

**RELIANCE**

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FUND

# Markets for You

07 Jun 2018

Indices Performance

Global Indices	06-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,146	24,800	346	1.40
Nasdaq	7,689	7,638	51	0.67
FTSE	7,712	7,687	26	0.33
Nikkei	22,626	22,540	86	0.38
Hang Seng	31,259	31,093	166	0.53
Indian Indices	06-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,179	34,903	276	0.79
Nifty 50	10,685	10,593	92	0.86
Nifty 100	10,997	10,893	104	0.96
Nifty Bank	26,368	26,251	117	0.44
SGX Nifty	10,703	10,597	106	1.00
S&P BSE Power	2,043	2,014	29	1.45
S&P BSE Small Cap	16,467	16,220	248	1.53
S&P BSE HC	12,859	12,706	153	1.20

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
6-Jun	22.92	1.15	27.06	1.23
Month Ago	23.50	1.16	26.36	1.21
Year Ago	22.53	1.31	24.35	1.19

Nifty 50 Top 3 Gainers

Company	06-Jun	Prev_Day	% Change <sup>#</sup>
Bosch	18959	17912	5.84
Bharti Airtel	380	364	4.24
Tata Motors	296	285	3.76

Nifty 50 Top 3 Losers

Company	06-Jun	Prev_Day	% Change <sup>#</sup>
Tech Mahindra	692	701	-1.35
HPCL	311	315	-1.26
Asian Paints	1263	1274	-0.85

Advance Decline Ratio

	BSE	NSE
Advances	1640	1221
Declines	994	588
Unchanged	123	61

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	134	-1470
MF Flows**	112	59484

\*6<sup>th</sup> Jun 2018; \*\*1<sup>st</sup> Jun 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.58% (Apr-18)	5.07% (Jan-17)	2.99% (Mar-17)
IIP	4.40% (Mar-18)	7.10% (Dec-17)	4.10% (Mar-17)
GDP	7.70% (Mar-18)	7.00% (Dec-17)	6.10% (Mar-17)

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 traded up on weaker yen and improved crude oil prices along with better-than-expected key economic data in U.S. However, investors remained cautious of upcoming policy rate decision by the Federal Reserve and persistent trade tension between U.S. and China. Today (As of June 07), Asian markets opened higher following rise on the Wall Street overnight. Both Nikkei and Hang Seng index were trading higher 0.87% and 0.47%, respectively (as at 8 a.m. IST).
- As per the last close, European market mostly rose but restricted gains at the end. Concerns of big spending plans and other changes proposed by Italy's new coalition government will increase the country's debt burden played a spoilsport. Also weak start on the Wall Street played a role in the late weakness.
- As per the last close, U.S. markets went up strongly due to rise in financial stocks following decline in U.S. Treasury prices. Treasury prices dropped after European Central Bank chief economist indicated that the central bank will discuss ending its bond purchasing program at a meeting next week.

Indian Equity Market

- Indian equity markets commenced on a cautious note, however it got support towards the end after the Monetary Policy Committee (MPC) maintained neutral stance in the second bi-monthly policy meeting of FY19. Meanwhile, MPC hiked repo rate by 25 bps that came in line with market expectations. Further, MPC has upwardly revised the expectations for agriculture and allied activities on the supply side driven by higher production of food grains and horticulture. It also indicated a positive scenario for monsoons.
- Positive cues from global front, following improved U.S. economic data, instilled confidence among investors.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.79% and 0.86% to close at 35,178.88 and 10,684.65, respectively.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 3.02% followed by S&P BSE Consumer Durables and S&P BSE Metal that grew 2.32% and 1.72%, respectively. S&P BSE Auto and S&P BSE Industrials grew 1.57% and 1.55%, respectively. S&P BSE Realty and S&P BSE Power grew 1.47% and 1.45%. Rate sensitive sectors got support from MPC's decision.

Domestic News

- The Monetary Policy Committee (MPC), in its second bi-monthly policy review for 2018-19, has increased the key policy repo rate by 25 basis to 6.25% and retained its "neutral" stance. Consequently, the reverse repo rate increased to 6.00% from 5.75%, and the marginal standing facility (MSF) rate and bank rate each grew to 6.50% from 6.25%. All the six policymakers were in favour of the policy rate increase of 25 bps.
- MPC expects inflation after taking into account the house rent allowances (HRAs) in the range of 4.8%-4.9% in first half of FY19 as against previous expectation of 4.7%-5.1%. Excluding HRA impact, inflation is expected to be 4.60% in first half of FY19 as against previous expectation of 4.4%-4.7%. In the second half, inflation is expected to be 4.70% as against previous expectation of 4.40%, including as well excluding HRA impact.
- MPC retained its expectation for gross domestic product (GDP) growth at 7.4% in FY19. It is expected in the range of 7.5% to 7.6% for the first half as against previous expectation of 7.3%-7.4% and in the range of 7.3%-7.4% for second half as against previous expectation of 7.3%-7.6%.
- Merger of IDFC Bank and Capital First has received approval from the Reserve Bank of India. The two companies will now require approval from the shareholders and the National Company Law Tribunal. Capital First Home Finance and Capital First Securities will also be merged with the bank.
- JLL Spark, a subsidiary of JLL, has launched JLL Spark Global Venture Fund. The fund will invest up to \$100 million in tech start-up companies focussing on real estate development.
- Cadila Healthcare announced that the U.S. healthcare regulator has finished the inspection of its wholly-owned subsidiary, Alidac Pharmaceuticals, with no observations.

FII Derivative Trade Statistics		06-Jun		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2892.08	3390.98	15392.86	
Index Options	74570.83	75336.76	60517.12	
Stock Futures	12840.41	13668.58	79500.38	
Stock Options	5922.83	5903.45	6043.88	
Total	96226.15	98299.77	161454.24	

Derivative Statistics- Nifty Options			
	06-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.40	1.33	0.07
Put Call Ratio(Vol)	0.90	0.89	0.01

Debt Watch				
	06-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.88%	5.90%	5.92%	6.10%
CBLO	5.71%	5.84%	5.93%	6.19%
Repo	6.25%	6.00%	6.00%	6.25%
Reverse Repo	6.00%	5.75%	5.75%	6.00%
91 Day T-Bill	6.52%	6.40%	6.23%	6.28%
364 Day T-Bill	6.99%	6.90%	6.60%	6.40%
10 Year Gilt	7.92%	7.78%	7.73%	6.64%
G-Sec Vol. (Rs.Cr)	25056	23584	14125	38503
FBIL MIBOR	5.96%	5.99%	6.00%	6.25%
3 Month CP Rate	7.80%	7.90%	7.65%	6.68%
5 Year Corp Bond	8.72%	8.59%	8.45%	7.71%
1 Month CD Rate	7.35%	6.82%	6.62%	6.29%
3 Month CD Rate	7.54%	7.33%	7.17%	6.40%
1 Year CD Rate	8.32%	8.25%	7.84%	6.82%

Currency Market			
Currency	06-Jun	Prev_Day	Change
USD/INR	67.04	67.18	-0.14
GBP/INR	89.95	89.43	0.52
EURO/INR	78.68	78.54	0.14
JPY/INR	0.61	0.61	0.00

Commodity Prices				
Commodity	06-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	64.75	68.24	69.66	48.08
Brent Crude(\$/bl)	72.32	76.18	75.74	47.75
Gold(\$/oz)	1296	1301	1315	1294
Gold(Rs./10 gm)	30660	30924	31003	29323

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty June 2018 Futures were at 10686.25 points, a premium of 1.60 points, over the spot closing of 10,684.65. The turnover on NSE's Futures and Options segment went up to Rs. 8,29,823.12 crore on June 6 from Rs. 6,15,927.64 crore on June 5.
- The Put-Call ratio stood at 0.78 against previous session's close of 0.77.
- The Nifty Put-Call ratio stood at 1.40 against the previous session's close of 1.33.
- Open interest on Nifty Futures stood at 21.39 million as against the previous session's close at 21.10 million.

#### Indian Debt Market

- Bond yields surged after the Monetary Policy Committee (MPC) hiked key interest rate for the first time since Jan 2014. MPC increased repo rates by 25 basis points to 6.25%.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 9 bps to close at 7.92% from the previous close of 7.83%. During the session, bond yields traded in the range of 7.82% and 7.93%.
- RBI conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 7,000 crore, Rs. 4,000 crore and Rs. 4,000 crore, respectively. The cut-off for 91-, 182- and 364-days T-Bill stood at Rs. 98.40 (6.52%), Rs. 96.71 (6.82%) and Rs. 93.48 (6.99%), respectively.
- RBI has announced the rate of interest on the Floating Rate Bonds, 2031 (FRB 2031) applicable for the half year Jun 7, 2018 to Dec 6, 2018 at 6.79% per annum.

#### Currency Market Update

- The Indian rupee rose against the greenback after the Monetary Policy Committee retained its neutral stance on monetary policy even though it increased key policy rate by 25 bps. The rate hike was already factored in by market participants.
- The euro surged against the greenback amid reports that the European Central Bank may tighten its monetary stimulus program as euro zone inflation was rising back to its target.

#### Commodity Market Update

- Gold prices inched up on weak dollar against the euro.
- Brent crude prices gained ahead of the U.S. crude oil inventories data from the U.S. Energy Information Administration (EIA). Additionally, the American Petroleum Institute said that U.S. oil inventories fell by 2 million barrels last week.

#### International News

- According to a report released by the Institute for Supply Management, the U.S. non-manufacturing index rose more than expected to 58.6 in May 2018 from 56.8 in Apr 2018. The more than expected rise was due to significant increase in business activity index during the month.
- According to data from IHS Markit, Germany's construction Purchasing Managers' Index rose to 53.9 in May 2018 from 50.9 in Apr 2018. Amongst its components, both residential and commercial sectors rose in May, while civil engineering activity fell.

Thank you for  
your time.