

**RELIANCE**

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# Markets for You

25 May 2017

**Indices Performance**

Global Indices	24-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	21,012	20,938	75	0.36
Nasdaq	6,163	6,139	24	0.40
FTSE	7,515	7,485	30	0.40
Nikkei	19,743	19,613	130	0.66
Hang Seng	25,429	25,403	25	0.10
Indian Indices	24-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	30,302	30,365	-64	-0.21
Nifty 50	9,361	9,386	-26	-0.27
Nifty 100	9,631	9,677	-45	-0.47
Nifty Bank	22,536	22,583	-47	-0.21
SGX Nifty	9,373	9,390	-17	-0.18
S&P BSE Power	2,190	2,223	-33	-1.48
S&P BSE Small Cap	14,557	14,770	-213	-1.44
S&P BSE HC	13,941	14,217	-276	-1.94

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
24-May	22.16	1.33	24.73	1.23
Month Ago	22.50	1.38	23.41	1.25
Year Ago	18.42	1.54	21.16	1.39

**Nifty 50 Top 3 Gainers**

Company	24-May	Prev_Day	% Change <sup>#</sup>
Tata Motors-DVR	276	265	4.32
Tata Motors	470	451	4.23
GAIL	391	380	2.71

**Nifty 50 Top 3 Losers**

Company	24-May	Prev_Day	% Change <sup>#</sup>
BOB	176	182	-3.43
L&T Ltd.	1684	1741	-3.23
Aurobindo Pharma	526	542	-2.86

**Advance Decline Ratio**

	BSE	NSE
Advances	635	339
Declines	2102	1355
Unchanged	132	43

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-366	49885
MF Flows**	416	28771

\*24<sup>th</sup> May 2017; \*\*22<sup>nd</sup> 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**

- Most Asian markets closed optimistically as the U.S. government disclosed its first budget proposal. Markets even shrugged off a major global rating agency lowering China's long-term local and foreign currency issuer ratings. The agency stated the economy's debt levels could grow in the years to come. Growth in U.S. Treasury yields and higher oil prices ahead of the Organization of the Petroleum Exporting Countries' meeting due later during the week added to the gains. Today (As on May 25), Asian market opened higher after release of U.S. Federal Reserve's (Fed) latest monetary policy meeting that indicated to trim balance sheet. Both Nikkei Average and Hang Seng were trading up 0.12% and 0.63%, respectively (as at 8.00 a.m IST).
- As per the last close, European market closed mostly lower as investors were cautious ahead of release of minutes of Fed's monetary policy. Downgrade of China's credit rating also weighed on market sentiments.
- As per the last close, U.S. market closed higher after the release of the minutes of Fed's latest monetary policy meeting. Fed's plan to trim balance sheet boosted market sentiments.

**Indian Equity Market**

- Indian equity markets continued with the downward trend for the second consecutive day ahead of the expiry of May futures and options contracts series and upcoming minutes of U.S. Federal Reserve's May policy meeting. Geo-political turmoil also dented sentiment. However, downside was limited on expectations of better than expected monsoon and implementation of goods & services tax (GST) by Jul 2017.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.21% and 0.27% to close at 30,446.77 and 9,360.55, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 1.43% and 1.44%, respectively.
- The overall market breadth on BSE was weak with 2,102 scrips declining and 635 scrips advancing. A total of 132 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE Oil & Gas, S&P BSE Oil & Auto, and S&P BSE IT, all the indices closed in the red. S&P BSE Capital Goods, S&P BSE Telecom, and S&P BSE Metal stood as the major losers followed by S&P BSE Healthcare and S&P BSE Realty. Selling pressure was witnessed in the banking sector due to lack of clarity on the resolution of outstanding non-performing assets.

**Domestic News**

- The Union cabinet has given clearance to the "Strategic Partnership" model for the defence sector. Post clearance, the government will shortlist and pick Indian companies who will then tie up with foreign firms. These foreign firms will supply fighter jets, helicopters, armoured vehicles, and submarines. Both larger domestic corporates and the micro, small, and medium enterprises will participate under this policy. The model seeks to boost 'Make In India' in the defence sector.
- The Union cabinet has approved doing away with the 25-year old Foreign Investment Promotion Board (FIPB). Moving on, Foreign Direct Investment (FDI) proposals will be cleared by the respective ministries and in those cases where security concerns is a priority, the matter will be approved by the home ministry. Previously, concerns were raised that the need to get FIPB approval often leads to delays in foreign investments.
- The Union cabinet has decided to increase fair and remunerative price (FRP) of sugarcane by Rs. 25 per quintal to Rs. 255 for the 2017-18 season beginning Oct 2017. The decision has come after taking into account the rise in cost of production and millers' capacity to pay the rate in view of better sugar prices. The finance minister is of the view that the situation of the sugar mills has improved.
- The Union cabinet has given clearance to 29.7-km long Noida-Greater Noida Metro rail corridor that will be built at a cost of Rs. 5,503 crore. The cabinet also approved amendment to Central Road Fund Act, 2000. According to the act, 2.5% of the fund will go for the development and maintenance of National Waterways. Furthermore, cabinet approved setting up an AIIMS in Assam at a cost of Rs. 1,123 crore.
- Lupin Ltd.'s net profit fell short of market expectations and halved to Rs. 380 crore YoY in the quarter ended Mar 2017 as against Rs. 748 crore registered in the previous year period. The significant decline reflects decline in sales in the company's U.S. market and 30% increase in manufacture costs as the company worked on upgrading its Goa manufacturing plant.

FII Derivative Trade Statistics		24-May		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	8729.51	8219.71	19101.67	
Index Options	76244.91	74392.09	75662.49	
Stock Futures	33469.43	33006.32	78881.00	
Stock Options	9912.83	9988.49	7971.28	
Total	128356.68	125606.61	181616.44	

Derivative Statistics- Nifty Options			
	24-May	Prev_Day	Change
Put Call Ratio (OI)	1.07	1.12	-0.05
Put Call Ratio(Vol)	1.14	1.14	0.00

Debt Watch				
	24-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.07%	6.04%	6.00%	6.48%
CBLO	6.11%	6.17%	6.14%	6.60%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.27%	6.27%	6.07%	6.81%
364 Day T-Bill	6.46%	6.47%	6.00%	6.81%
10 Year Gilt	6.80%	6.84%	6.94%	7.47%
G-Sec Vol. (Rs.Cr)	30687	38309	27151	37909
1 Month CP Rate	6.55%	6.59%	6.50%	7.74%
3 Month CP Rate	6.73%	6.81%	6.73%	7.98%
5 Year Corp Bond	7.45%	7.45%	7.47%	8.08%
1 Month CD Rate	6.24%	6.34%	6.15%	6.99%
3 Month CD Rate	6.41%	6.45%	6.36%	7.19%
1 Year CD Rate	6.86%	6.82%	6.70%	7.51%

Currency Market			
Currency	24-May	Prev_Day	Change
USD/INR	64.86	64.78	0.08
GBP/INR	84.10	84.03	0.06
EURO/INR	72.47	72.75	-0.28
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	24-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	50.94	48.99	48.87	48.01
Brent Crude(\$/bl)	52.93	51.40	48.54	48.61
Gold(\$/oz)	1258	1260	1275	1227
Gold(Rs./10 gm)	28701	28294	29076	29493

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 9,364.85, a premium of 4.30 over the spot closing of 9,360.55. Turnover on NSE's Futures and Options segment went up from Rs. 7,96,710.83 crore on May 23 to Rs. 8,86,112.66 crore on May 24.
- The Put-Call ratio stood at 1.06 compared with previous day's close of 1.07.
- The Nifty Put-Call ratio stood at 1.07 compared with previous day's close of 1.12.
- The open interest on Nifty Futures stood at 26.21 million as against previous session's close of 25.19 million.

**Indian Debt Market**

- Bond yields rose for the second straight session as market participants remained cautious due to rising geopolitical tensions between India and Pakistan.
- Yield on the 10-year benchmark paper (6.97% GS 2026) inched up 1 bps to close at 6.80% compared with the previous close of 6.79%. During the trading session, bond yields traded in the range of 6.77% and 6.82%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,001 crore (gross) on May 24, compared with the gross borrowing of Rs. 2,300 crore on May 23. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 5,480 crore on May 23.
- Banks did not borrow under the central bank's Marginal Standing Facility on May 23 and on May 22.

**Currency Market Update**

- The Indian rupee gained against the U.S. dollar amid thin trade volumes as banks sold the greenback. However, market participants remained cautious on reports of renewed India-Pakistan military tensions. The rupee rose 0.24% to close at 64.73 per dollar from the previous close of 64.89.
- Euro was trading slightly higher against the U.S. dollar amid lower volumes ahead of the release of U.S. Federal Reserve meeting's minutes later in the day. Euro was trading at \$1.1197 from the previous close of \$1.1182.

**Commodity Market Update**

- Gold prices traded higher ahead of the minutes of U.S. Federal Reserve's latest policy meeting due later in the day.
- Brent crude prices traded higher amid optimism ahead of the highly anticipated meeting of the Organization of the Petroleum Exporting Countries, scheduled on May 25.

**International News**

- A global credit rating company has downgraded China's long-term local and foreign currency issuer ratings to A1 from Aa3. The agency has also changed its outlook for the country to stable from negative. The rating agency expects that the financial strength of the country would erode in the coming years since China's wide debt continues to rise as potential growth slows.
- Report from the Commerce Department showed that U.S. new home sales significantly fell in Apr 2017 after gaining in Mar 2017. On an annual basis, U.S. new home sales fell 11.4% to 569,000 in Apr 2017 as against upwardly revised 642,000 (originally reported 621,000) in Mar 2017.



Thank you for  
your time.