

RELIANCE

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FUND

Markets for You

26 May 2017

Indices Performance

Global Indices	25-May	Prev_Day	Abs. Change	% Change [#]
Dow Jones	21,083	21,012	71	0.34
Nasdaq	6,205	6,163	42	0.69
FTSE	7,518	7,515	3	0.04
Nikkei	19,813	19,743	70	0.36
Hang Seng	25,631	25,429	202	0.80
Indian Indices	25-May	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	30,750	30,302	448	1.48
Nifty 50	9,510	9,361	149	1.59
Nifty 100	9,776	9,631	145	1.51
Nifty Bank	23,191	22,536	655	2.90
SGX Nifty	9,511	9,373	138	1.47
S&P BSE Power	2,204	2,190	14	0.64
S&P BSE Small Cap	14,849	14,557	292	2.01
S&P BSE HC	13,695	13,941	-246	-1.76

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
25-May	22.69	1.30	24.88	1.21
Month Ago	22.78	1.36	23.64	1.23
Year Ago	18.92	1.50	22.07	1.36

Nifty 50 Top 3 Gainers

Company	25-May	Prev_Day	% Change [#]
L&T Ltd.	1769	1684	5.01
ICICI Bank	318	307	3.59
IndusInd Bank	1462	1414	3.40

Nifty 50 Top 3 Losers

Company	25-May	Prev_Day	% Change [#]
Lupin	1140	1229	-7.19
Dr.Reddy	2428	2517	-3.54
Cipla	504	520	-3.01

Advance Decline Ratio

	BSE	NSE
Advances	1862	1241
Declines	827	429
Unchanged	140	69

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	359	50244
MF Flows**	416	28771

*25th 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

- Most Asian markets closed in the green after beginning the session weakly, taking cues from global markets that strengthened following release of minutes from the U.S. Federal Reserve's newest monetary policy meeting that signalled a rate hike in Jun 2017, only if recent economic conditions remain favourable. Also, the Fed pointed towards the fact that it could decrease the quantum of its bond portfolio. Today (As on May 26), Asian market opened mixed. Fall in crude oil prices weighed on market sentiments. While political developments in U.S. gave some boost to market sentiments. Nikkei Average was trading down 0.19% and Hang Seng was trading up 0.25% (as at 8.00 a.m IST).
- As per the last close, European market closed mostly lower following rise in crude oil prices. Also, trading activity was on the light side due to the Ascension Day holiday.
- As per the last close, U.S. market closed higher following release of strong quarterly earnings by some companies and minutes of latest monetary policy meeting by the U.S. Federal Reserve indicating plans to trim balance sheet. However, fall in crude oil prices restricted the gain.

Indian Equity Market

- Indian equity markets gained after the U.S. Federal Reserve in its latest policy review minutes maintained dovish stance, but kept room for further rate hike depending on the economic scenario. Market also reacted positively after the Organization of the Petroleum Exporting Countries (OPEC) and other non-OPEC producers decided to extend production cut programme till Mar 2018. Meanwhile, government's decision of doing away with the Foreign Investment Promotion Board (FIPB), which will speed up the approval procedure of Foreign Direct Investment proposals, also buoyed sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.48% and 1.59% to close at 30,750.03 and 9,509.75, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap gained 1.35% and 2.01%, respectively.
- The market breadth on BSE was strong with 1,862 scrips advancing and 827 scrips declining. A total of 140 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE Healthcare and S&P BSE Consumer Durable, all the indices closed in the green. S&P BSE Capital Goods, S&P BSE Bankex, and S&P BSE Industrials stood as the major gainers followed by S&P BSE IT and S&P BSE Finance.

Domestic News

- The Ministry of New & Renewable Energy (MNRE) has received approval from the government to raise Rs. 2,360 crore through bonds during 2017-2018 through the Indian Renewable Energy Development Agency. The proceeds from the bonds would be used by MNRE in the renewable energy projects like solar park, green energy corridor, generation-based incentives for wind projects, roof-top solar, off-grid/grid-distributed and decentralised renewable power, as well as investment in corporations and autonomous bodies.
- According to the agriculture minister, food inflation is expected to decline owing to the implementation of the Goods and Services Tax (GST). Under GST, grain and milk would remain exempted that would lead to single levy instead of multiple taxes. Also, the minister expects food inflation to decline by 2%.
- The cabinet has opened up potentially more than \$600 billion market for Indian manufacturing and services companies as a part of the government's indigenisation drive under the public procurement policy. This step comes on the wake of the government's "Make in India" vision to promote domestic production of goods and services in order to enhance local income and employment. Per the policy, it is compulsory to give first preference to domestic suppliers in all government purchases of more than Rs. 5 lakh. This covers autonomous bodies and state-run companies and other entities.
- According to media reports, Coal India Ltd. is expected to be the biggest beneficiary of the decision taken by the government to cut down more than half of the sales tax on the fuel. Government recently decided to cut down the duty on coal from Jul 1, 2017, and impose a new 18% tax on solar cells and modules. Coal India Ltd. that is burdened with millions of tonnes of unsold coal is expected to see a local boost in sales.
- Indian Oil Corporation reported a net profit that came in-line with market expectations and grew 85% YoY to Rs. 3,721 crore in the quarter ended Mar 2017 as against Rs. 2,006 crore in the previous year period. The upside reflects 24% growth in revenue.

FII Derivative Trade Statistics		25-May	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	10938.89	10708.35	21966.63
Index Options	73909.80	73540.04	77241.41
Stock Futures	32977.36	31690.63	80691.45
Stock Options	9539.76	9316.22	7951.80
Total	127365.81	125255.24	187851.29

Derivative Statistics- Nifty Options			
	25-May	Prev_Day	Change
Put Call Ratio (OI)	1.42	1.07	0.35
Put Call Ratio(Vol)	1.10	1.14	-0.04

Debt Watch				
	25-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.01%	6.05%	6.02%	6.49%
CBLO	6.03%	6.07%	6.21%	6.59%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.20%	6.20%	6.05%	6.82%
364 Day T-Bill	6.30%	6.47%	6.10%	6.93%
10 Year Gilt	6.79%	6.84%	6.93%	7.46%
G-Sec Vol. (Rs.Cr)	33758	49329	40622	21165
1 Month CP Rate	6.54%	6.55%	6.51%	7.71%
3 Month CP Rate	6.70%	6.78%	6.73%	7.96%
5 Year Corp Bond	7.44%	7.45%	7.45%	8.08%
1 Month CD Rate	6.22%	6.32%	6.15%	6.97%
3 Month CD Rate	6.39%	6.45%	6.36%	7.18%
1 Year CD Rate	6.87%	6.85%	6.70%	7.48%

Currency Market			
Currency	25-May	Prev_Day	Change
USD/INR	64.51	64.86	-0.35
GBP/INR	83.77	84.10	-0.32
EURO/INR	72.47	72.47	0.00
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	25-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	48.52	49.31	49.20	49.07
Brent Crude(\$/bl)	51.89	51.35	48.43	49.06
Gold(\$/oz)	1255	1247	1263	1224
Gold(Rs./10 gm)	28702	28871	28972	28980

Source: ICRON Research

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Derivatives Market

- Nifty May 2017 Futures settled at spot closing of 9,509.75. Nifty Jun 2017 Futures were at 9,495.90, a discount of 13.85 points, over the spot closing. Turnover on NSE's Futures and Options segment went up from Rs. 8,86,112.66 crore on May 24 to Rs. 12,61,114.37 crore on May 25.
- The Put-Call ratio stood at 0.93 compared with previous day's close of 1.06.
- The Nifty Put-Call ratio stood at 1.42 compared with previous day's close of 1.07.
- The open interest on Nifty Futures stood at 27.05 million as against previous session's close of 26.21 million.

Indian Debt Market

- Bond yields fell following fall in the U.S. treasury yields after minutes of the U.S. Federal Reserve's meeting in May pointed to a near term rate hike but at the same time signalled caution going forward. The minutes pacified concerns of a faster pace of rate hikes during the remaining part of the year.
- Yield on the 10-year benchmark paper (6.97% GS 2026) inched down 1 bps to close at 6.79% compared with the previous close of 6.80%.
- Banks' borrowings under the repo window of the LAF stood at Rs. 2,345 crore (gross) on May 25, compared with the gross borrowing of Rs. 3,001 crore on May 24. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 5,464 crore on May 24.
- Banks did not borrow under the central bank's Marginal Standing Facility on May 24 and on May 23.

Currency Market Update

- The Indian rupee gained against the U.S. dollar for the second consecutive session as minutes of the U.S. Federal Reserve's meeting in May 2017 pointed to a near term rate hike and signalled caution going forward, thereby weighing on U.S. dollar. The rupee rose 0.19% to close at 64.61 per dollar from the previous close of 64.73.
- Euro inched up against the greenback after minutes of the U.S. Federal Reserve's meeting in May 2017 pointed to a near term rate hike but at the same time signalled caution going forward. Euro was trading at \$1.1222, up 0.04% from the previous close of \$1.1217.

Commodity Market Update

- Gold prices traded lower as the minutes of U.S. Federal Reserve's latest meeting rekindled speculation over rate hike in Jun 2017.
- Brent crude prices fell amid profit booking after witnessing initial gains as the OPEC and non-OPEC producers have agreed on a nine-month extension of output cuts.

International News

- According to the minutes of the central bank's meeting on May 2-3, the Federal Reserve is set to raise interest rates in Jun 2017, marking the second increase in 2017. Policymakers also discussed scaling back their \$4 trillion-plus holdings of mortgage-backed bonds and longer-term U.S. government bonds.
- Hong Kong's foreign trade deficit on a year over year basis grew to HK\$34.1 billion in Apr 2017 from HK\$31.02 billion in the previous year period. The deficit reflects 7.1% YoY growth in exports as against 7.3% YoY growth in imports.

Thank you for
your time.