

RELIANCE

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FUND

Markets for You

06 Jun 2017

Indices Performance

Global Indices	05-Jun	Prev_Day	Abs. Change	% Change [#]
Dow Jones	21,184	21,206	-22	-0.10
Nasdaq	6,296	6,306	-10	-0.16
FTSE	7,526	7,548	-22	-0.29
Nikkei	20,171	20,177	-6	-0.03
Hang Seng	25,863	25,924	-61	-0.24
Indian Indices	05-Jun	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	31,309	31,273	36	0.12
Nifty 50	9,675	9,654	22	0.22
Nifty 100	9,982	9,951	31	0.31
Nifty Bank	23,460	23,376	84	0.36
SGX Nifty	9,695	9,670	25	0.26
S&P BSE Power	2,230	2,231	-1	-0.06
S&P BSE Small Cap	15,410	15,311	99	0.65
S&P BSE HC	13,868	13,876	-8	-0.05

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Jun	22.65	1.30	24.45	1.18
Month Ago	22.58	1.39	23.59	1.24
Year Ago	19.62	1.45	22.77	1.31

Nifty 50 Top 3 Gainers

Company	05-Jun	Prev_Day	% Change [#]
Indiabulls HFC	1170	1132	3.38
Yes Bank	1524	1482	2.82
Bharti Infratel	382	375	2.08

Nifty 50 Top 3 Losers

Company	05-Jun	Prev_Day	% Change [#]
Coal India	265	269	-1.58
Ultratech Cem	4178	4241	-1.47
Infosys	959	969	-1.10

Advance Decline Ratio

	BSE	NSE
Advances	1428	934
Declines	1248	748
Unchanged	188	104

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	113	50532
MF Flows**	771	31220

*5th Jun 2017; **26th May 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.85% (Apr17)	4.26% (Jan-17)	-1.09% (Apr-16)
IIP	2.70% (Mar-17)	2.60% (Dec-16)	5.50% (Mar-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 closed lower amid renewed instance of global terrorism after an Islamic group struck the U.K. , killing at least 7 people and injuring 48 more. Meanwhile, Japanese markets bucked the trend after a final reading of a private survey showed that Japanese service sector continued to expand in May. Today (As on Jun 06), Asian market opened mostly lower, except Hong Kong market, as lower close in Wall Street and decrease in oil prices due tensions in Middle Eastern nations weighed on market sentiments. Nikkei Average was trading down 0.62% and Hang Seng was trading up 0.33% (as at 8.00 a.m IST).
- As per the last close, European market closed lower as investors were in a cautious mood after the latest terrorist attack in London. Investors were also cautious ahead of elections in U.K. and European Central Bank monetary policy meeting later in the week.
- As per the last close, U.S. market closed lower as investors were uncertain about the near term outlook for the markets. Also, decline in U.S. non-manufacturing activity and factory order weighed on market sentiments.

Indian Equity Market

- Indian equity markets continued with the upward trend after the Services Purchasing Managers' Index (PMI) climbed for the fourth consecutive month in May 2017, and the Nikkei India Composite PMI Index touched a seven-month high under the same period. Expectations of reviving the banking sector as hinted by the finance minister also buoyed sentiment. However, upside was limited ahead of the Reserve Bank of India (RBI)'s policy meeting, geopolitical tension, and slower U.S. jobs growth data.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.12% and 0.22% to close at 31,309.49 and 9,675.10, respectively. S&P BSE MidCap and S&P BSE SmallCap went up 0.15% and 0.65%, respectively.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Consumer Durables (5.81%) was the top gainer, S&P BSE Realty (1.02%) and S&P BSE Consumer Discretionary Goods & Services (1%). S&P BSE Capital Goods (0.8%), and S&P BSE Telecom (0.6%) also remained the favorite picks. However, S&P BSE Metal (-0.56%) was the major loser, followed by S&P BSE Utilities (-0.26%) and S&P BSE Power (-0.06%).

Domestic News

- According to a major domestic rating agency, the two-wheeler industry is expected to grow in the range of 8% to 10% in FY18. Owing to the impact of demonetisation and ban of BS-III models, two-wheeler industry had experienced a decline of 6.5% on a YoY basis in the five months period between Nov 2016 and Mar 2017. Also, the agency stated that the industry has started the new financial year on a positive note with a growth of 7.3% in Apr 2017.
- According to the Department of Industrial Policy and Promotion, foreign direct investment inflows in the services sector increased 26% on YoY basis to \$8.68 billion in 2016-2017 from \$6.89 in 2015-2016. The increase was driven by the measures taken by the government in order to improve the ease of doing business and attracting foreign investments. The government has taken several steps including fixing timeliness for approvals and streamlining procedures to improve ease of doing business in the country.
- Prime Minister reviewed the preparedness of the new indirect tax regime Goods and Services Tax (GST) that is set to be rolled out from Jul 1, 2017 in a meeting that was attended by the Finance Minister, Revenue Secretary, and the senior officers from the Central Board of Excise and Customs. This marked the first review since the GST council had finalised the rates and second review since May 2. The Prime Minister stated that the roll-out of this new tax regime shall be a turning point for India's economy and shall benefit the common man.
- Bharat Heavy Electricals Limited has proposed an equity dividend of 79%, which includes 40% interim dividend paid earlier for 2016-17. This marks four times high dividend of 20% that was paid in the previous year. Also, this is the highest dividend to be paid by the company in the last three years. Including the declaration of this dividend, the company has been paying dividends consistently for four decades.

FII Derivative Trade Statistics			
	05-Jun		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1323.58	1533.95	21285.71
Index Options	21767.80	21103.64	60043.50
Stock Futures	6994.85	6995.91	73024.04
Stock Options	3624.59	3546.02	5629.39
Total	33710.82	33179.52	159982.64

Derivative Statistics- Nifty Options			
	05-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.20	1.16	0.04
Put Call Ratio(Vol)	1.20	1.16	0.04

Debt Watch				
	05-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.07%	6.09%	6.02%	6.28%
CBLO	6.05%	6.08%	6.07%	6.37%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.21%	6.27%	6.23%	6.78%
364 Day T-Bill	6.29%	6.44%	6.43%	6.89%
10 Year Gilt	6.77%	6.81%	6.94%	7.49%
G-Sec Vol. (Rs.Cr)	39770	20840	39811	33331
1 Month CP Rate	6.48%	6.50%	6.54%	7.75%
3 Month CP Rate	6.70%	6.69%	6.76%	7.99%
5 Year Corp Bond	7.43%	7.42%	7.51%	8.11%
1 Month CD Rate	6.28%	6.21%	6.21%	7.08%
3 Month CD Rate	6.39%	6.40%	6.42%	7.15%
1 Year CD Rate	6.80%	6.87%	6.71%	7.51%

Currency Market			
Currency	05-Jun	Prev_Day	Change
USD/INR	64.35	64.42	-0.07
GBP/INR	82.80	82.92	-0.13
EURO/INR	72.49	72.27	0.22
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	05-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	47.35	49.53	46.18	48.64
Brent Crude(\$/bl)	47.89	51.29	46.69	48.19
Gold(\$/oz)	1279	1267	1228	1244
Gold(Rs./10 gm)	29081	28846	28227	28616

Source: ICRON Research

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

Derivatives Market

- Nifty Jun 2017 Futures were at 9,685.50, a discount of 10.40 below the spot closing of 9,675.10. Turnover on NSE's Futures and Options segment went up from Rs. 2,46,946.19 crore on Jun 2 to Rs. 2,62,868.27 crore on Jun 5.
- The Put-Call ratio stood at 1.03 compared with previous day's close of 0.97.
- The Nifty Put-Call ratio stood at 1.20 as against the previous day's close at 1.16.
- The open interest on Nifty Futures stood at 23.51 million as against previous session's close of 23.49 million.

Indian Debt Market

- Bonds yields rose as market participants remained on the sidelines ahead of the outcome of the second bi-monthly monetary policy review due Jun 7, 2017.
- Yield on the existing 10-year benchmark paper (6.97% GS 2026) rose 2 bps to close at 6.77% compared with the previous close of 6.75%. During the trading session, bond yields traded in the range of 6.73% and 6.78%.
- Yield on the new 10-year benchmark paper (6.79% GS 2027) increased 3 bps close at 6.65% from the previous close of 6.62%. During the session, bond yields traded in the range of 6.61% and 6.65%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 1,960 crore (gross) on Jun 5, compared with Rs. 1,975 crore gross borrowing on Jun 2. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 8,697 crore on Jun 2.

Currency Market Update

- The Indian rupee rose to a near two week high against the greenback after U.S. monthly jobs data for May 2017 came below market expectations that raised doubts as to what stance the U.S. Federal Reserve adopts in its upcoming monetary policy review. The rupee rose 0.12% to close at 64.36 per dollar from the previous close of 64.44.
- The euro weakened against the greenback as market remained on the sidelines ahead of the European Central Bank's monetary policy review and U.K. national election scheduled to be held on Jun 8. Euro was trading at \$1.1251, down 0.26% from the previous close of \$1.1280.

Commodity Market Update

- Gold prices climbed after U.S. jobs data turned out lower than expected.
- Brent crude prices dipped on worries that a global agreement to decrease oil supply could be hindered as a result of cutting of ties between Qatar and Saudi Arabia, the UAE, Egypt, and Bahrain.

International News

- According to a report from IHS Markit and Chartered Institute of Procurement & Supply, Markit/CIPS services Purchasing Managers' Index (PMI) for the U.K. fell more than expected to 53.8 in May 2017 from 55.8 in Apr 2017. Though the reading was above 50 for the 10th month in a row, this marked the weakest level over a period of three months. The downside reflects slowest business growth over the last three months. While input prices eased to 8-month low, output prices grew at the weakest pace since Nov 2016.
- A report from Nikkei showed that Japan services PMI score continued to grow and increased to 53.0 in May 2017 from 52.2 in Apr 2017. The upside was driven by surge in new work in four years. Meanwhile, composite index grew to 53.4 in May up from 52.6 in Apr.



Thank you for
your time.