

RELIANCE

MUTUAL
FUND

Markets for You

24 May 2017

Indices Performance

Global Indices	23-May	Prev_Day	Abs. Change	% Change [#]
Dow Jones	20,938	20,895	43	0.21
Nasdaq	6,139	6,134	5	0.08
FTSE	7,485	7,496	-11	-0.15
Nikkei	19,613	19,678	-65	-0.33
Hang Seng	25,403	25,391	12	0.05
Indian Indices	23-May	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	30,365	30,571	-206	-0.67
Nifty 50	9,386	9,438	-52	-0.55
Nifty 100	9,677	9,742	-66	-0.68
Nifty Bank	22,583	22,653	-70	-0.31
SGX Nifty	9,390	9,462	-73	-0.77
S&P BSE Power	2,223	2,265	-43	-1.89
S&P BSE Small Cap	14,770	15,054	-284	-1.89
S&P BSE HC	14,217	14,614	-397	-2.72

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
23-May	22.36	1.32	24.80	1.22
Month Ago	22.43	1.39	23.12	1.26
Year Ago	18.43	1.54	21.13	1.39

Nifty 50 Top 3 Gainers

Company	23-May	Prev_Day	% Change [#]
Eicher Motors	27598	27190	1.50
Hindalco	192	190	0.92
HCL Tech	865	857	0.87

Nifty 50 Top 3 Losers

Company	23-May	Prev_Day	% Change [#]
Adani Ports & SEZ	332	354	-6.43
Aurobindo Pharma	542	575	-5.82
Cipla	533	563	-5.31

Advance Decline Ratio

	BSE	NSE
Advances	584	286
Declines	2139	1398
Unchanged	155	53

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	895	50251
MF Flows**	416	28771

*23rd May 2017; **22nd May 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.85% (Apr17)	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

- Asian markets witnessed a mixed trend as positive impact of overnight gains in Wall Street was neutralised by renewed signs of geopolitical tensions in the U.K. Meanwhile, preliminary study of a private survey showed that Japan's manufacturing activity expanded at the weakest pace in six months in May 2017. Today (As on May 24), Asian market opened mixed. Investors were cautious ahead of U.S. Federal Reserve views on interest rate hike prospects. However, Japanese market gained due to weaker yen. Nikkei Average was trading up 0.60% and Hang Seng was trading down 0.31% (as at 8.00 a.m IST).
- As per the last close, European market closed with modest gains as upbeat economic reports from euro zone helped investors to shrug off worries over U.S. political risks and the lack of progress on Greek debt talks. Terrorist attack in U.K. also weighed on market sentiments.
- As per the last close, U.S. market closed higher for the fourth consecutive session. Continued buying pressure on stocks at relatively low prices due to substantial weakness seen for some period of time led to higher close.

Indian Equity Market

- Indian equity markets slipped amid signs of geopolitical tensions as Indian army strikes Pakistan military posts. Another instance of geopolitical tension in the U.K. dented market sentiment further. Weakness in pharma sector also played a spoilsport.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.67% and 0.55% to close at 30,365.25 and 9,386.15, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 1.56% and 1.89%, respectively.
- The overall market breadth on BSE was weak with 2,139 scrips declining and 584 scrips advancing. A total of 155 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE Auto, all the indices closed in the red. S&P BSE Healthcare was the major loser, down 2.72%, followed by S&P BSE Realty and S&P BSE Utilities, which slipped 2.59% and 1.90%, respectively. S&P BSE Power and S&P BSE Industrials slipped 1.89% and 1.55%, respectively. Healthcare sector was hit as investors reacted to the developments around the insider trading case of a major company with the Securities and Exchange Board of India. Disappointing revenue numbers reported by another pharma major too weighed on investor sentiment.

Domestic News

- According to Reserve Bank of India (RBI) data, investment in overseas ventures by Indian firms has decreased 44% to 3.15 billion in Apr 2017 from \$5.61 billion in Apr 2016. Of the total outward direct investments during the month, \$1.43 billion was through equities, while \$1.01 billion was in the form loans, and \$709.68 million as part of issuance of guarantee.
- According to media reports, the government has laid down exports target worth \$45 billion for the textile and garment sector in FY18. During FY16, country's overall textiles and garments exports stood at \$40 billion, lower than the \$48 billion target set for the respective period owing to less demand in major markets such as the U.S., Europe, and China and tough competition from countries like Vietnam and Bangladesh.
- The government has set aims to build 12 lakh houses in FY18 under the Pradhan Mantri Awas Yojana as against 1.49 lakh houses in FY17. Also, it aims to construct 26 lakh houses each in FY19 and FY20, 30 lakh in FY21 and 29.80 lakh in FY22.
- The government has come out with regulations under the Insolvency and Bankruptcy Code. According to the ministry of corporate affairs, the new regulations have come into effect from Apr 1, 2017. Under the new regulations, companies, limited liability partnerships, and any other persons incorporated with limited liability can choose voluntary liquidation.
- Tata Power's consolidated net profit fell 16.79% YoY to Rs. 4,336 crore in the quarter ended Mar 2017 from Rs. 5,211 crore in the previous year period, but was better than expected. Consolidated revenue for the quarter dropped 2.86% to Rs. 77,272 crore from Rs. 79,549 crore in the year ago quarter.
- According to media reports, Natco Pharma received environmental approval from the Union Ministry of Environment, Forest and Climate Change to expand its active pharmaceutical ingredients (API) and API Intermediates manufacturing facility in Telangana's Rangareddy district. The project is expected to cost Rs. 480.31 crore.

FII Derivative Trade Statistics		23-May		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	4675.31	4754.10	19686.54	
Index Options	34843.96	35035.78	73768.35	
Stock Futures	21207.04	21055.36	75623.07	
Stock Options	8791.51	8792.76	7811.98	
Total	69517.82	69638.00	176889.94	

Derivative Statistics- Nifty Options			
	23-May	Prev_Day	Change
Put Call Ratio (OI)	1.12	1.17	-0.05
Put Call Ratio(Vol)	1.14	1.12	0.01

Debt Watch				
	23-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.06%	6.05%	5.93%	6.47%
CBLO	6.04%	6.23%	6.07%	6.55%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.25%	6.28%	6.06%	6.79%
364 Day T-Bill	6.46%	6.21%	6.15%	6.82%
10 Year Gilt	6.79%	6.84%	6.92%	7.46%
G-Sec Vol. (Rs.Cr)	63204	43602	46723	31623
1 Month CP Rate	6.55%	6.60%	6.50%	7.73%
3 Month CP Rate	6.74%	6.83%	6.73%	7.98%
5 Year Corp Bond	7.42%	7.47%	7.46%	8.09%
1 Month CD Rate	6.28%	6.36%	6.13%	6.95%
3 Month CD Rate	6.42%	6.46%	6.37%	7.22%
1 Year CD Rate	6.87%	6.86%	6.69%	7.51%

Currency Market			
Currency	23-May	Prev_Day	Change
USD/INR	64.78	64.56	0.21
GBP/INR	84.03	83.95	0.08
EURO/INR	72.75	72.23	0.52
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	23-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.07	48.59	49.59	48.07
Brent Crude(\$/bl)	52.83	51.25	49.02	47.96
Gold(\$/oz)	1251	1236	1284	1248
Gold(Rs./10 gm)	28853	28029	29320	29579

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 9,390.45, a premium of 4.30 over the spot closing of 9,386.15. Turnover on NSE's Futures and Options segment went up from Rs. 4,74,779.30 crore on May 22 to Rs. 7,96,710.83 crore on May 23.
- The Put-Call ratio stood at 1.07 compared with previous day's close of 1.01.
- The Nifty Put-Call ratio stood at 1.12 compared with previous day's close of 1.17.
- The open interest on Nifty Futures stood at 25.19 million as against previous session's close of 23.76 million.

Indian Debt Market

- Bond yields fell initially after government officials allayed concerns of high inflation following the implementation of the Goods and Services Tax from Jul 1. However, the trend reversed following geopolitical tensions between India and Pakistan.
- Yield on the 10-year benchmark paper (6.97% GS 2026) inched up 2 bps to close at 6.79% compared with the previous close of 6.77%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 2,300 crore (gross) on May 23, compared with the gross borrowing of Rs. 2,145 crore on May 22. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 11,856 crore on May 22.
- Banks did not borrow under the central bank's Marginal Standing Facility on May 22, while borrowings on May 19 stood at Rs. 575 crore.

Currency Market Update

- The Indian rupee plunged to a near 7-week low against the U.S. dollar following losses in the domestic equity market. Terror attack in Britain also dented market sentiment. The rupee fell 0.53% to close at 64.89 compared with the previous close of 64.55.
- The euro rose initially against the greenback after Germany's business sentiment index strengthened to a record high in Apr 2017. However, most of the gains were neutralised as market participants remained concerned following terror attack in Britain. Euro was trading at \$1.1234, down 0.02% compared with the previous close of \$1.1236.

Commodity Market Update

- Gold prices remained strong amid the ongoing geo-political turmoil.
- Brent crude prices inched down on reports that there could be huge selling of U.S. crude inventories that will further impact OPEC's efforts to curb supply.

International News

- According to a flash data from IHS Markit, eurozone private sector growth came in better than market expectations. The flash data for composite output index stood at 56.8 in May 2017, fastest growth in six years, and was unchanged from Apr 2017.
- According to preliminary data from the IHS Markit, the Nikkei Flash Manufacturing Purchasing Managers' Index or PMI or Japan's manufacturing activity fell to 52.0 in May 2017 as against 52.7 in Apr 2017. Though any reading above 50 reflects expansion, this marked the weakest pace of growth over a period of six months.

Thank you for
your time.