

RELIANCE

MUTUAL
FUND

Markets for You

17 May 2018

Indices Performance

Global Indices	16-May	Prev_Day	Abs. Change	% Change [#]
Dow Jones	24,769	24,706	63	0.25
Nasdaq	7,398	7,352	47	0.63
FTSE	7,734	7,723	11	0.15
Nikkei	22,717	22,818	-101	-0.44
Hang Seng	31,110	31,152	-42	-0.13
Indian Indices	16-May	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	35,388	35,544	-156	-0.44
Nifty 50	10,741	10,802	-61	-0.56
Nifty 100	11,059	11,114	-55	-0.49
Nifty Bank	26,182	26,474	-292	-1.10
SGX Nifty	10,768	10,789	-21	-0.19
S&P BSE Power	2,139	2,143	-4	-0.18
S&P BSE Small Cap	17,536	17,525	11	0.06
S&P BSE HC	13,285	13,293	-8	-0.06

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
16-May	23.91	1.16	26.66	1.19
Month Ago	23.62	1.14	26.13	1.22
Year Ago	23.21	1.32	24.16	1.21

Nifty 50 Top 3 Gainers

Company	16-May	Prev_Day	% Change [#]
HUL	1574	1516	3.87
Lupin	767	751	2.09
ITC	286	282	1.42

Nifty 50 Top 3 Losers

Company	16-May	Prev_Day	% Change [#]
ICICI Bank	297	308	-3.57
Ultratech Cem	3991	4109	-2.88
Cipla	560	576	-2.76

Advance Decline Ratio

	BSE	NSE
Advances	993	646
Declines	1645	1143
Unchanged	119	72

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-184	5148
MF Flows**	693	51583

*16th May 2018; **14th May 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.58%	5.07%	2.99%
	(Apr-18)	(Jan-17)	(Mar-17)
IIP	4.40%	7.10%	4.10%
	(Mar-18)	(Dec-17)	(Mar-17)
GDP	7.20%	6.50%	6.80%
	(Dec-17)	(Sep-17)	(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 closed in the red following uncertainty over the fate of planned summit between Korea and U.S. in Jun 2018. In the latest development, the North Korea suspended talks with South Korea, scheduled later during day citing the latter's involvement in military exercise jointly with U.S. Growing speculation over imminent rate hike by U.S. Federal Reserve weighed on market sentiments. Today (as of May 17), Asian markets opened mostly on a positive note following rise on the Wall Street overnight. While Hang Seng was trading lower 0.23%, Nikkei was up 0.40% (as at 8 a.m. IST), respectively.

• As per the last close, European markets mostly closed with small gains after hovering between gains and losses during the session. Market participants remained cautious due to renewed concerns over North Korea. North Korean leader threatened to cancel its meeting with the U.S. President.

• As per the last close, U.S markets rose on positive reaction to Mar quarter earnings news from one of the U.S department store. However, geopolitical uncertainty kept market participants on the sidelines.

Indian Equity Market

• Lack of clarity over the formation of next government in Karnataka weighed on the market sentiment resulting in Indian equity markets closing lower. Decline in banking stocks added to the loss after a state-owned bank reported disappointing quarterly earnings numbers. Weakness in the Asian markets due to rising geopolitical tensions further led to the losses.

• Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.44% and 0.56% to close at 35,387.88 and 10,741.10, respectively. S&P BSE Mid-Cap fell 0.27% and S&P BSE Small-Cap grew 0.06%.

• The overall market breadth on BSE was weak with 1,645 scrips declining and 993 scrips advancing. A total of 119 scrips remained unchanged.

• On the BSE sectoral front, S&P BSE Energy was the major loser, down 1.75%, followed by S&P BSE Oil & Gas that fell 1.58%. S&P BSE Bankex and S&P BSE Finance fell 1.17% and 0.91%, respectively. S&P BSE Realty was the major gainer, up 1.99% followed by S&P BSE FMCG and S&P BSE Information Technology that grew 1.65% and 0.18%, respectively.

Domestic News

• According to data from Securities Board of Exchange of India (SEBI), the total investment through participatory notes (P-notes) into Indian capital markets plunged 9-year low to Rs. 1,00,245 in Apr 2018 from Rs. 1,06,403 crore in Mar 2018. This significant fall came after SEBI stringent the norms for P-notes to check misuse of the instrument.

• According to the International Monetary Fund (IMF)'s April Fiscal Monitor report, India and South Africa has been appreciated for taking measures to push digitisation in the economy. The organisation said that steps taken by the two countries shows that digitisation can improve social protection and the delivery of public services. India's biometric identification system, Aadhaar, is a leader in this area which has helped in distribution of social benefits.

• According to data from IEA, India is one of the top three coal producers in the world in 2016. India has been continuously witnessing growth in production to fuel its thermal power capacity, contributing 72% of the country's electricity generation. However, as per a major credit rating agency, coal production is likely to remain flat in FY19 as there is no improvement in availability of rakes or increase in evacuation infrastructure for mined coal.

• ITC reported profit of Rs. 2,932.71 crore for the quarter ended Mar 31, 2018, up 9.86% YoY from Rs. 2,669.47 crore in the previous year period. However, revenue from operations fell to Rs. 10,813.24 crore as against Rs. 15,008.82 crore in the quarter ended Mar 31, 2017.

• A major credit rating agency has affirmed Reliance Industries' long-term foreign-currency rating at BBB-, with a stable outlook. The agency stated that the rating is driven by the company's strong business profile owing to its robust refining and petrochemical operations.

• Hindalco's profit fell 24.98% YoY to Rs. 376.97 crore for the quarter ended Mar 31, 2018 as against a profit of Rs. 502.52 crore in the prior year period. Meanwhile, the total income of the company marginally fell 0.70% YoY to Rs. 11,886.02 crore in the quarter ended Mar 31, 2018.

FII Derivative Trade Statistics			
	16-May		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2974.49	2314.33	18996.75
Index Options	159154.82	156287.75	74928.40
Stock Futures	11399.60	11544.91	84802.44
Stock Options	8264.53	8130.15	8935.04
Total	181793.44	178277.14	187662.63

Derivative Statistics- Nifty Options			
	16-May	Prev_Day	Change
Put Call Ratio (OI)	1.52	1.60	-0.08
Put Call Ratio(Vol)	0.97	1.13	-0.16

Debt Watch				
	16-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.89%	5.91%	5.93%	6.05%
CBLO	5.96%	6.01%	5.91%	6.23%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	6.00%
91 Day T-Bill	6.32%	6.27%	6.07%	6.28%
364 Day T-Bill	6.74%	6.63%	6.47%	6.21%
10 Year Gilt	7.90%	7.71%	7.49%	6.68%
G-Sec Vol. (Rs.Cr)	17636	22921	32900	43602
FBIL MIBOR	6.05%	6.05%	6.00%	6.30%
3 Month CP Rate	8.00%	7.80%	6.90%	6.83%
5 Year Corp Bond	8.62%	8.48%	8.18%	7.47%
1 Month CD Rate	6.66%	6.66%	6.51%	6.36%
3 Month CD Rate	7.33%	7.11%	6.63%	6.46%
1 Year CD Rate	8.07%	7.89%	7.28%	6.86%

Currency Market			
Currency	16-May	Prev_Day	Change
USD/INR	67.83	67.53	0.30
GBP/INR	91.68	91.49	0.19
EURO/INR	80.29	80.53	-0.23
JPY/INR	0.62	0.61	0.00

Commodity Prices				
Commodity	16-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	71.38	71.11	66.18	48.59
Brent Crude(\$/bl)	79.18	78.59	72.49	51.25
Gold(\$/oz)	1290	1312	1346	1236
Gold(Rs./10 gm)	30954	31143	31049	28029

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty May 2018 Futures were at 10761.25 points, a premium of 20.15 points, above the spot closing of 10,741.10. The turnover on NSE's Futures and Options segment went down to Rs. 11,06,656.89 crore on May 16 from Rs. 11,31,488.68 crore on May 15.
- The Put-Call ratio stood at 0.84 against previous session's close of 1.08.
- The Nifty Put-Call ratio stood at 1.52 against the previous session's close of 1.60.
- India VIX moved up 1.51% to 13.3650 from 13.2625 in the previous trading session.
- Open interest on Nifty Futures stood at 24.90 million as against the previous session's close of 25.25 million.

Indian Debt Market

- Bond yields stood steady as investors preferred to remain on sidelines due to accelerated crude oil prices and increase in retail inflation that triggered fears of immediate rate hike.
- Yield on the 10-year benchmark paper (7.17% GS 2028) stood steady at 7.90%, same as previous close. During the session, bond yields traded in the range of 7.86% and 7.94%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,453 crore (gross) on May 16 compared with Rs. 5,383 crore on May 15. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 9,622 crore on May 15.
- Banks borrowed Rs. 170 crore under the central bank's Marginal Standing Facility on May 15 as against borrowing of Rs. 900 crore on May 14.

Currency Market Update

- The Indian rupee strengthened against the U.S. dollar and recorded its biggest single day gain in nearly three months due to greenback selling by state run and foreign banks. The rupee rose 0.41% to close at 67.79 per dollar from the previous close of 68.07.
- The euro fell and reached five month low against the strong U.S. dollar after reports that a likely future Italian government would pursue debt forgiveness from European creditors. Euro was last seen trading at \$1.1804 compared with its previous close \$1.1837.

Commodity Market Update

- Gold prices traded higher following uncertainty over the fate of planned summit between Korea and U.S. in Jun 2018.
- Brent Crude prices traded lower following media reports that Iran's state-owned oil supplier recently met Chinese buyers and asked them to maintain imports.

International News

- According to a report from the Commerce Department, U.S. business inventories remained unchanged in Mar 2018 as against a gain of 0.6% in Feb 2018. Manufacturing and wholesale inventories both surged 0.3% in Mar, however, retail inventories witnessed a decline of 0.5%.
- A report from the Eurostat showed that Eurozone's inflation eased to 1.2% in Apr 2018 as against 1.3% in Mar 2018. Meanwhile, it continued to stay below the European Central Bank's target of 'below, but close to 2%'. Excluding food, alcohol and tobacco, core inflation eased to 0.7% in Apr from 1% in Mar.

Thank you for
your time.