

**RELIANCE**

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FUND

# Markets for You

16 Jun 2017

Indices Performance

Global Indices	15-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,360	21,375	-15	-0.07
Nasdaq	6,166	6,195	-29	-0.47
FTSE	7,419	7,474	-55	-0.74
Nikkei	19,832	19,884	-52	-0.26
Hang Seng	25,565	25,876	-311	-1.20
Indian Indices	15-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	31,076	31,156	-80	-0.26
Nifty 50	9,578	9,618	-40	-0.42
Nifty 100	9,898	9,935	-37	-0.37
Nifty Bank	23,392	23,499	-107	-0.46
SGX Nifty	9,580	9,669	-89	-0.92
S&P BSE Power	2,226	2,225	1	0.05
S&P BSE Small Cap	15,646	15,589	57	0.37
S&P BSE HC	14,366	14,243	123	0.86

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
15-Jun	22.49	1.32	24.19	1.19
Month Ago	23.03	1.32	23.99	1.22
Year Ago	19.60	1.46	22.53	1.27

Nifty 50 Top 3 Gainers

Company	15-Jun	Prev_Day	% Change <sup>#</sup>
Aurobindo Pharma	644	602	6.94
RIL	1384	1358	1.95
Wipro	261	256	1.85

Nifty 50 Top 3 Losers

Company	15-Jun	Prev_Day	% Change <sup>#</sup>
Indian Oil	407	421	-3.24
BPCL	670	692	-3.12
Bharti Infratel	375	386	-2.93

Advance Decline Ratio

	BSE	NSE
Advances	1369	835
Declines	1291	844
Unchanged	158	75

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	86	54370
MF Flows**	977	34488

\*15<sup>th</sup> Jun 2017; \*\*8<sup>th</sup> Jun 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	2.17% (May-17)	5.51% (Feb-17)	-0.90% (May-16)
IIP	3.10% (Apr-17)	3.80% (Jan-17)	6.50% (Apr-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

- Asian markets closed down after the U.S. Federal Reserve (Fed) raised the benchmark lending rate and indicated one more hike during this year. The U.S. central bank also stated that it would start reducing its holdings of bonds and other securities this year. Hang Seng came under pressure after the Hong Kong Monetary Authority raised interest rates, which weighed on the property stocks. However, Chinese market closed marginally higher after the International Monetary Fund raised China's growth projections. Today (As on Jun 16), Asian market gained ahead of the Bank of Japan policy meeting. Both Nikkei Average and Hang Seng were trading down 0.43% and 0.45%, respectively (as at 8.00 a.m IST).
- As per the last close, European market fell notably as U.S. Federal Reserve (Fed) planned to go for one more rate hike in 2017 despite recent weak U.S. economic data and inflation falling short of expectations for the year.
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Indian Equity Market

- Indian equity markets closed in the red after the U.S. Federal Reserve increased interest rates by 25 bps and indicated another rate hike during the year. Investors booking profits in recent outperformers also added to the losses.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.26% and 0.42% to close at 31,075.73 and 9,578.05, respectively. S&P BSE Mid-Cap dropped 0.12%, while S&P BSE Small-Cap went up 0.37%.
- On the BSE sectoral front, most indices closed in the negative. S&P BSE Oil & Gas, down 1.15%, was the highest loser, followed by S&P BSE IT and S&P BSE Teck (both down 0.92%), S&P BSE Capital Goods (-0.68%), S&P BSE Telecom (-0.64%), and S&P BSE Auto (-0.54%). S&P BSE IT went down owing to losses incurred by industry heavyweights. Highest gainers included S&P BSE Realty (2.16%), S&P BSE Healthcare (0.86%), S&P BSE FMCG (0.14%), S&P BSE Materials (0.08%), and S&P BSE Power (0.05%). S&P BSE Healthcare grew after the United States Food and Drug Administration gave final approval to an industry major to produce Sevelamer Carbonate oral suspension.

Domestic News

- Data from Reserve Bank of India (RBI) showed that India's Current Account Deficit (CAD) narrowed to \$3.4 billion (0.6% of GDP) in Q4 of FY17 from \$8.0 billion (1.4% of GDP) in the preceding quarter. However, it widened from \$0.3 billion (0.1% of GDP) in the same quarter of the previous fiscal. CAD widened on YoY basis due to higher trade deficit driven by a larger increase in merchandise imports relative to exports. In FY17, CAD narrowed to 0.7% of GDP from 1.1% in FY16 owing to contraction in the trade deficit that narrowed to \$112.4 billion in FY17 from \$130.1 billion in FY16.
- The finance ministry announced that RBI has identified 12 big defaulters who account for 25% of the total non-performing Assets in the banking sector. These defaulters will be soon made public and will be referred to respective banks for filing insolvency proceedings. The ministry also stated that the National Company Law Tribunal is being strengthened to speed up fast track bankruptcy proceedings under the Insolvency and Bankruptcy Code.
- In order to capture non-disposal agreements between promoters and lenders, the Securities and Exchange Board of India (SEBI) has asked the depositories to develop a separate transaction type in their system. Currently, SEBI rules require promoters of a company to disclose details of their encumbered shares including non-disposal agreements by promoters. SEBI stated that it has noticed that some promoters enter into non-disposal agreements for borrowing funds from various lenders.
- Jindal Steel and Power Ltd is planning to diversify into the production of ammonia and urea production. The idea was actually to make proper use of spare gas emanated from its coal gasification plant. Ammonia and urea, which have massive industrial uses, are produced from natural gas. The company stated that it has 75-90 thousand cubic metres of spare gas that can be used to set up an ammonia or urea plant.
- The Reserve Bank India (RBI) has put Central Bank of India under its Prompt Corrective Action (PCA) framework, to impose restrictions on the bank's lending, hiring, and branch expanding operations.

FII Derivative Trade Statistics		15-Jun		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	1263.13	1112.87	23931.63	
Index Options	31851.81	31183.55	66544.32	
Stock Futures	6330.45	6640.33	74257.24	
Stock Options	5161.53	5169.30	8046.61	
Total	44606.92	44106.05	172779.80	

Derivative Statistics- Nifty Options			
	15-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.13	1.20	-0.07
Put Call Ratio(Vol)	0.99	1.07	-0.08

Debt Watch				
	15-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.06%	6.13%	6.05%	6.38%
CBLO	6.19%	6.21%	6.21%	6.51%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.24%	6.26%	6.28%	6.75%
364 Day T-Bill	6.37%	6.35%	6.46%	6.90%
10 Year Gilt	6.65%	6.63%	6.81%	7.52%
G-Sec Vol. (Rs.Cr)	56314	79106	88449	37181
1 Month CP Rate	6.52%	6.54%	6.61%	7.70%
3 Month CP Rate	6.67%	6.68%	6.83%	7.85%
5 Year Corp Bond	7.26%	7.30%	7.45%	8.09%
1 Month CD Rate	6.29%	6.26%	6.35%	6.93%
3 Month CD Rate	6.37%	6.38%	6.45%	6.95%
1 Year CD Rate	6.69%	6.81%	6.89%	7.47%

Currency Market			
Currency	15-Jun	Prev_Day	Change
USD/INR	64.28	64.31	-0.03
GBP/INR	81.91	82.11	-0.20
EURO/INR	72.11	72.13	-0.02
JPY/INR	0.59	0.58	0.00

Commodity Prices				
Commodity	15-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	44.42	45.63	48.81	47.87
Brent Crude(\$/bl)	45.05	45.94	51.28	46.86
Gold(\$/oz)	1254	1279	1230	1291
Gold(Rs./10 gm)	28703	29161	28042	29873

Source: ICRON Research

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#### Derivatives Market

- Nifty Jun 2017 Futures were at 9,600.90, a premium of 22.85 above the spot closing of 9,578.05. Turnover on NSE's Futures and Options segment went down from Rs. 4,02,757.31 crore on Jun 14 to Rs. 31,155.86 crore on Jun 15.
- The Put-Call ratio stood at 0.44 compared with the previous day's close of 1.06.
- The Nifty Put-Call ratio stood at 1.15 compared with the previous day's close of 1.00.
- The open interest on Nifty Futures stood at 23.43 million as against previous session's close of 23.22 million.

#### Indian Debt Market

- After falling for two consecutive sessions, bond yields grew as investors sold bonds to book profits from the recent gains. Losses were extended after the U.S. Federal Reserve increased interest rate in its policy meeting.
- Yield on the new 10-year benchmark paper (6.79% GS 2027) went up 1 bps to close at 6.48% from the previous close of 6.47%. During the session, bond yields traded in the range of 6.44% and 6.48%.
- Similarly, yield on the existing 10-year benchmark paper (6.97% GS 2026) grew 3 bps to close at 6.65% from the previous close of 6.62%. During the trading session, bond yields traded in the range of 6.59% and 6.65%.
- Banks borrowed Rs. 1,003 crore under the central bank's Marginal Standing Facility on Jun 14, while there was no borrowing on Jun 13.

#### Currency Market Update

- The Indian rupee fell against the U.S. dollar after the U.S. Federal Reserve increased interest rate and indicated another rate hike in 2017. The rupee fell 0.37% to close at 64.54 per dollar from the previous close of 64.30.
- The euro fell against the greenback after the U.S. Federal Reserve raised interest rates by 25 bps and announced to gradually shrink its \$4.5 trillion balance sheet in 2017. Euro was trading at \$1.1160, down 0.51% from the previous close of \$1.1217.

#### Commodity Market Update

- Gold prices traded lower after the U.S. Federal Reserve raised interest rates for the second time this year.
- Brent crude prices fell as investor sentiment remained low amid concerns over swelling stockpiles and growing shale production in the U.S.

#### International News

- The Federal Open Market Committee (FOMC) has raised the benchmark interest rate by 25 basis points to 1.25% from 1%. FOMC announced to gradually shrink its \$4.5 trillion balance sheet in 2017, which is loaded with government bonds, mortgage-backed securities, and other assets. The committee also indicated one more rate hike in 2017, and three more in 2018.
- According to a report from the Labor Department, U.S. consumer price index missed marked expectations and fell 0.1% in May 2017 after a gain of 0.2% in Apr 2017. The fall reflected a sharp decline in energy prices, which was partially offset by increase in food prices. Core consumer prices excluding food and energy prices also missed market expectations. However, it grew 0.1% in May, in line with Apr's growth.

Thank you for  
your time.