

**RELIANCE**

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FUND

# Markets for You

26 Jun 2018

Indices Performance

Global Indices	25-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,253	24,581	-328	-1.33
Nasdaq	7,532	7,693	-161	-2.09
FTSE	7,510	7,682	-172	-2.24
Nikkei	22,338	22,517	-179	-0.79
Hang Seng	28,961	29,339	-377	-1.29
Indian Indices	25-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,470	35,690	-219	-0.61
Nifty 50	10,762	10,822	-59	-0.55
Nifty 100	11,045	11,120	-74	-0.67
Nifty Bank	26,610	26,767	-157	-0.59
SGX Nifty	10,759	10,837	-78	-0.72
S&P BSE Power	1,986	2,006	-20	-1.02
S&P BSE Small Cap	16,392	16,540	-147	-0.89
S&P BSE HC	14,212	14,299	-87	-0.61

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
25-Jun	22.69	1.25	26.48	1.23
Month Ago	22.81	1.16	26.24	1.21
Year Ago	22.80	1.25	24.37	1.11

Nifty 50 Top 3 Gainers

Company	25-Jun	Prev_Day	% Change <sup>#</sup>
Ultratech Cem	3752	3641	3.05
Bajaj Finance	2391	2336	2.34
Bharti Infratel	292	286	2.08

Nifty 50 Top 3 Losers

Company	25-Jun	Prev_Day	% Change <sup>#</sup>
Tata Motors	289	308	-6.04
HPCL	299	311	-3.92
ICICI Bank	290	301	-3.64

Advance Decline Ratio

	BSE	NSE
Advances	819	478
Declines	1775	1322
Unchanged	153	73

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1241	-5332
MF Flows**	616	65170

\*25<sup>th</sup> Jun 2018; \*\*21<sup>st</sup> Jun 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.87% (May-18)	4.44% (Feb-18)	2.18% (May-17)
IIP	4.90% (Apr-18)	7.40% (Jan-18)	3.20% (Apr-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 mostly traded down on persisting concerns over trade war between U.S. and China after the U.S. government hinted to block Chinese investment in U.S. technology firms. Lower crude oil prices and stronger yen further weighed on sentiment. However, some respite was seen on news that reserve requirement ratio was lowered in some Chinese banks. Today (as of June 26), Asian markets opened lower following weak cues from Wall Street due to trade war concerns. Nikkei and Hangseng fell 0.34% and 0.59%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower as continued concerns about global trade war and effect of Brexit weighed on investor sentiment. As per the reports, besides banning many Chinese companies from investing in U.S. technology firms, U.S. President plans to block additional technology exports to Beijing.
- As per the last close, U.S markets closed lower due to continued global trade war concerns. As per the reports, U.S. President plans to ban many Chinese companies from investing in U.S. technology firms and block additional technology exports to Beijing.

Indian Equity Market

- Indian equity markets witnessed a lacklustre session and closed in the red. Escalating concerns over the trade war between U.S. and China continued to dent market sentiment. In the latest development, the U.S. government is planning to impose curbs on Chinese investments in U.S. technology companies and high-tech exports to China.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.61% and 0.55% to close at 35,470.35 and 10,762.45, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 0.80% and 0.89%, respectively.
- The overall market breadth on BSE was weak with 1,775 scrips declining and 819 scrips advancing. A total of 153 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE IT and S&P BSE Teck, all the indices closed in the red. S&P BSE Industrials was the major loser, down 1.83%, followed by S&P BSE Oil & Gas and S&P BSE Auto, which fell 1.55% and 1.51%, respectively. S&P BSE Energy and S&P BSE Capital Goods slipped 1.40% and 1.31%, respectively.

Domestic News

- According to the vice-chairman of Niti Aayog, it is unlikely that petroleum will be brought under the purview of Goods and Services Tax (GST) any time soon. The vice chairman clarified that the highest tax bracket under GST is 28% while the total state and central taxes on petrol put together at present are around 90%. Thus, no state will be ready to take such a huge cut even if petroleum is bought under GST. He added that in such a case, a new GST band will have to be opened which in itself will be a cumbersome exercise. On a separate note, the vice chairman opined that a better way to bring petroleum under GST will be to first start rationalizing/reducing taxes on petroleum products.
- Data from Reserve Bank of India (RBI) showed that Indian companies' investments in their overseas subsidiaries/joint ventures fell 63% to \$1.17 billion in May 2018. India Inc's foreign direct investment in the same period of the previous fiscal stood at \$3.12 billion. India Inc's foreign direct investment in Apr 2018 stood at \$3.56 billion.
- According to media reports, the government is working to improve the regulations for auditors and corporate professionals. The objective is to strengthen the "fabric of corporate governance" in the country. The move assumes significance as till recently there has been multiple instances of auditors resigning from companies on various grounds.
- Hero MotoCorp announced that it is expecting double-digit growth for its global business in FY19. The growth is expected to be driven by new launches and additional focus on markets that have higher volumes potential. The company is planning to enter Mexico in 2019.
- According to media reports, investment worth 13.5 billion pounds has been aligned by Jaguar Land Rover, owned by Tata Motors, in the next three years on new models, technology development and capacity addition. By FY24, the company is planning to launch four new models and has lined up 99 different 'product actions'.

FII Derivative Trade Statistics		25-Jun	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2378.65	2445.42	24625.75
Index Options	64851.67	64849.49	76171.93
Stock Futures	13296.76	13230.75	83195.42
Stock Options	7289.19	7407.16	10585.15
Total	87816.27	87932.82	194578.25

Derivative Statistics- Nifty Options			
	25-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.48	1.65	-0.16
Put Call Ratio(Vol)	0.92	1.06	-0.15

Debt Watch				
	25-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.23%	6.17%	5.93%	6.08%
CBLO	6.26%	6.18%	5.08%	5.87%
Repo	6.25%	6.25%	6.00%	6.25%
Reverse Repo	6.00%	6.00%	5.75%	6.00%
91 Day T-Bill	6.44%	6.41%	6.20%	6.21%
364 Day T-Bill	7.00%	7.06%	6.25%	6.36%
10 Year Gilt	7.82%	7.88%	7.79%	6.46%
G-Sec Vol. (Rs.Cr)	26377	30799	30646	46122
FBIL MIBOR	6.35%	6.25%	6.02%	6.17%
3 Month CP Rate	7.50%	7.60%	8.35%	6.70%
5 Year Corp Bond	8.70%	8.78%	8.65%	7.48%
1 Month CD Rate	7.16%	6.78%	6.79%	6.31%
3 Month CD Rate	6.96%	7.06%	7.83%	6.34%
1 Year CD Rate	8.07%	8.07%	8.22%	6.65%

Currency Market			
Currency	25-Jun	Prev_Day	Change
USD/INR	68.15	67.77	0.38
GBP/INR	90.27	89.96	0.32
EURO/INR	79.35	78.86	0.49
JPY/INR	0.62	0.62	0.01

Commodity Prices				
Commodity	25-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	68.76	65.91	67.87	42.84
Brent Crude(\$/bl)	72.56	74.34	77.14	43.18
Gold( \$/oz)	1265	1278	1301	1256
Gold(Rs./10 gm)	30540	30693	31171	28753

Source: Thomson Reuters Eikon

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

#### Derivatives Market

- Nifty Jun 2018 Futures were at 10,757.65 points, a discount of 4.80 points, below the spot closing of 10,762.45. The turnover on NSE's Futures and Options segment went up to Rs. 7,56,917.32 crore on Jun 25 from Rs. 7,12,491.54 crore on Jun 22.
- The Put-Call ratio stood at 0.91 against previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.48 against the previous session's close of 1.65.
- Open interest on Nifty Futures stood at 27.04 million as against the previous session's close at 25.86 million.

#### Indian Debt Market

- Bond yields remained steady. However, overall market sentiment remained at subdued levels over concerns that oil prices might continue to hover at elevated levels after the Organization of the Petroleum Exporting Countries agreed on a modest output increase.
- Yield on the 10-year benchmark paper (7.17% GS 2028) remained steady at 7.82% as against its previous close. During the session, bond yields traded in the range of 7.80% and 7.86%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 9,136 crore (gross) on Jun 25, compared with Rs. 18,698 crore (gross) on Jun 22. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 27,692 crore on Jun 22.
- Banks borrowed Rs. 2,042 crore under the central bank's Marginal Standing Facility on Jun 22 compared with Rs. 1,009 crore borrowed on Jun 21.

#### Currency Market Update

- The rupee fell against the greenback following losses in the domestic equity market amid persistent trade war fears between the U.S. and China. Month-end dollar demand from oil importers also weighed on the domestic currency.
- The euro rose against the greenback but remained under pressure as investor risk sentiment remained subdued amid ongoing trade tensions between the U.S. and the European Union.

#### Commodity Market Update

- Gold prices inched up on weaker dollar against the euro.
- Brent crude prices fell on concerns over higher output from the oil cartel as most of the member countries have agreed to raise output levels. However, probable supply disruptions from Venezuela and Angola limited the downside.

#### International News

- Survey data from the Munich-based Ifo Institute showed that Germany's business confidence weakened, as expected, in Jun 2018. The business climate index dropped to 101.8 in Jun from 102.3 in May 2018. The current situation indicator also fell to a 1-year low of 105.1 in Jun from revised 106.1 in May. However, the expectations index held steady at 98.6 in Jun 2018.
- The People's Bank of China lowered reserve requirement ratio (RRR) of some banks to free up as much as CNY700 billion or \$108 billion funds to provide liquidity support for small businesses struggling with debt. The reduction in RRR comes amid escalation of trade tensions between U.S. and China with both sides threatening more tariffs on imports.

Thank you for  
your time.