crore on May 30.
- The Put-Call ratio stood at 0.89 against previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.67 against the previous session's close of 1.40.
- Open interest on Nifty Futures stood at 31.28 million as against the previous session's close at 28.13 million.

#### Indian Debt Market

- Bond yields rose as increase in crude oil prices renewed fears of rise in domestic inflation. Investors were also cautious ahead of gross domestic product (GDP) data for quarter ended Mar 2018 due after market hours.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 5 bps to close at 7.83% from the previous close of 7.78%. During the session, bond yields traded in the range of 7.81% and 7.85%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,768 crore (gross) on May 31 compared with Rs. 3,618 (gross) on May 29. Sale of securities under RBI's reverse repo window stood at Rs. 11,925 crore on May 30.
- Banks borrowed Rs. 6,862 crore under the central bank's Marginal Standing Facility on May 30 as against no borrowing on May 29.

#### Currency Market Update

- The Indian rupee remained flat against the U.S. dollar on lower volumes due to nationwide banking employees' strike. Meanwhile, rebound in global risk appetite amid easing concerns over Italian political turmoil, supported the rupee. The rupee rose 0.03% to close at 67.41 per dollar from the previous close of 67.43.
- Euro rose initially against the U.S. dollar on easing concerns over political crisis in Italy after parties formed a government and avoided elections. Euro was trading at \$1.1666 compared with the previous close of \$1.1661.

#### Commodity Market Update

- Gold prices improved marginally on weak dollar against the euro.
- Brent crude prices gained ahead of the weekly U.S. Energy Information Administration data for the week ending May 25.

#### International News

- According to a report from ADP, U.S. private sector employment surged 178,000 jobs in May 2018 as against a downwardly revised 163,000 jobs (increase in 204,000 jobs originally reported) in Apr 2018.
- A flash report from the Eurostat showed that Eurozone's inflation came in higher than market expectations and surged 1.9% in May 2018 as against a gain of 1.2% in Apr 2018. Meanwhile, the European Central Bank targets 'below, but close to 2%' inflation. Core inflation that excludes prices of energy, food, alcohol and tobacco surged to 1.1% in May as against 0.7% in Apr.
- According to a report from the Bank of England, U.K. Mortgage approvals for house purchases came in at 62,455 in Apr 2018 as against 62,802 in Mar 2018.

Thank you for  
your time.