

**RELIANCE**

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# Markets for You

21 May 2018

Indices Performance

Global Indices	18-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,715	24,714	1	0.00
Nasdaq	7,354	7,382	-28	-0.38
FTSE	7,779	7,788	-9	-0.12
Nikkei	22,930	22,838	92	0.40
Hang Seng	31,048	30,942	106	0.34
Indian Indices	18-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	34,848	35,149	-301	-0.86
Nifty 50	10,596	10,683	-86	-0.81
Nifty 100	10,908	11,007	-99	-0.90
Nifty Bank	25,876	26,074	-198	-0.76
SGX Nifty	10,573	10,682	-109	-1.02
S&P BSE Power	2,106	2,136	-29	-1.38
S&P BSE Small Cap	17,327	17,612	-285	-1.62
S&P BSE HC	13,018	13,292	-274	-2.06

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
18-May	23.49	1.18	26.27	1.21
Month Ago	23.60	1.14	26.13	1.22
Year Ago	23.21	1.31	24.91	1.22

Nifty 50 Top 3 Gainers

Company	18-May	Prev_Day	% Change <sup>#</sup>
Bajaj Finance	2150	2067	4.02
Tech Mahindra	693	676	2.54
HUL	1606	1570	2.29

Nifty 50 Top 3 Losers

Company	18-May	Prev_Day	% Change <sup>#</sup>
Cipla	533	554	-3.74
Wipro	269	278	-3.40
ICICI Bank	286	296	-3.34

Advance Decline Ratio

	BSE	NSE
Advances	719	467
Declines	1915	1335
Unchanged	124	69

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-412	4016
MF Flows**	693	51583

\*18<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 & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

Global Indices

- Most of the Asian markets traded up on weaker yen and rising crude oil prices. However, cautious note was witnessed due to concerns over trade talks between the U.S. and China after a report stated that China has offered a \$200 billion reduction in annual trade surplus to the U.S. Today (as of May 21), Asian markets opened higher after the analysts regarded weekend developments in U.S.-China talks as positive. Hang seng and Nikkei grew 1.03% and 0.42%, respectively (as at 8.a.m. IST).
- As per the last close, European markets ended lower following uncertainty about the outcome of trade talks between the U.S. and China. Decline in basic resources stocks after a mining major plunged on reports that it may face investigation by the U.K.'s Serious Fraud Office further weighed on the indices.
- As per the last close, U.S markets ended on a mixed note. Investors preferred to remain on the sidelines following uncertainty about the outcome of trade talks between the U.S. and China. Also, investors seemed reluctant to make more significant moves amid no major event on the U.S. economic front.

Indian Equity Market

- Indian equity markets ended the last session of the week in the red as uncertainty over the formation of government in Karnataka weighed on investor sentiment. In the latest development on the matter, the Supreme Court has directed the ruling party leader and the state's new chief minister to conduct the floor test on May 19. Global cues too had a bearing on the buying interest with markets participants maintaining a cautious stance over development in U.S.-China trade negotiations.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.88% and 0.81% to close at 34,848.30 and 10,596.40, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 1.47% and 1.62%, respectively.
- The market breadth on BSE was weak with 1,915 scrips declining and 719 scrips advancing. A total of 124 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE FMCG, all the indices closed in the red. S&P BSE Capital Goods was the major loser, down 3.05%, followed by S&P BSE Industrials and S&P BSE Metal, which fell 2.54% and 2.36%, respectively. S&P BSE Healthcare and S&P BSE Auto slipped 2.06% and 1.82%, respectively.

Domestic News

- The market regulator Securities and Exchange Board of India (SEBI) has proposed a uniform methodology to determine pricing of non-traded and thinly traded non-convertible debt securities. The uniform pricing methodology would provide prices on daily basis and may be followed by all the regulated entities for valuing their corporate bond portfolio. As per the current practice, pricing of corporate bonds varies for different classes of regulated entities and this impacts trading in the secondary market.
- The Reserve Bank of India (RBI) has issued detailed guidelines on Net Stable Funding Ratio (NSFR), which will help banks maintaining a stable funding profile considering their assets and off-balance sheet activities. During the recession that started in 2007, the Basel Committee on Banking Supervision had proposed certain reforms to strengthen global capital and liquidity regulations. The reforms aimed at promoting a more resilient banking sector. The detailed guidelines issued on NSFR are in line with global norms prescribed by the Basel Committee.
- SEBI has extended the deadline for setting up a new system for depositories to monitor the foreign investment limits in listed Indian companies till Jun 1, 2018. This marks extension for the second time. The extension was done after considering representations from various quarters.
- Commercial vehicle major Ashok Leyland's standalone net profit rose 40% YoY to Rs. 667 crore in the Mar quarter of FY2018. Total income increased 23.79% YoY to Rs. 8,830 crore. Sales volume in medium and heavy commercial vehicle including exports rose 15% YoY and light commercial vehicle increased 59%.
- Two wheeler major Bajaj Auto's consolidated net profit rose 36.32% YoY to Rs. 1,175 crore in the Mar quarter of 2018, due to robust sales across segments. Total revenue went up to 30% YoY to Rs. 6,773 crore. Sales volumes stood at 10.45 lakh units in the Mar quarter from 7.88 units in the year-ago period.

FII Derivative Trade Statistics		18-May	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2135.86	2165.53	18981.38
Index Options	124190.80	121499.23	74045.46
Stock Futures	9825.16	10068.70	85156.37
Stock Options	6928.69	6895.58	9070.62
Total	143080.51	140629.04	187253.83

Derivative Statistics- Nifty Options			
	18-May	Prev_Day	Change
Put Call Ratio (OI)	1.36	1.46	-0.10
Put Call Ratio(Vol)	0.92	0.90	0.02

Debt Watch				
	18-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.97%	5.92%	5.88%	6.05%
CBLO	5.98%	5.36%	5.88%	6.07%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	6.00%
91 Day T-Bill	6.30%	6.25%	6.10%	6.20%
364 Day T-Bill	6.80%	6.66%	6.51%	6.47%
10 Year Gilt	7.83%	7.73%	7.54%	6.67%
G-Sec Vol. (Rs.Cr)	37693	19290	23991	49329
FBIL MIBOR	6.04%	6.03%	6.00%	6.25%
3 Month CP Rate	8.30%	7.95%	6.90%	6.78%
5 Year Corp Bond	8.56%	8.50%	8.21%	7.45%
1 Month CD Rate	6.90%	6.64%	6.46%	6.32%
3 Month CD Rate	7.70%	7.45%	6.80%	6.45%
1 Year CD Rate	8.14%	7.94%	7.36%	6.85%

Currency Market			
Currency	18-May	Prev_Day	Change
USD/INR	67.96	67.72	0.24
GBP/INR	91.88	91.65	0.23
EURO/INR	80.28	79.89	0.39
JPY/INR	0.61	0.61	0.00

Commodity Prices				
Commodity	18-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	71.18	70.64	68.39	49.31
Brent Crude(\$/bl)	79.37	78.36	74.32	51.35
Gold( \$/oz)	1292	1318	1349	1247
Gold(Rs./10 gm)	30921	31379	31276	28871

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty May 2018 Futures were at 10,597.05 points, a premium of 0.65 points, above the spot closing of 10,596.40. The turnover on NSE's Futures and Options segment went down to Rs. 5,32,191.61 crore on May 18 from Rs. 14,32,762.88 crore on May 17.
- The Put-Call ratio stood at 0.85 against previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.36 against the previous session's close of 1.46.
- India VIX moved up 4.68% to 14.0350 from 13.4075 in the previous trading session.
- Open interest on Nifty Futures stood at 25.53 million as against the previous session's close at 24.90 million.

#### Indian Debt Market

- Bond yields fell amid speculations that the government may take steps to revive the domestic bond market.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 5 bps to close at 7.83% from the previous close of 7.88%. During the session, bond yields traded in the range of 7.76% and 7.93%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 12,419 crore (gross) on May 18 compared with Rs. 3,955 crore on May 17. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 1,984 crore on May 17.
- Banks borrowed Rs. 250 crore under the central bank's Marginal Standing Facility on May 17 as against borrowing of Rs. 500 crore on May 16.

#### Currency Market Update

- The Indian rupee fell against the U.S. dollar following increase in global crude oil prices and U.S. Treasury yields. However, greenback sales by few state-run banks restricted the losses. The rupee fell 0.45% to close at 68.01 per dollar from the previous close of 67.70.
- The euro fell against the greenback as political uncertainty in Italy continued to weigh investor sentiment. Euro was last seen trading at \$1.1757, down 0.31% compared with its previous close \$1.1793.

#### Commodity Market Update

- Gold prices traded lower as rising bond yield triggered speculation over faster pace of rate hike by the U.S. Federal Reserve.
- Brent crude prices remained above the \$80 per barrel level as concerns over U.S. sanctions against Iran, ongoing economic crisis in Venezuela and strong demand continued to support prices.

#### International News

- U.S. leading economic index came in line with market expectations and grew 0.4% in Apr 2018 that remained unchanged as against upwardly revised gain in Mar 2018. Improvements by the labor market components partly led to surge in leading economic index. Meanwhile, the coincident economic index surged 0.3% in Apr as against a gain of 0.2% in Mar.
- According to a report from the Labor Department, U.S. initial jobless claims surged 222,000 for the week ended May 12, 2018, up 11,000 from the previous week's level of 211,000. Meanwhile, continuing claims fell by 87,000 to 1.707 million for the week ended May 5, 2018.

Thank you for  
your time.