

**RELIANCE**

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# Markets for You

23 May 2018

Indices Performance

Global Indices	22-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	24,834	25,013	-179	-0.72
Nasdaq	7,378	7,394	-16	-0.21
FTSE	7,877	7,859	18	0.23
Nikkei	22,960	23,002	-42	-0.18
Hang Seng	Closed	31,234	NA	NA
Indian Indices	22-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	34,651	34,616	35	0.10
Nifty 50	10,537	10,517	20	0.19
Nifty 100	10,853	10,815	38	0.35
Nifty Bank	25,778	25,751	27	0.10
SGX Nifty	10,540	10,508	32	0.30
S&P BSE Power	2,087	2,084	3	0.14
S&P BSE Small Cap	17,057	16,946	111	0.65
S&P BSE HC	12,830	12,686	143	1.13

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
22-May	23.76	1.17	26.13	1.22
Month Ago	23.59	1.14	26.22	1.21
Year Ago	22.54	1.31	24.94	1.22

Nifty 50 Top 3 Gainers

Company	22-May	Prev_Day	% Change <sup>#</sup>
Dr.Reddy	2010	1893	6.16
Tata Motors	308	296	3.99
SBI	254	244	3.87

Nifty 50 Top 3 Losers

Company	22-May	Prev_Day	% Change <sup>#</sup>
Indian Oil	161	165	-2.82
Ultratech Cem	3756	3852	-2.51
Bharti Infratel	316	322	-1.82

Advance Decline Ratio

	BSE	NSE
Advances	1405	1029
Declines	1219	766
Unchanged	145	73

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-438	3302
MF Flows**	-23	53132

\*22<sup>nd</sup> May 2018; \*\*18<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

- Asian markets largely remained weak with investors maintaining a cautious stance on the political developments in Italy. Chinese markets closed flat as gains in healthcare and telecom stocks were offset by declines in real estate firms. Today (as of May 23), Asian markets opened lower following U.S. President's statement with regards to dissatisfaction on trade talks between U.S. and China. Nikkei and Hang seng fell 1.31% and 0.76%, respectively (as at 8.a.m. IST).
- As per the last close, European markets ended higher after China stated that it would reduce tariffs on cars and auto parts. Investors continued to focus on political situation in Italy and on comments from the Bank of England wherein the governor stated that the slowdown in Q1'18 was temporary and interest rates are set to rise at a moderate pace.
- As per the last close, U.S markets ended lower after the U.S. President showed dissatisfaction with trade talks between U.S. and China. Also, the U.S. President stated it is not sure that summit with North Korea will in fact take place, thereby weighing on market sentiment.

Indian Equity Market

- Indian Equity markets witnessed muted growth. Buying interest in PSU banking, auto and metal stocks with easing concerns over trade war between U.S. and China pushed the benchmark indices higher. Rising oil prices and higher U.S. bond yields along with ongoing uncertainty over government formation in Karnataka in the domestic front continued to be a drag for the markets. Weak cues from Asian markets played spoil sport.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.10% and 0.19% to close at 34,651.24 and 10,536.70, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap grew 0.65% each.
- On the BSE sectoral front, S&P BSE Oil & Gas was the major loser, down 0.41%, followed by S&P BSE Energy that fell 0.28%. S&P BSE FMCG and S&P BSE Utilities fell 0.1% and 0.09%, respectively. S&P BSE Auto was the major gainer, up 1.73% followed by S&P BSE Metal and S&P BSE Realty that grew 1.58% and 1.26%, respectively.

Domestic News

- According to the vice-chairman of NITI Aayog, Indian economy is expected to achieve 9% sustainable growth rate by 2022 following the reform measures like GST, demonetisation and the Insolvency and Bankruptcy Code (IBC). He has also added that the government has taken pilot projects to double the income of farmers.
- The government of India has decided to expand the pilot project "Digital Village" or the "DigiGaon" from 6 villages to 700 villages across the country by end of 2018. This initiative by the Prime Minister tries to connect villages with Wi-Fi, provide digital literacy to villagers and assist in entrepreneurship opportunities. This initiative will allow villagers to access quality services like telemedicine, education, and skills with the help of digital technologies.
- As per media reports, the central government's capital expenditure (capex) surged 48% to Rs. 430 billion in Apr 2018 as against Rs. 290 billion in Apr 2017 due to second consecutive year of an advanced budget. As per reports, the beneficiaries of increased capex were ministries of defence, railways and road transport. However, lower carryovers led to reduced revenue expenditure for the central government.
- Dr. Reddy's Laboratories reported a profit of Rs. 302.20 crore for the quarter ended Mar 31, 2018, down 3% YoY from Rs. 312.50 crore in the previous year period. Revenues came in at Rs. 3,534.90 crore as against Rs. 3,554.20 crore in the year-ago period.
- State Bank of India (SBI) posted a loss of Rs. 77.18 billion in the quarter ended Mar 31, 2018 as against a profit of Rs. 28.14 billion in the year-ago period. The loss reflects lending of huge money as provision against its stressed loans. Provisions for non-performing assets came in at Rs. 240.80 billion as against Rs. 109.93 billion in the year-ago period.
- Tata Steel announced that it will raise Rs. 165 billion through debt instruments to finance Rs. 325 billion acquisition of Bhushan Steel Ltd. It stated that the remaining amount will be raised through internal resources.

FII Derivative Trade Statistics		22-May	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1625.59	2298.68	21135.54
Index Options	79820.41	78040.12	73354.88
Stock Futures	9929.40	10449.68	83622.60
Stock Options	8722.87	8653.23	9613.41
Total	100098.27	99441.71	187726.43

Derivative Statistics- Nifty Options			
	22-May	Prev_Day	Change
Put Call Ratio (OI)	1.23	1.28	-0.05
Put Call Ratio(Vol)	0.78	0.92	-0.14

Debt Watch				
	22-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.97%	5.87%	5.97%	6.05%
CBLO	6.01%	5.96%	6.01%	6.06%
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%	6.18%	6.13%	6.22%
364 Day T-Bill	6.82%	6.72%	6.00%	6.14%
10 Year Gilt	7.81%	7.90%	7.72%	6.66%
G-Sec Vol. (Rs.Cr)	23202	27501	43122	42883
FBIL MIBOR	6.09%	6.05%	6.01%	6.25%
3 Month CP Rate	8.40%	8.00%	7.05%	6.76%
5 Year Corp Bond	8.60%	8.57%	8.42%	7.42%
1 Month CD Rate	6.82%	6.62%	6.56%	6.29%
3 Month CD Rate	7.70%	7.45%	6.79%	6.43%
1 Year CD Rate	8.17%	7.90%	7.43%	6.84%

Currency Market			
Currency	22-May	Prev_Day	Change
USD/INR	68.02	68.09	-0.07
GBP/INR	91.25	91.41	-0.16
EURO/INR	80.07	79.93	0.14
JPY/INR	0.61	0.61	0.00

Commodity Prices				
Commodity	22-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	72.04	71.29	68.21	50.76
Brent Crude(\$/bl)	81.41	79.93	75.36	52.99
Gold( \$/oz)	1291	1290	1335	1260
Gold(Rs./10 gm)	31065	31342	31298	28673

Source: Thomson Reuters Eikon

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

#### Derivatives Market

- Nifty May 2018 Futures were at 10552.85 points, a premium of 16.15 points, above the spot closing of 10,536.70. The turnover on NSE's Futures and Options segment went up to Rs. 7,02,865.80 crore on May 22 from Rs. 6,35,473.34 crore on May 21.
- The Put-Call ratio stood at 0.78 against previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.23 against the previous session's close of 1.28.
- Open interest on Nifty Futures stood at 24.61 million as against the previous session's close at 24.74 million.

#### Indian Debt Market

- Bond yields stood steady on hopes that central bank will soon announce an open market bond purchase to narrow the liquidity deficit in the banking system.
- Yield on the 10-year benchmark paper (7.17% GS 2028) stood steady at 7.81% same as previous close. During the session, bond yields traded in the range of 7.78% and 7.85%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 16,812 crore (gross) on May 22 compared with Rs. 10,668 crore on May 21. Sale of securities under RBI's reverse repo window stood at Rs. 5,373 crore on May 21.
- Banks borrowed Rs. 1,140 crore under the central bank's Marginal Standing Facility on May 21 as against borrowing of Rs. 155 crore on May 18.

#### Currency Market Update

- The Indian rupee rose against the greenback as the latter remained under pressure ahead of the release of the U.S. Federal Reserve's latest policy meeting minutes due May 23, 2018. However, month end dollar demand from oil importers capped the gains.
- Euro fell against the greenback as trade tensions between U.S. and China eased to some extent. However, profit booking on the greenback restricted further losses.

#### Commodity Market Update

- Gold prices marginally gained ahead of the minutes of the U.S. Federal Reserve's last policy meeting.
- Brent crude prices remained at elevated level on concerns over U.S. sanction on Venezuela which will further restrict oil supply in the global market.

#### International News

- A report from the Office for National Statistics showed that U.K.'s public sector net borrowing, excluding public sector banks, fell GBP 1.6 billion to GBP 7.8 billion in Apr 2018. This marked the lowest net borrowing since 2008. Public sector net debt came in at GBP 1.77 billion or equivalent to 85.1% of gross domestic product at the end of Apr.
- A report from the Confederation of British Industry showed that U.K.'s total order book balance fell to -3% in May 2018. This marked the lowest order book balance since Nov 2016. Meanwhile, a net 8% reported above normal export order book level and a net 3% reported an increase in volume of output over three months to May.

Thank you for  
your time.