

**RELIANCE**

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# Markets for You

18 May 2018

## Indices Performance

Global Indices	17-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,714	24,769	-55	-0.22
Nasdaq	7,382	7,398	-16	-0.21
FTSE	7,788	7,734	54	0.70
Nikkei	22,838	22,717	121	0.53
Hang Seng	30,942	31,110	-168	-0.54
Indian Indices	17-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,149	35,388	-239	-0.67
Nifty 50	10,683	10,741	-58	-0.54
Nifty 100	11,007	11,059	-52	-0.47
Nifty Bank	26,074	26,182	-108	-0.41
SGX Nifty	10,682	10,768	-86	-0.80
S&P BSE Power	2,136	2,139	-3	-0.14
S&P BSE Small Cap	17,612	17,536	76	0.43
S&P BSE HC	13,292	13,285	7	0.05

## P/E Dividend Yield

Sensex			Nifty	
Date	P/E	Div. Yield	P/E	Div. Yield
17-May	23.82	1.16	26.52	1.20
Month Ago	23.60	1.14	26.18	1.22
Year Ago	23.21	1.31	25.23	1.20

## Nifty 50 Top 3 Gainers

Company	17-May	Prev_Day	% Change <sup>#</sup>
Bajaj Finance	2067	1920	7.63
Coal India	272	264	3.04
Ambuja Cem	218	212	2.76

## Nifty 50 Top 3 Losers

Company	17-May	Prev_Day	% Change <sup>#</sup>
Hindalco	233	240	-2.79
United Phos	707	726	-2.58
ITC	279	286	-2.41

## Advance Decline Ratio

	BSE	NSE
Advances	1379	932
Declines	1251	860
Unchanged	124	69

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-720	4428
MF Flows**	693	51583

\*17<sup>th</sup> May 2018; \*\*14<sup>th</sup> 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 &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

## Global Indices

- Asian markets mostly traded in lower as investors remained cautious over outcome of trade talk between the U.S. and China and political developments in Italy. However, some respite was seen on stronger crude oil prices. Japanese market closed higher following gains in technology and financial sectors. Today (as of May 18), Asian markets opened mostly positive ignoring fall on the Wall Street overnight. Both Hang Seng and Nikkei were trading higher 0.33% and 0.04%, respectively (as at 8 a.m. IST).
- As per the last close, European markets rose after commodity related stocks rallied and shares of one of the British online supermarket received a deal with an U.S retail giant. Market participants continue to keep a close eye on the political situation in Italy.
- As per the last close, U.S markets fell marginally after hovering between gains and losses. The movement indicated that market participants are uncertain about the second round of trade discussions between the U.S. and China.

## Indian Equity Market

- Indian equity markets closed in the red after global crude oil prices hit their highest level since Nov 2014 following tightened supplies and renewed U.S. sanctions on Iran. Concerns whether the ruling party will be able to prove its majority in the southern state of Karnataka added to the losses.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.67% and 0.54% to close at 35,149.12 and 10,682.70, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap grew 0.67% and 0.43%, respectively.
- The overall market breadth on BSE was strong with 1,379 scrips advancing and 1,251 scrips declining. A total of 124 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE FMCG was the major loser, down 0.90%, followed by S&P BSE Bankex that fell 0.63%. S&P BSE Metal and S&P BSE Basic Materials fell 0.59% and 0.39%, respectively. S&P BSE Consumer Durables was the major gainer, up 1.37% followed by S&P BSE Realty and S&P BSE Telecom that grew 0.41% and 0.40%, respectively.

## Domestic News

- The Union cabinet has approved a new two-tier mechanism to quickly resolve commercial disputes of central public-sector enterprises, curtailing the need to file cases before courts. The new mechanism will replace the existing Permanent Machinery of Arbitration mechanism. A committee of secretaries of relevant administrative and secretary department of legal affairs will look at the matter at the first-tier level. If the dispute remains unresolved, it will be referred to the Cabinet Secretary at the second level (tier) and the decision will be final.
- The Union cabinet has approved signing of Exchange of Information and Assistance in Collection agreement between India and Brunei. This will enable both the countries to exchange information relevant to the administration and enforcement of the domestic tax laws.
- The government of India has approved a funding of Rs. 5,000 crore to establish micro irrigation fund (MIF) under the National Bank for Agriculture and Rural Development (NABARD). The investment is part of the Prime Minister's 'per drop more crop' initiative. The fund allocation will be done in two instalments of Rs. 2,000 crore in FY19 and Rs. 3,000 crore in FY20. The initiative will bring around 69.5 million hectares of area under micro irrigation as against current coverage of only about 10 million hectares.
- L&T Construction, a subsidiary of Larsen and Toubro (L&T), has received orders worth Rs. 2,440 crore for its power transmission and distribution business. Per the order, the company will help bring electricity in urban and rural areas, expand 33/11kV substations and replace conductors with aerial bunched cables.
- Tata Steel's profit of Rs. 10,187.23 crore for the quarter ended Mar 31, 2018, as against a consolidated loss of Rs. 725.14 crore in the prior year period. Consolidated total revenue surged 2.34% YoY to Rs. 32,132.30 crore for the quarter ended Mar 31.

FII Derivative Trade Statistics	17-May		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1979.80	2616.63	18649.89
Index Options	140156.85	137886.25	76123.05
Stock Futures	10046.90	10443.95	84829.10
Stock Options	7243.55	7265.09	9027.65
Total	159427.10	158211.92	188629.69

Derivative Statistics- Nifty Options			
	17-May	Prev_Day	Change
Put Call Ratio (OI)	1.46	1.52	-0.06
Put Call Ratio(Vol)	0.90	0.97	-0.07

Debt Watch				
	17-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.92%	5.89%	5.86%	6.04%
CBLO	5.93%	5.97%	5.91%	6.17%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	6.00%
91 Day T-Bill	6.25%	6.26%	6.02%	6.27%
364 Day T-Bill	6.82%	6.64%	6.45%	6.47%
10 Year Gilt	7.88%	7.72%	7.49%	6.68%
G-Sec Vol. (Rs.Cr)	14113	14375	25494	38309
FBIL MIBOR	6.05%	6.05%	6.00%	6.25%
3 Month CP Rate	8.20%	7.95%	6.90%	6.81%
5 Year Corp Bond	8.59%	8.49%	8.18%	7.45%
1 Month CD Rate	6.78%	6.68%	6.50%	6.34%
3 Month CD Rate	7.46%	7.10%	6.80%	6.45%
1 Year CD Rate	8.09%	7.94%	7.28%	6.82%

Currency Market			
Currency	17-May	Prev_Day	Change
USD/INR	67.72	67.83	-0.11
GBP/INR	91.65	91.68	-0.04
EURO/INR	79.89	80.29	-0.40
JPY/INR	0.61	0.62	0.00

Commodity Prices				
Commodity	17-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	71.42	71.31	66.45	48.99
Brent Crude(\$/bl)	81.08	78.58	72.30	51.40
Gold( \$/oz)	1290	1321	1347	1260
Gold(Rs./10 gm)	30826	31261	31099	28294

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty May 2018 Futures were at 10,696.2 points, a premium of 13.50 points, above the spot closing of 10,682.70. The turnover on NSE's Futures and Options segment went up to Rs. 14,32,762.88 crore on May 17 from Rs. 11,06,656.89 crore on May 16.
- The Put-Call ratio stood at 0.87 against previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.46 against the previous session's close of 1.52.
- India VIX moved down 0.74% to 13.3350 from 13.4350 in the previous trading session.
- Open interest on Nifty Futures remained unchanged at 24.90 million from the previous session's close.

#### Indian Debt Market

- Bond yields fell after the Reserve Bank of India's (RBI) Open Market Operation (OMO) to purchase bonds was fully accepted, defying market expectations for a partial subscription. Nonetheless, investors remained cautious on the back of increasing U.S. Treasury yields and global crude oil prices.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 2 bps to close at 7.88% from the previous close of 7.90%. During the session, bond yields traded in the range of 7.88% and 7.94%.
- RBI conducted OMO purchase for a notified amount of Rs. 10,000 crore, which was fully accepted. Amount accepted for 8.12% GS 2020, 7.72% GS 2025 and 6.79% GS 2027 bonds were Rs. 6,653 crore, Rs. 810 crore and Rs. 3,266 crore, respectively. However, no offers were accepted for 8.24% GS 2033.

#### Currency Market Update

- The Indian rupee strengthened against the U.S. dollar following selling of the greenback by state-run banks. The rupee rose 0.14% to close at 67.70 per dollar from the previous close of 67.79.
- The euro inched down against the greenback as market participants was cautious about the persisting political risks in Italy. Perception that interest rates in the U.S. may go up further also strengthened the greenback. Euro was last seen trading at \$1.1804, down 0.03% compared with its previous close \$1.1807.

#### Commodity Market Update

- Gold prices gained marginally ahead of some key economic data in the U.S. and on uncertainty over pace of rate hike by the U.S. Federal Reserve.
- Brent crude prices touched a multi-year high on concerns over fall in global supply following renewed U.S. sanctions on Iran.

#### International News

- A report from the U.S. Federal Reserve showed that U.S. industrial production surpassed market expectations and grew 0.7% in Apr 2018, but remained unchanged from the upwardly revised gain in Mar 2018 (0.5% gain originally reported). The bigger than expected gain in production was partly due to increase in utilities output that grew 1.9% in Apr as against a gain of 6.1% in Mar. Mining output surged 1.1% in Apr and manufacturing output surged 0.5%.
- A report from the Commerce Department showed that U.S. housing starts fell 3.7% to an annual rate of 1.287 million in Apr 2018 as against a gain of 3.6% to an upwardly revised 1.336 million (1.319 million originally reported) in Mar 2018.



Thank you for  
your time.