

**RELIANCE**

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FUND

# Markets for You

15 Jun 2017

## Indices Performance

Global Indices	14-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,375	21,328	46	0.22
Nasdaq	6,195	6,220	-25	-0.41
FTSE	7,474	7,500	-26	-0.35
Nikkei	19,884	19,899	-15	-0.08
Hang Seng	25,876	25,852	24	0.09
Indian Indices	14-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	31,156	31,103	52	0.17
Nifty 50	9,618	9,607	11	0.12
Nifty 100	9,935	9,930	5	0.05
Nifty Bank	23,499	23,478	21	0.09
SGX Nifty	9,669	9,618	51	0.53
S&P BSE Power	2,225	2,224	1	0.03
S&P BSE Small Cap	15,589	15,518	71	0.46
S&P BSE HC	14,243	14,268	-26	-0.18

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
14-Jun	22.64	1.31	24.29	1.19
Month Ago	23.03	1.32	23.88	1.22
Year Ago	19.32	1.49	22.26	1.29

## Nifty 50 Top 3 Gainers

Company	14-Jun	Prev_Day	% Change <sup>#</sup>
RIL	1358	1314	3.28
BOB	173	170	1.80
Dr.Reddy	2669	2627	1.62

## Nifty 50 Top 3 Losers

Company	14-Jun	Prev_Day	% Change <sup>#</sup>
Yes Bank	1449	1494	-3.00
Cipla	540	552	-2.11
ITC	300	305	-1.77

## Advance Decline Ratio

	BSE	NSE
Advances	1212	783
Declines	1461	885
Unchanged	161	82

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	4909	54284
MF Flows**	977	34488

\*14<sup>th</sup> Jun 2017; \*\*8<sup>th</sup> Jun 2017

## Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	2.17%	5.51%	-0.90%
	(May-17)	(Feb-17)	(May-16)
IIP	3.10%	3.80%	6.50%
	(Apr-17)	(Jan-17)	(Apr-16)
GDP	6.10%	7.00%	9.20%
	(Mar-17)	(Dec-16)	(Mar-16)

Since May-17, MOSPI has revised base year of IIP &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

## Global Indices

• Asian markets closed mixed as investors stayed on the sidelines ahead of U.S. Federal Reserve's interest rate decision due later during the day, and Bank of Japan and Bank of England's meetings due later during the week. Chinese market dipped on reports of an alleged investigation of a financial corporation's head, offsetting the impact of positive economic data. Today (As on Jun 15), Asian market fell after U.S. Fed said it will raise interest rates despite inflation coming below 2%. Both Nikkei Average and Hang Seng were trading down 0.47% and 0.97%, respectively (as at 8.00 a.m IST).

• As per the last close, European market mostly fell due to disappointing economic data from the U.S., weak opening on the Wall Street overnight and cautious mood ahead of the Fed policy announcement.

• As per the last close, U.S. market ended on a mixed note after moving in a range during the session. The U.S. Federal Reserve (Fed) increased interest rates by 25 bps for the second time in 2017. It will start gradually shrinking its \$4.5 trillion balance sheet in the current year. However, the Fed now views inflation falling short of expectations for the year.

## Indian Equity Market

• Indian equity markets ended on a positive note after India's wholesale inflation fell to 2.17% in May 2017 from 3.85% in Apr 2017. However, gains were restricted as investors remained cautious ahead of the outcome of U.S. Federal Reserve's policy decisions due later in the day.

• Key benchmark indices S&P BSE Sensex gained 0.17% to close at 31,155.91, while Nifty 50 gained 0.12% to close at 9,618.15. S&P BSE Mid-Cap and S&P BSE Small-Cap grew 0.01% and 0.46%, respectively.

• On the BSE sectoral front, indices closed on a positive note with most of the stocks ending in the green. The highest gainer was S&P BSE Energy, up 1.53%, trailed by S&P BSE Realty (1.50%), S&P BSE Capital Goods (0.88%), S&P BSE Oil & gas (0.68%), S&P BSE Industrials (0.43%), and S&P BSE Teck (0.24%). However, top losers comprised S&P BSE Metal (-0.73%), S&P BSE FMCG (-0.68%), S&P BSE Basic Materials (-0.25%), S&P BSE Healthcare (-0.18%), and S&P BSE Utilities (-0.07%). Notably, S&P BSE Telecom remained unchanged.

## Domestic News

• India's Wholesale Price Inflation (WPI) fell to 2.17% in May 2017 as against 3.85% provisional in Apr 2017 and -0.90% in the previous-year period, thereby marking a five-month low. The fall was because food inflation turned negative and prices of manufactured items grew at their slowest pace in the past five months. Subsequently, prices of important crops like potato, vegetable, pulses, and onions experienced huge declines. While potato prices declined 44.4%, prices of pulses and vegetables dropped 19.7% and 18.5%, respectively.

• The government has approved extending a scheme with Rs. 20,339 crore funds in order to make available cheaper loans to the farming community. Hence, the farmers will continue to get short-term crop loans up to Rs. 3 lakh at an interest rate of 7% and prompt repayers at 4%. Also, farmers will be entitled to get loans for post-harvest storage of their produce at a subsidised interest rate of 7% for six months. Further, the government has decided to give 2% interest subsidy for first year on the restructured amount in order to provide relief to farmers affected by natural calamities.

• In order to help small and medium enterprises, the Reserve Bank of India is looking into the request of extending the classification period of non-performing assets (NPAs) from the current window of 90 days. The decision reflects representation by some people to raise the NPA classification period beyond existing 90 days. Currently, an accounts turns into an NPA or bad loan if it is not serviced for 90 days.

• Intel has announced to invest Rs. 1,100 crore in order to expand its research and development (R&D) operations in India. According to a key person of the company, Intel India plays a very strategic role in Intel's growth, with significant contributions to its technology and product leadership.

• Tejas Networks has announced that the company has raised Rs. 349.5 crore by allotting 1.36 crore shares to 17 anchor investors at the upper end of the initial public offering (IPO) price band of Rs. 257 per share.

FII Derivative Trade Statistics		14-Jun		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	798.14	1098.49	23694.30	
Index Options	24055.55	24396.42	67055.45	
Stock Futures	6340.79	6461.77	73724.20	
Stock Options	4285.18	4298.75	7804.14	
Total	35479.66	36255.43	172278.09	

Derivative Statistics- Nifty Options			
	14-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.20	1.15	0.05
Put Call Ratio(Vol)	1.07	1.06	0.01

Debt Watch				
	14-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.12%	6.19%	6.11%	6.36%
CBLO	6.11%	6.27%	5.64%	6.31%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.27%	6.29%	6.28%	6.74%
364 Day T-Bill	6.32%	6.43%	6.47%	6.87%
10 Year Gilt	6.62%	6.66%	6.91%	7.52%
G-Sec Vol. (Rs.Cr)	45814	109410	54208	52472
1 Month CP Rate	6.53%	6.53%	6.59%	7.71%
3 Month CP Rate	6.68%	6.68%	6.81%	7.86%
5 Year Corp Bond	7.26%	7.32%	7.47%	8.08%
1 Month CD Rate	6.28%	6.28%	6.23%	6.92%
3 Month CD Rate	6.35%	6.39%	6.42%	6.96%
1 Year CD Rate	6.69%	6.81%	6.78%	7.47%

Currency Market			
Currency	14-Jun	Prev_Day	Change
USD/INR	64.31	64.45	-0.13
GBP/INR	82.11	81.74	0.37
EURO/INR	72.13	72.15	-0.02
JPY/INR	0.58	0.59	0.00

Commodity Prices				
Commodity	14-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	44.74	45.75	47.78	48.44
Brent Crude(\$/bl)	44.91	46.72	48.29	47.27
Gold(\$/oz)	1261	1286	1228	1285
Gold(Rs./10 gm)	28822	29232	28066	29892

Source: ICRON Research

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#### Derivatives Market

- Nifty Jun 2017 Futures were at 9,637.60, a premium of 19.45 above the spot closing of 9,618.15. Turnover on NSE's Futures and Options segment went up from Rs. 3,21,086.10 crore on Jun 13 to Rs. 4,02,757.31 crore on Jun 14.
- The Put-Call ratio stood at 1.06 compared with the previous day's close of 1.04.
- The Nifty Put-Call ratio stood at 1.00 compared with the previous day's close of 1.15.
- The open interest on Nifty Futures stood at 23.22 million as against previous session's close of 23.52 million.

#### Indian Debt Market

- Bond yields fell as market participants hoped that the outcome of U.S. Federal Reserve's monetary policy review due on Jun 14, 2017 will provide future clarity on the U.S. Central Bank's future policy path.
- Yield on the new 10-year benchmark paper (6.79% GS 2027) fell 2 bps to close at 6.47% from the previous close of 6.49%. During the session, bond yields traded in the range of 6.47% and 6.51%.
- Similarly, yield on the existing 10-year benchmark paper (6.97% GS 2026) fell 2 bps to close at 6.62% from the previous close of 6.64%. During the trading session, bond yields traded in the range of 6.62% and 6.66%.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 500 crore was allotted at a cut-off rate of 6.24%.

#### Currency Market Update

- The Indian rupee gained against the U.S. dollar following gains in the domestic equity market. However, most of the gains were capped as investors remained cautious ahead of the U.S. Federal Reserve's two-day policy outcome. The rupee rose 0.06% to close at 64.30 per dollar from the previous close of 64.33.
- The euro fell against the greenback ahead of the outcome U.S. Fed's policy review, where rate hike is widely expected. Euro was trading at \$1.1199, down 0.13% from the previous close of \$1.1214.

#### Commodity Market Update

- Gold prices moved up ahead of U.S. Federal Reserve's two-day policy meeting and retail sales data of May 2017.
- Brent crude prices traded in a range after the American Petroleum Institute data indicated a rise in U.S. crude stocks of 2.753 million barrels in the last week.

#### International News

- According to a report by the Labor Department, producer price index in the U.S. for final demand remained unchanged in May 2017 after a gain of 0.5% in Apr 2017. The flat result reflects increase in prices for services that was offset by a drop in fuel prices. Core producer prices that excluded food and energy prices grew by 0.3% in May as against a gain of 0.4% in Apr.
- According to a report from Eurostat, euro zone's industrial production came in line with market expectations and grew 0.5% (seasonally adjusted) on MoM basis in Apr 2017, faster than upwardly revised 0.2% growth in Mar 2017. This marked a gain for the second month in a row. The upside is driven by growth in energy production and durable consumer goods which was offset by decline in capital goods.



Thank you for  
your time.