

RELIANCE

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FUND

Markets for You

05 Oct 2017

Indices Performance

Global Indices	04-Oct	Prev_Day	Abs. Change	% Change [#]
Dow Jones	22,662	22,642	20	0.09
Nasdaq	6,535	6,532	3	0.04
FTSE	7,468	7,468	-1	-0.01
Nikkei	20,627	20,614	13	0.06
Hang Seng	28,379	28,173	206	0.73
Indian Indices	04-Oct	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	31,672	31,497	174	0.55
Nifty 50	9,915	9,860	55	0.56
Nifty 100	10,274	10,222	52	0.51
Nifty Bank	24,113	24,103	10	0.04
SGX Nifty	9,940	9,865	75	0.76
S&P BSE Power	2,206	2,195	10	0.46
S&P BSE Small Cap	16,320	16,193	128	0.79
S&P BSE HC	13,805	13,557	248	1.83

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-Oct	23.65	1.22	25.75	1.15
Month Ago	23.61	1.24	25.83	0.94
Year Ago	21.36	1.38	23.95	1.26

Nifty 50 Top 3 Gainers

Company	04-Oct	Prev_Day	% Change [#]
Sun Pharma	518	503	3.03
Tata Motors-DVR	239	233	2.68
RIL	819	798	2.57

Nifty 50 Top 3 Losers

Company	04-Oct	Prev_Day	% Change [#]
Bharti Airtel	377	385	-1.95
Eicher Motors	30885	31147	-0.84
ICICI Bank	276	278	-0.83

Advance Decline Ratio

	BSE	NSE
Advances	1461	965
Declines	1182	731
Unchanged	128	67

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-438	34993
MF Flows**	1631	88371

*4th Oct 2017; **29th Sep 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.24% (Aug-17)	2.26% (May-17)	1.09% (Aug-16)
IIP	1.20% (Jul-17)	3.20% (Apr-17)	4.40% (Jul-16)
GDP	5.70% (Jun-17)	6.10% (Mar-17)	7.90% (Jun-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 traded in mixed after taking positive cues from overnight U.S. market. However, fall in crude oil prices and stronger yen limited the upside. Investors also remained cautious ahead of China's forex reserve data and U.S.' jobs data. Meanwhile, markets in China, Taiwan and South Korea remained closed on account of holiday. Today (As of Oct 05), Asian markets opened mostly higher following record high on the Wall Street overnight. While Nikkei was trading lower 0.10%, Hang Seng was higher 0.73% (8 a.m. IST).
- As per the last close, European market majorly closed in red on concerns over further political turmoil in Spain. Shares of Spanish banks were particularly weak. Also market participants were cautious ahead of the speeches from both U.S. Federal Reserve Chief and European Central Bank President.
- As per the last close, U.S markets closed modestly higher similar to the upward momentum seen in the past several sessions. However, gains were limited as investors were cautious ahead of the U.S. monthly jobs data on Friday.

Indian Equity Market

- Indian equity markets closed in the green as the Reserve Bank of India's six-member Monetary Policy Committee, headed by the bank's governor, kept the repo rate unaltered at 6%. The decision was said to be largely in line with expectations. However, the central bank lowered the Gross Value Added growth target for the current financial year to 6.70% from 7.30% earlier.
- S&P BSE Sensex and Nifty 50 went up 0.55% and 0.56%, to close at 31,671.71 and 9,914.90, respectively. Meanwhile, S&P BSE MidCap and S&P BSE SmallCap grew 0.39% and 0.79%, respectively.
- On the BSE sectoral front, most indices closed in the positive. S&P BSE Healthcare, up 1.83%, was the highest gainer, followed by S&P BSE Energy (1.75%), S&P BSE FMCG (1.57%) and S&P BSE Oil & Gas (1.28%). Losers comprised S&P BSE Telecom (-0.54%), S&P BSE Metal (-0.24%), S&P BSE Teck (-0.23%) and S&P BSE IT (-0.17%).
- Among the 30-stock sensitive Sensex pack, most of the stocks closed in the green. Sun Pharma (2.98%), Reliance (2.61%), ITC (2.30%) and Kotak Bank (2.16%) consisted of the top gainers. Some of the losers were Bharti Airtel (-2.26%), ICICI Bank (-0.88%), HDFC Bank (-0.66%) and Axis Bank (-0.63%).

Domestic News

- The Monetary Policy Committee (MPC) in its fourth bi-monthly policy review kept key policy repo rate unchanged at 6.0% while retaining its neutral stance. Consequently, the reverse repo rate stood unaltered at 5.75%, and the marginal standing facility (MSF) rate and bank rate each remained at 6.25%. The Reserve Bank of India (RBI) also proposed to lower the statutory liquidity ratio by 50 bps from 20.0% to 19.50% of banks' net demand and time liabilities for the fortnight commencing Oct 14, 2017. The MPC decided to maintain status quo as it observed retail inflation to have increased by around 2% since its last meeting amid increasing geopolitical uncertainty and volatility in financial markets arising due to U.S. Federal Reserve's plan of winding down its balance sheet and the risk of policy normalisation by the European Central Bank.
- MPC lowered the real Gross Value Added (GVA) growth projection for 2017-18 to 6.7% from 7.3% projected in Aug 2017. MPC also noted that the manufacturing sector which is the dominant component of industrial GVA grew 1.2% which was the lowest in the last 20 quarters. However, MPC expects that various structural reforms introduced recently by the government will improve the business environment, bring about transparency and increase formalization of the Indian economy which will boost growth over the medium to long term.
- Bharat Heavy Electricals Ltd (BHEL) has paid a final equity dividend of 39% for 2016-2017 and an interim dividend of 40%. Therefore, the total dividend paid by BHEL during the year stands at 79%. The dividend paid is highest in three years.
- Infosys has announced of receiving a contract from KONE to set up its first design and innovation centre in Helsinki. However, no financial details of the deal are disclosed yet.
- Natco Pharma's marketing partner Mylan has received approval from the U.S. Food and Drug Administration to deal in generic version of Copaxone, a drug used for the treatment of chronic inflammatory disease of the central nervous system.

FII Derivative Trade Statistics			
	04-Oct		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1138.82	814.99	18533.18
Index Options	31509.65	31306.46	71606.13
Stock Futures	7193.89	5449.20	56786.56
Stock Options	4088.65	4142.67	2608.99
Total	43931.01	41713.32	149534.86

Derivative Statistics- Nifty Options			
	04-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.29	1.24	0.05
Put Call Ratio(Vol)	1.02	0.98	0.04

Debt Watch				
	04-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.87%	5.86%	5.86%	6.27%
CBLO	5.78%	5.85%	5.80%	6.16%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.07%	6.09%	6.08%	6.30%
364 Day T-Bill	6.20%	6.23%	6.23%	6.45%
10 Year Gilt	6.70%	6.67%	6.50%	6.72%
G-Sec Vol. (Rs.Cr)	46873	39084	54777	142233
1 Month CP Rate	6.50%	6.58%	6.41%	6.61%
3 Month CP Rate	6.62%	6.63%	6.56%	6.85%
5 Year Corp Bond	7.17%	7.26%	7.12%	7.40%
1 Month CD Rate	6.06%	6.10%	6.10%	6.39%
3 Month CD Rate	6.15%	6.15%	6.15%	6.56%
1 Year CD Rate	6.57%	6.57%	6.49%	6.99%

Currency Market			
Currency	04-Oct	Prev_Day	Change
USD/INR	65.29	65.55	-0.26
GBP/INR	86.63	86.87	-0.24
EURO/INR	76.83	76.78	0.05
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	04-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	49.95	52.09	47.27	48.62
Brent Crude(\$/bl)	56.09	59.83	53.09	48.79
Gold(\$/oz)	1274	1281	1334	1268
Gold(Rs./10 gm)	29428	29828	30165	30725

Source: ICRON Research

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Derivatives Market

- Nifty Oct 2017 Futures were at 9,930.45, a premium of 15.55 points over the spot closing of 9,914.90. The turnover on NSE's Futures and Options segment went up from Rs. 3,42,860.01 crore on Oct 3 to Rs. 5,60,254.20 crore on Oct 4.
- The Put-Call ratio stood at 0.84 against the previous session's close of 0.83.
- The Nifty Put-Call ratio stood at 1.33 against the previous session's close of 1.28.
- Open interest on Nifty Futures stood at 23.56 million as against the previous session's close of 22.26 million.

Indian Debt Market

- Bond yields rose after the Monetary Policy Committee (MPC) kept key interest rates unchanged and raised its inflation projection for the second half of FY18. Also, no indication of rate cut for the next monetary policy meeting by MPC also weighed on the domestic bond market.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 5 bps to close at 6.70% from the previous close of 6.65%. During the session, bond yields traded in the range of 6.62% and 6.71%.
- Banks borrowed Rs. 1,035 crore under the central bank's Marginal Standing Facility on Oct 3 as against borrowing of Rs. 19,475 crore on Sep 29.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 200 crore was allotted at a cut-off rate of 5.99%.

Currency Market Update

- The Indian rupee gained against the U.S. dollar following foreign fund inflows and gains in the domestic equity market. The rupee strengthened 0.74% to close at 65.01 per dollar from the previous close of 65.50.
- Euro strengthened against the greenback as investors remained cautious ahead of upcoming speech by the U.S. Federal Reserve chair and amid speculation over her replacement next year. However, upbeat U.S. jobs data for Sep 2017 capped the gains. Euro was trading at \$1.1775, up 0.28% from the previous close of \$1.1742.

Commodity Market Update

- Gold prices traded higher amid weak dollar as investors waited for direction from speech of the U.S. Federal Reserve chair later in the week.
- Brent crude prices traded lower amid growing demand for offshore rig rental globally.

International News

- According to a report from the Eurostat, euro zone's retail sales volume fell 0.5% MoM in Aug 2017 as against a decline of 0.3% in Jul 2017, marking the second consecutive monthly decline. Retail sales grew 1.2% YoY in Aug as against a gain of 2.3% in Jul (revised down from 2.6% originally reported).
- According to a report from the IHS Markit and Chartered Institute of Procurement & Supply, U.K.'s services Purchasing Managers' Index grew to 53.6 in Sep 2017 as against 53.2 in Aug 2017.
- A report from the IHS Markit showed that euro zone's composite output index came in line with preliminary expectations and grew to 56.7 in Sep 2017 as against 55.7 in Aug 2017. Meanwhile, the Purchasing Managers' Index increased to 55.8 in Sep from 54.7 in Aug.

Thank you for
your time.