

Indices Performance

Global Indices	07-Jun	Prev_Day	Abs. Change	% Change [#]
Dow Jones	17,938	17,920	18	0.10
Nasdaq	4,962	4,969	-7	-0.14
FTSE	6,285	6,273	11	0.18
Nikkei	16,675	16,580	95	0.58
Hang Seng	21,328	21,030	298	1.42
Indian Indices	07-Jun	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	27,010	26,777	232	0.87
Nifty 50	8,266	8,201	65	0.80
Nifty 100	8,354	8,292	62	0.74
Nifty Bank	17,948	17,671	277	1.57
SGX Nifty	8,264	8,274	-10	-0.12
S&P BSE Power	1,889	1,877	11	0.61
S&P BSE Small Cap	11,281	11,173	108	0.96
S&P BSE HC	15,005	14,938	67	0.45

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
7-Jun	19.91	1.43	22.69	1.30
Month Ago	19.07	1.51	20.91	1.39
Year Ago	19.33	1.41	22.49	1.45

Nifty 50 Top 3 Gainers

Company	07-Jun	Prev_Day	% Change [#]
SBI	210	199	5.66
ICICI Bank	254	244	4.35
Vedanta	110	106	3.58

Nifty 50 Top 3 Losers

Company	07-Jun	Prev_Day	% Change [#]
BPCL	976	994	-1.81
IndusInd Bank	1110	1122	-1.06
Tata Power	74	74	-0.94

Advance Decline Ratio

	BSE	NSE
Advances	1481	933
Declines	1133	616
Unchanged	161	77

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	65	18097
MF Flows**	-154	8466

*7th Jun 2016; **3rd Jun 2016

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.34% (Apr-16)	-1.07% (Jan-16)	-2.43% (Apr-15)
IIP	0.10% (Mar-16)	-1.50% (Dec-15)	2.50% (Mar-15)
GDP	7.30 (Dec-15)	7.70 (Sep-15)	6.60 (Dec -14)

Global Indices

- Asian markets closed in the positive terrain after the Fed chief, in her speech, refrained from providing any definite time-line for the next interest rate hike. Today (As on June 8), Asian stocks opened on a mixed note. Increase in global crude oil prices supported market sentiments. Both Nikkei Average and Hang Seng were trading down 0.31% and 0.48%, respectively (as at 8.00 a.m IST).
- As per the last close, European markets closed higher following increase in global crude oil prices. Market sentiments received further support after the euro zone economy grew more than previously estimated in the Q1 of 2016 while Germany's industrial production expanded for the first time in three months in April.
- As per the last close, U.S. equities closed on a mixed note. Increase in global crude oil prices boosted market sentiments. Possibility that the Fed will keep interest rates unchanged added to the gains after the Fed Chief in her speech expressed concerns over the U.S. jobs market even though the U.S. economy will continue to improve which will allow gradual increase in interest rates.

Indian Equity Market

- Indian equity market moved up to a seven-month high level after the Reserve Bank of India (RBI) kept key rates unchanged and affirmed that monetary policy will remain accommodative. Strong global cues following U.S. Federal Reserve chairperson's cautious view on interest rate hikes supported the market.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.87% and 0.80% to close at 27,009.67 points and 8,266.45 points, respectively. S&P BSE Mid-Cap and Small-Cap gained 0.29% and 0.96%, respectively.
- The overall market breadth on BSE was strong with 1,481 scrips advancing and 1,133 scrips declining. A total of 161 scrips remained unchanged.
- On the BSE sectoral front, most of the indices traded in the green, barring S&P BSE Oil & Gas (-0.14%), S&P BSE Teck (-0.05%), S&P BSE IT (-0.04%), and S&P BSE Telecom (-0.03%). Meanwhile, S&P BSE Realty (1.7%) topped the chart followed by S&P BSE Bankex (1.63%) and S&P BSE CD (1.57%). Banking sector gained following RBI's stance on accommodative monetary policy.

Domestic News

- Reserve Bank of India (RBI), in its second bi-monthly monetary policy review for FY17, kept key repo rates unchanged at 6.5% following increase in domestic inflationary pressures that was along market expectations. The central bank affirmed to continue with its 'accommodative' monetary policy stance and maintained the gross value added (GVA) growth projection for FY17 at 7.6%. The central bank kept its inflation target unchanged at 5% for the fiscal with an upward bias. RBI added that it will review the implementation of the Marginal Cost Lending Rate framework by banks.
- According to RBI, above normal monsoon, astute food management, introduction of the electronic national agriculture market (e-NAM) trading portal and expansion in supply capacity may help contain the surge in domestic inflationary pressures. However, the central bank warned that increase in global crude oil prices and implementation of the 7th Central Pay Commission recommendations may push inflation upwards.
- According to a major credit rating agency, the transmission of interest rate cuts is expected to have a bearing on India's economic development and credit profile. The rating agency added that there may be some temporary increase in inflation due to high food prices.
- Indian government held a meeting with a major rating agency to pitch for a rating upgrade by highlighting improvement in macroeconomic conditions and the government's commitment to fiscal consolidation.
- According to the finance minister, state-run banks would be empowered to deal with the bad loans prudently. The Indian Banks' Association plans to discuss the issue and suggest a mechanism to handle such settlements, which will be approved by the government.
- ICICI Bank plans to raise Rs. 25,000 crore in tranches through issuance of various instruments, including bonds. The bank intends to amass the fund within a year from the date of passing of the resolution.

FII Derivative Trade Statistics	07-Jun		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1357.17	840.58	17828.92
Index Options	8633.95	8729.58	57862.49
Stock Futures	3811.85	4448.73	52595.51
Stock Options	2090.57	2079.39	4156.33
Total	15893.54	16098.28	132443.25

Derivative Statistics- Nifty Options			
	07-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.08	1.06	0.02
Put Call Ratio(Vol)	1.13	1.12	0.01

Debt Watch				
	07-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.43%	6.41%	6.39%	7.27%
CBLO	6.47%	6.45%	6.40%	7.18%
Repo	6.50%	6.50%	6.50%	7.25%
Reverse Repo	6.00%	6.00%	6.00%	6.25%
91 Day T-Bill	6.84%	6.80%	6.82%	7.60%
364 Day T-Bill	6.86%	6.90%	6.88%	7.70%
10 Year Gilt	7.48%	7.47%	7.44%	7.79%
G-Sec Vol. (Rs.Cr)	39042	19799	43090	33050
1 Month CP Rate	7.74%	7.75%	7.82%	8.06%
3 Month CP Rate	7.93%	7.98%	8.20%	8.24%
5 Year Corp Bond	8.11%	8.10%	8.08%	8.56%
1 Month CD Rate	7.00%	6.88%	7.13%	7.74%
3 Month CD Rate	7.07%	7.20%	7.35%	7.82%
1 Year CD Rate	7.50%	7.48%	7.46%	8.21%

Currency Market			
Currency	07-Jun	Prev_Day	Change
USD/INR	66.83	66.96	-0.13
GBP/INR	96.94	96.17	0.77
EURO/INR	75.92	75.94	-0.02
JPY/INR	0.62	0.63	-0.01

Commodity Prices				
Currency	07-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	50.37	49.10	44.58	59.11
Brent Crude(\$/bl)	49.46	48.96	44.25	59.96
Gold(\$/oz)	1243	1215	1288	1171
Gold(Rs./10 gm)	28927	28615	30003	26556

Source: ICRON Research

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Derivatives Market

- Nifty Jun 2016 Futures were at 8,283.15 points, a premium of 16.70 points, over the spot closing of 8,266.45. The turnover on NSE's Futures and Options segment rose from Rs. 1,21,810.42 crore on Jun 6 to Rs. 2,41,489.65 crore on Jun 7.
- The Put-Call ratio stood at 1.08, compared with the previous session's close of 0.99.
- The Nifty Put-Call stood at 1.08, compared with the previous session's close of 1.06.
- The open interest on Nifty Futures stood at 23.51 million, compared with the previous session's close of 22.78 million.

Indian Debt Market

- Bonds yields went up after the Reserve Bank of India (RBI) in its second bi-monthly monetary policy review left key rates unchanged. Moreover, the central bank indicated that future monetary easing may get delayed due to upside risks to inflation.
- Yield on 10-year benchmark bond (7.59% GS 2026) increased 1 bps to close at 7.48% compared with the previous close of 7.47%. During the session, bond yields traded in a narrow range of 7.47% to 7.49%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 3,002 crore (gross), compared with borrowings of Rs. 2,218 crore (gross) on Jun 6. Sale of securities by RBI under reverse repo stood at Rs. 1,179 crore on Jun 6.
- Banks borrowed Rs. 1,395 crore under the central bank's Marginal Standing Facility window on Jun 6 compared with Rs. 5 crore on Jun 3.

Currency Market Update

- The Indian rupee strengthened for the fourth consecutive day and reached above 3-week high level against the U.S. dollar as cautious remarks by the U.S. Federal Reserve (Fed) chief lowered the chances of a rate hike next month. The rupee rose 0.28% to close at 66.77 per dollar compared with previous close of 66.96.
- Euro was gained against the U.S. dollar after cautious remarks by Fed chief lowered the chances of a rate hike next month. Euro was trading at \$1.1358 compared with the previous close of \$1.1351.

Commodity Market Update

- Gold prices fell after the U.S. Federal Reserve (Fed) chief, in her speech, did not provide any definite time-frame for the next interest rate hike.
- Brent crude prices continued with the upward trend following supply disruptions in Nigeria.

International News

- According to the U.S. Federal Reserve's chairperson, economy will continue to grow despite slowdown in job creation. Inflation is expected to rise eventually. The chairperson also warned that economic problems in China and U.K.'s possible exit from the European Union may have a negative impact on the U.S. economy.
- Data from Eurostat showed that eurozone's GDP was revised up to 0.6% in the quarter ended Mar 2016 instead of 0.5% estimated previously, and was better than 0.4% rise in the previous quarter. Annually, the economic growth was unchanged at 1.7% during the quarter.
- According to the Labor Department, labour productivity in the U.S. fell 0.6% in the quarter ended Mar 2016, worse than 1.0% decline initially reported.