Markets for You

16 May 2018

Markets for You

16 May 2018

Indices Performance

Global Indices	15-May	Prev_Day	Abs. Change	% Change#
Dow Jones	24,706	24,899	-193	-0.78
Nasdaq	7,352	7,411	-60	-0.81
FTSE	7,723	7,711	12	0.16
Nikkei	22,818	22,866	-48	-0.21
Hang Seng	31,152	31,541	-389	-1.23
Indian Indices	**15-May**	**Prev_Day**	**Abs. Change**	**% Change#**
S&P BSE Sensex	35,544	35,557	-13	-0.04
Nifty 50	10,802	10,807	-5	-0.04
Nifty 100	11,114	11,124	-10	-0.09
Nifty Bank	26,474	26,475	-1	0.00
SGX Nifty	10,789	10,803	-14	-0.13
S&P BSE Power	2,143	2,146	-3	-0.15
S&P BSE Small Cap	17,525	17,640	-115	-0.65
S&P BSE HC	13,293	13,353	-60	-0.45

P/E Dividend Yield

	Sensex		Nifty	
Date	**P/E**	**Div. Yield**	**P/E**	**Div. Yield**
15-May	24.02	1.15	26.81	1.19
Month Ago	23.53	1.14	26.01	1.22
Year Ago	23.03	1.32	23.99	1.22

Nifty 50 Top 3 Gainers

Company	15-May	Prev_Day	% Change#
Tata Steel	626	610	2.56
Power Grid	214	209	2.30
Bajaj Finance	1902	1865	2.01

Nifty 50 Top 3 Losers

Company	15-May	Prev_Day	% Change#
Tata Motors	310	324	-4.17
Coal India	264	270	-2.43
SBI	248	254	-2.21

Advance Decline Ratio

	BSE	NSE
Advances	1003	594
Declines	1647	1200
Unchanged	129	71

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	822	5332
MF Flows**	1133	50890

*15th May 2018; **11th May 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	7.20% (Dec-17)	6.50% (Sep-17)	6.80% (Dec-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 largely remained under pressure amid uncertainty over the outcome of the trade talks between U.S. and China. Although the U.S. President expressed optimism over a probable negotiation between the two nations, he claimed that past negotiations have been one-sided in favour of Beijing, for so many years. A series of mixed economic data from China also kept investors jittery. Today (as of May 16), Asian markets opened on a negative note following decline on the Wall Street overnight. Both Hang Seng and Nikkei were trading lower 0.74% and 0.28%, respectively (as at 8 a.m. IST), respectively.
- As per the last close, European markets ended on a mixed note after hovering between gains and losses during the session following the release of a mixed batch of economic reports and corporate earnings.
- As per the last close, U.S markets closed firmly in a negative territory on likely profit booking after witnessing gains in the recent sessions. Market was also impacted due to rise in the U.S. treasury yields that touched the highest level since 2011 following increase in U.S. retail sales in Apr 2018 that came in line with market estimates.

Indian Equity Market

- Indian Equity markets closed marginally lower as investor sentiment soured after the ruling party reportedly fell short of majority in the Karnataka elections, the opposition party and one other political party have agreed to form an alliance to form government in Karnataka. Weakness in global markets following China's weak retail sales data and a lack of any positive breakthrough in U.S.-China trade discussions further weighed on the market sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.04% to close at 35,543.94 and 10,801.85 each. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 0.81% and 0.65%, respectively.
- The overall market breadth on BSE was weak with 1,647 scrips declining and 1,003 scrips advancing. A total of 129 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Realty was the major loser, down 1.90%, followed by S&P BSE Industrials that fell 1.02%. S&P BSE Auto and S&P BSE Telecom fell 0.71% and 0.65%, respectively. S&P BSE Information Technology was the major gainer, up 0.48% followed by S&P BSE Teck and S&P BSE Metal that grew 0.34% and 0.21%, respectively.

Domestic News

- India's export during the month of Apr 2018 grew 5.17% YoY to $25.91 billion from $24.64 billion in Apr 2017. Meanwhile, imports grew 4.60% YoY to $39.63 billion in Apr 2018 from $37.88 billion in the same period of the previous year. Trade deficit widened to $13.72 billion in Apr 2018 as against $13.25 billion in Apr 2017 and $13.69 billion in Mar 2018.
- The government has tightened norms for the import of pulses, as a measure to ensure that domestic prices do not fall below the minimum support price. According to a notification by the Directorate General of Foreign Trade, the government has also brought in a quota system only for millers and refiners for the import of tur, moong and urad. Dal millers need to submit applications between May 15 and 25 to avail this quota.
- The Securities and Exchange Board of India has proposed that if there is any delay or expected delay in payment related to their debt securities, listed companies need to reveal the same within 24 hours. The proposal comes following various instances related to non-compliance with listing norms by issuers of non-convertible debt securities or non-convertible redeemable preference shares.
- According to the Financial Services Secretary, the status of 11 state-owned banks under prompt corrective action (PCA) of the RBI would be reviewed on May 17. The review meeting would discuss the steps taken by these banks to come out of the PCA status. The financial services secretary has further mentioned that the banks that are out of the PCA ambit should play a vital role in the economy.
- Punjab National Bank posted a loss of Rs. 134.17 billion for the quarter ended Mar 2018 as against a standalone profit of Rs. 2.62 billion in the previous year period. The significant loss reflects high provisioning for bad loans.
- Lupin posted consolidated net loss of Rs. 777.60 crore for the quarter ended Mar 2018 as against a profit of Rs. 707 crore in the year-ago quarter. The loss reflects one-time impairment provision of Rs. 1,464.35 crore. Consolidated revenue declined 5.2% YoY to Rs. 4,033.80 crore.

RELIANCE MUTUAL FUND

Markets for You

16 May 2018

FII Derivative Trade Statistics	15-May		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1584.00	1383.15	17867.05
Index Options	48423.56	49782.10	71915.82
Stock Futures	8913.42	8795.50	84232.19
Stock Options	6002.94	5997.07	8848.55
Total	64923.92	65957.82	182863.61

Derivative Statistics- Nifty Options			
	15-May	Prev_Day	Change
Put Call Ratio (OI)	1.60	1.64	-0.05
Put Call Ratio(Vol)	1.13	1.17	-0.04

Debt Watch				
	15-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.87%	5.86%	5.86%	6.05%
CBLO	5.96%	6.00%	4.86%	6.21%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	6.00%
91 Day T-Bill	6.18%	6.13%	6.05%	6.28%
364 Day T-Bill	6.72%	6.45%	6.47%	6.46%
10 Year Gilt	7.90%	7.58%	7.43%	6.63%
G-Sec Vol. (Rs.Cr)	27501	46041	37876	88449
FBIL MIBOR	6.05%	6.04%	6.00%	6.25%
3 Month CP Rate	8.00%	7.75%	Closed	6.83%
5 Year Corp Bond	8.57%	8.39%	8.12%	7.45%
1 Month CD Rate	6.62%	6.67%	6.47%	6.35%
3 Month CD Rate	7.45%	7.25%	6.67%	6.45%
1 Year CD Rate	7.90%	7.72%	7.30%	6.89%

Currency Market			
Currency	15-May	Prev_Day	Change
USD/INR	67.53	67.32	0.21
GBP/INR	91.49	91.25	0.24
EURO/INR	80.53	80.51	0.02
JPY/INR	0.61	0.62	0.00

Commodity Prices				
Commodity	15-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude($/bl)	71.29	68.78	67.30	48.81
Brent Crude($/bl)	79.93	75.15	73.62	51.28
Gold($/oz)	1290	1314	1345	1230
Gold(Rs./10 gm)	31342	31082	30874	28042

Source: Thomson Reuters Eikon

Derivatives Market

- Nifty May 2018 Futures were at 10818.60 points, a premium of 16.75 points above the spot closing of 10,801.85. The turnover on NSE's Futures and Options segment went up to Rs. 11,31,488.68 crore on May 15 from Rs. 4,04,390.21 crore on May 14.
- The Put-Call ratio stood at 1.08 against previous session's close of 0.98.
- The Nifty Put-Call ratio stood at 1.60 against the previous session's close of 1.64.
- India VIX moved down 6.89% to 13.2625 from 14.0425 in the previous trading session.
- Open interest on Nifty Futures stood at 25.25 million as against the previous session's close of 25.68 million.

Indian Debt Market

- Bond yields rose after the ruling party fell short of a majority in the Karnataka state election results. Market sentiments dampened as rise in consumer price inflation in Apr 2018 increased the chances of a rate hike soon.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 7 bps to close at 7.90% from the previous close of 7.83%. During the session, bond yields traded in the range of 7.81% and 7.91%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,383 crore (gross) on May 15 compared with Rs. 7,257 crore on May 14. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 11,861 crore on May 14.
- Banks borrowed Rs. 900 crore under the central bank's Marginal Standing Facility on May 14 as against borrowing of Rs. 803 crore on May 11.

Currency Market Update

- The Indian rupee weakened and reached near 16-month low against the U.S. dollar following surge in global oil prices. Result of Karnataka state poll, further dampened the sentiments. The rupee fell 0.83% to close at 68.07 per dollar from the previous close of 67.51.
- The euro fell for the second consecutive session against the U.S dollar after lower than forecasted GDP (Gross Domestic Product) growth in Germany and increase in U.S. Treasury yields. Euro was last seen trading at $1.1851 compared with the previous close of $1.1925.

Commodity Market Update

- Gold prices moved down on higher U.S. treasury yields and easing tension between U.S. and China.
- Brent Crude prices traded up on persistent geopolitical tension in the middle east and on concerns over production cut continuation by the of the OPEC.

International News

- According to flash estimate from Eurostat, the gross domestic product (GDP) growth rate of eurozone slowed to 0.4% sequentially in the first quarter of 2018, in line with previous estimates but slower than 0.7% growth seen in last quarter of 2017. On YoY basis, GDP growth slowed in line with previous estimates to 2.5% in first quarter of 2018 from 2.8% a quarter ago.
- According to data from the National Bureau of Statistics, China's industrial production grew more than expected by 7% in Apr 2018 as compared with 6% in Mar 2018. However, retail sales slowed to 9.4% in Apr from 10.1% increase in Mar.

Disclaimer:

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Reliance Nippon Life Asset Management Company Limited (RNLAM) (formerly Reliance Capital Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; RNLAM does not in any manner assures the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect RNLAM's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

Readers are requested to click here for ICRON disclaimer - http://www.icraonline.com/legal/standard-disclaimer.html

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

Thank you for
your time.