

**RELIANCE**

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FUND

# Markets for You

23 May 2017

**Indices Performance**

Global Indices	22-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	20,895	20,805	90	0.43
Nasdaq	6,134	6,084	50	0.82
FTSE	7,496	7,471	26	0.34
Nikkei	19,678	19,591	88	0.45
Hang Seng	25,391	25,175	216	0.86
Indian Indices	22-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	30,571	30,465	106	0.35
Nifty 50	9,438	9,428	10	0.11
Nifty 100	9,742	9,747	-4	-0.04
Nifty Bank	22,653	22,770	-117	-0.51
SGX Nifty	9,462	9,462	1	0.01
S&P BSE Power	2,265	2,294	-28	-1.23
S&P BSE Small Cap	15,054	15,227	-173	-1.14
S&P BSE HC	14,614	14,858	-244	-1.64

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
22-May	22.54	1.31	24.94	1.22
Month Ago	22.43	1.39	23.12	1.26
Year Ago	18.47	1.54	21.19	1.39

**Nifty 50 Top 3 Gainers**

Company	22-May	Prev_Day	% Change <sup>#</sup>
ITC	304	286	6.08
Bharti Infratel	388	379	2.38
Zee Entertainment	520	512	1.63

**Nifty 50 Top 3 Losers**

Company	22-May	Prev_Day	% Change <sup>#</sup>
SBI	294	308	-4.45
Lupin	1266	1318	-3.96
Aurobindo Pharma	575	595	-3.38

**Advance Decline Ratio**

	BSE	NSE
Advances	874	497
Declines	1853	1194
Unchanged	184	73

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	3173	49356
MF Flows**	230	25300

\*22<sup>nd</sup> May 2017; \*\*15<sup>th</sup> May 2017

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.85% (Apr-17)	4.26% (Jan-17)	-1.09% (Apr-16)
IIP	2.70% (Mar-17)	2.60% (Dec-16)	5.50% (Mar-16)
GDP	7.00% (Dec-16)	7.40% (Sep-16)	6.90% (Dec -15)

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 rose as investors took positive cues from signs of recovery in global crude oil prices. Buying interest found further support after official data showed that Japan's exports expanded in Apr 2017, aided by higher shipments of semiconductors and steel. However, Chinese markets remained weak as worries over slowing economic growth and tighter regulations by policymakers weighed on investor sentiment. Today (As on May 23), Asian market opened mixed. Gains in Wall Street had a positive impact on the market. However, Japanese market was witnessing losses due to stronger yen after a deadly explosion in U.K. Nikkei Average was trading down 0.17% and Hang Seng was trading up 0.10% (as at 8.00 a.m IST).
- As per the last close, European market closed mixed. Increase in crude oil prices and weak euro somewhat boosted investor's sentiments. While lack of any triggering event made some investors to remain on sidelines.
- As per the last close, U.S. market closed higher as investors continued to buy stocks which were at low levels after substantial weakness that was seen for some period of time.

**Indian Equity Market**

- Indian equity markets closed on a positive note in yet another step forward towards nationwide implementation of Goods & Service Tax Bill. Investor sentiment boosted after the government finalised GST rates last week.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.35% and 0.11% to close at 30,570.97 and 9,438.25, respectively. Meanwhile, broader indices bucked the trend with S&P BSE Mid-Cap and S&P BSE Small-Cap falling 1.21% and 1.14%, respectively.
- The overall market breadth on BSE was weak with 1,853 scrips declining and 874 scrips advancing. A total of 184 scrips remained unchanged.
- On the BSE sectoral front, majority of the indices closed in the red. Meanwhile, S&P BSE FMCG was the top gainer, up 3.09%, followed by S&P BSE Consumer Durables and S&P BSE Capital Goods, which gained 0.61% and 0.50%, respectively. Both S&P BSE IT and S&P BSE Teck rose 0.34%, each. However, S&P BSE Healthcare was the major loser, down 1.64%, followed by S&P BSE Basic Material and S&P BSE Utilities, which slipped 1.43% and 1.33%, respectively. S&P BSE Realty and S&P BSE Oil & Gas went down 1.29% and 1.28%, respectively.

**Domestic News**

- Agriculture minister stated that foodgrain production is expected to reach a new record in the crop year 2017-18 (Jul-Jun). The optimistic view reflects the forecasts of normal monsoons for the second consecutive year. Meanwhile, it is estimated that foodgrain production shall be on an all-time high at 273.38 million tonnes in the current crop year 2016-17 driven by the good rains.
- According to media reports, the Reserve Bank of India is expected to announce guidelines to bring non-performing assets (NPA) ordinance into operation within the next 15 days. The guidelines that will speed up the recovery of bad loans (that have crossed Rs. 8 lakh crore) shall include creation of a separate cell to identify issues pertaining to NPA's or bad loans. Also, the clause shall provide definitive timeframe for the resolution process.
- According to the latest data from the Securities and Exchange Board of India (SEBI), credit rating agencies (CRAs) rated a total of 1,204 long-term corporate debt securities worth Rs. 17 lakh crore in FY17. Out of which, a majority 1,087 issues (90.3%) worth Rs. 16.88 lakh crore were rated "investment grade". Therefore, only 117 corporate bonds, which represent 9.7% of the total corporate debt issues worth Rs. 12,714 crore, were assigned a "non-investment grade" in FY17.
- Bank of India's net loss narrowed in the quarter ended Mar 2017 and stood at Rs. 1,046 crore compared with Rs. 3,587 crore in the prior-year period. However, provisions for non-performing assets fell to Rs. 4,484 crore during the quarter, from Rs. 5,442 crore in the year-ago period.
- According to media reports, in order to comply with Reserve Bank of India's directions, the promoter and managing director of Kotak Mahindra Bank has sold 1.80 crore of the bank shares in the open market. As a result, his stake in the bank fell below 30%.
- GAIL (India) Ltd. reported a 68.74% YoY fall in its net profit for the fourth quarter of FY18, which was mainly on account of a one-time impairment loss on Ratnagiri gas investment that stood at Rs. 783 crore. Net profit fell to Rs. 260.12 crore from Rs. 832.13 crore in the same period of the previous year.

FII Derivative Trade Statistics		22-May		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2681.14	2347.72	18218.04	
Index Options	68143.21	67176.83	73266.23	
Stock Futures	12277.41	11606.69	72228.12	
Stock Options	14103.44	14115.25	7903.26	
Total	97205.20	95246.49	171615.65	

Derivative Statistics- Nifty Options			
	22-May	Prev_Day	Change
Put Call Ratio (OI)	1.17	1.21	-0.04
Put Call Ratio(Vol)	1.12	1.22	-0.09

Debt Watch				
	22-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.05%	6.05%	5.93%	6.38%
CBLO	6.06%	6.21%	6.07%	6.51%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.22%	6.28%	6.06%	6.81%
364 Day T-Bill	6.14%	6.46%	6.15%	6.90%
10 Year Gilt	6.77%	6.81%	6.92%	7.48%
G-Sec Vol. (Rs.Cr)	42883	88449	46723	45647
1 Month CP Rate	6.55%	6.61%	6.50%	7.73%
3 Month CP Rate	6.76%	6.83%	6.73%	7.99%
5 Year Corp Bond	7.42%	7.45%	7.46%	8.10%
1 Month CD Rate	6.29%	6.35%	6.13%	7.02%
3 Month CD Rate	6.43%	6.45%	6.37%	7.25%
1 Year CD Rate	6.84%	6.89%	6.69%	7.49%

Currency Market			
Currency	22-May	Prev_Day	Change
USD/INR	64.56	64.99	-0.43
GBP/INR	83.95	84.18	-0.23
EURO/INR	72.23	72.30	-0.06
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	22-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	50.76	48.81	49.59	47.62
Brent Crude(\$/bl)	52.99	51.28	49.02	48.73
Gold(\$/oz)	1260	1230	1284	1252
Gold(Rs./10 gm)	28673	28042	29320	29729

Source: ICRON Research

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

**Derivatives Market**

- Nifty May 2017 Futures were at 9,443.65, a premium of 5.40 over the spot closing of 9,438.25. Turnover on NSE's Futures and Options segment went down from Rs. 6,46,479.63 crore on May 19 to Rs. 4,74,779.30 crore on May 22.
- The Put-Call ratio stood at 1.01 compared with previous day's close of 1.11.
- The Nifty Put-Call ratio stood at 1.17 compared with previous day's close of 1.21.
- The open interest on Nifty Futures stood at 23.76 million as against previous session's close of 22.22 million.

**Indian Debt Market**

- Bond yields fell after government officials allayed concerns of high inflation following the implementation of Goods and Services Tax from Jul 1 and added that steps have been taken to ensure that domestic inflationary pressures do not go up. This led to hopes that the Monetary Policy Committee will be less hawkish in its upcoming monetary policy review in Jun. Short covering by primary dealers also added to the gains.
- Yield on the 10-year benchmark paper (6.97% GS 2026) plunged 8 bps to close at 6.77% compared with the previous close of 6.85%.
- Banks' borrowings under the repo window of the LAF stood at Rs. 2,145 crore (gross) on May 22, compared with the gross borrowing of Rs. 2,230 crore on May 19. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 24,233 crore on May 19.
- Banks borrowed Rs. 575 crore under the central bank's Marginal Standing Facility on May 19, compared with that of May 18 when banks borrowed Rs. 1,050 crore.

**Currency Market Update**

- The Indian rupee rose against the U.S. dollar following gains in the equity market. However, month-end dollar demand from importers capped the gains. The rupee rose 0.15% to close at 64.55 compared with the previous close of 64.64.
- The euro rose against the greenback after the chancellor of Germany opined that Germany's massive trade surplus resulted from excessive weakness in the euro. This increased possibility that the ECB might soon start tightening its monetary stimulus programme. Euro was trading at \$1.1256, up 0.46% compared with the previous close of \$1.1204.

**Commodity Market Update**

- Gold prices remained steady, amid ongoing U.S. political turmoil, due to cautious stance ahead of the release of U.S. Federal Reserve's latest policy meeting minutes.
- Brent crude prices traded higher amid growing optimism that the OPEC and other producers may extend the deal to cut supplies.

**International News**

- According to the Bundesbank, Germany's economy will witness strong growth in spring. Bundesbank added that Germany's construction sector and service sector would continue to grow and expand. Bundesbank opined that demand from both domestic and foreign market would provide support to industry.
- A report from the Ministry of Finance of Japan showed that merchandise trade surplus in Japan stood at ¥481.7 billion in Apr 2017 lower than downwardly revised figure of ¥614.0 billion in Mar 2017 (originally ¥614.7 billion) and prior-year figure of ¥811.259 billion.



Thank you for  
your time.