

RELIANCE

MUTUAL
FUND

Markets for You

08 Oct 2018

Indices Performance

Global Indices	05-Oct	Prev_Day	Abs. Change	% Change [#]
Dow Jones	26,447	26,627	-180	-0.68
Nasdaq	7,788	7,880	-91	-1.16
FTSE	7,319	7,418	-100	-1.35
Nikkei	23,784	23,976	-192	-0.80
Hang Seng	26,573	26,624	-51	-0.19
Indian Indices	05-Oct	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	34,377	35,169	-792	-2.25
Nifty 50	10,316	10,599	-283	-2.67
Nifty 100	10,510	10,794	-284	-2.63
Nifty Bank	24,443	24,819	-376	-1.51
SGX Nifty	10,296	10,612	-317	-2.98
S&P BSE Power	1,900	1,942	-42	-2.18
S&P BSE Small Cap	13,840	14,126	-286	-2.02
S&P BSE HC	14,401	14,550	-149	-1.03

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Oct	21.96	1.31	24.95	1.30
Month Ago	24.35	1.17	27.90	1.17
Year Ago	23.67	1.22	25.69	1.15

Nifty 50 Top 3 Gainers

Company	05-Oct	Prev_Day	% Change [#]
Infosys	725	707	2.46
Titan Industries	792	777	1.98
TCS	2103	2065	1.83

Nifty 50 Top 3 Losers

Company	05-Oct	Prev_Day	% Change [#]
HPCL	165	217	-23.97
BPCL	265	331	-19.89
Indian Oil	118	140	-15.86

Advance Decline Ratio

	BSE	NSE
Advances	674	413
Declines	1982	1441
Unchanged	125	93

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-2261	-19924
MF Flows**	888	90919

*5th Oct 2018; **3rd Oct 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.69% (Aug-18)	4.87% (May-18)	3.28% (Aug-17)
IIP	6.60% (Jul-18)	4.50% (Apr-18)	1.00% (Jul-17)
GDP	8.20% (Jun-18)	7.70% (Mar-18)	5.60% (Jun-17)

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 equity markets saw lacklustre trade as investors became cautious of rising U.S. Treasury yields. The rise in yields has raised concern about interest rate outlook. Media reports on China conducting a covert action on global IT majors operating in the country soured sentiment. Today (as of Oct 8), Asian markets opened almost lower following losses in the Wall Street in the last session. Hangseng fell 0.03% (as at 8.a.m. IST). Nikkei remained closed.

• As per the last close, European markets closed lower due to concerns surrounding Italy and Brexit uncertainty and continued trade tensions between the U.S. and China. Weaker than expected U.S. employment growth for Sep 2018 also weighed on investor sentiment.

• As per the last close, U.S markets closed almost lower following weaker than expected job growth in Sep 2018. Non-farm payroll employment surged by 134,000 jobs as against market expectations of a growth of about 185,000 jobs. However, reports of significant upward revision to the pace of job growth in Aug 2018 and decline in unemployment rate to its lowest level since 1969 restricted the losses.

Indian Equity Market

• Indian equity markets declined as the Reserve Bank of India decided to maintain interest rates at their present level, defying expectations. Investors were surprised by the central bank's move as expectations were for a 25 basis points hike in rates in the face of rising crude oil prices and falling rupee excreting upward pressure on inflation. Also, the rupee continued its downward slide, touching a new all-time low of 74.13.

• Key benchmark indices S&P BSE Sensex and Nifty 50 lost 2.25% and 2.67% to close at 34,376.99 and 10,316.45, respectively. S&P BSE Mid-Cap decreased 2.70%, while S&P BSE Small Cap fell 2.02%.

• On the BSE sectoral front, only three sectors gained, namely S&P BSE Information Technology (1.11%), S&P BSE Teck (0.7%) and S&P BSE Consumer Durables (0.62%). The major loser was S&P BSE Oil & Gas, down 12.68%, followed by S&P BSE Energy, down 8.52%. S&P BSE Utilities lost 3.58% and S&P BSE Metal lost 3.45%. The oil and gas and energy sectors lost as the government announced it will cut excise duties on petrol and diesel prices and oil marketing companies would have to absorb Re 1 per litre. Export-oriented IT sector's gains come in the wake of an all-time low rupee.

Domestic News

• The Monetary Policy Committee (MPC) in its fourth bi-monthly monetary policy review for FY19 kept key policy repo rate on hold after it increased the same by 25 bps each in its two previous bimonthly policy reviews. The decision comes as MPC opted to keep inflation on a close vigil for the next few months. MPC voted 5:1 in favour of a status quo. However, it changed its stance to "calibrated tightening" from neutral that was in place since Feb 2017.

• MPC on the growth front retained the growth projection for FY19 at 7.4%. For the first quarter of FY20, MPC lowered the GDP growth for the first quarter of FY20 to 7.4% from the earlier projection of 7.5%. The outlook for economic growth is based on the fact that the outlook for private consumption has remained robust. According to MPC, it will likely sustain despite the impact of recent rise in oil prices on disposable incomes. Improving capacity utilisation and increased financial resources to the corporate sector augur well for investment activity. However, global as well as domestic financial conditions have tightened and may keep a check on the same.

• According to media reports, Icra has assigned a B- (negative) rating for Jet Airways' Rs 70 billion long-term debt (from BB-) which includes non-convertible debentures, loans, fund, and non-fund based facilities. As per reports, this is the third rating downgrade in five months as the airline faces a delay in implementing liquidity enhancement measures.

• According to media reports, Thomas Cook India said that its board has given nod for the acquisition of a 24% stake in Mumbai-based travel tech start-up 'TravelJunkie Solutions' by its arm TC Tours Ltd.

• According to media reports, drug firm Zydus Cadila said that it has received final approval from the US health regulator to market Exemestane tablets which is used for the treatment of breast cancer.

• According to media reports, Swedish furniture and home accessories company IKEA plans to invest nearly Rs. 3,000 crore in the next three years to open three fulfilment centres (packing warehouses) in Mumbai, Bengaluru and Delhi.

FII Derivative Trade Statistics		05-Oct	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	5963.81	9120.71	20391.52
Index Options	198137.80	189628.47	66754.26
Stock Futures	17732.64	18097.67	83159.08
Stock Options	9138.92	9071.78	5322.57
Total	230973.17	225918.63	175627.43

Derivative Statistics- Nifty Options			
	05-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.07	1.21	-0.14
Put Call Ratio(Vol)	0.66	0.67	-0.01

Debt Watch				
	05-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.41%	6.51%	6.31%	5.83%
CBLO	6.12%	4.36%	6.21%	5.71%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.85%	6.95%	6.78%	6.08%
364 Day T-Bill	7.55%	7.64%	7.35%	6.20%
10 Year Gilt	8.02%	8.02%	8.05%	6.73%
G-Sec Vol. (Rs.Cr)	42133	30033	42961	37946
FBIL MIBOR	6.50%	6.60%	6.40%	5.98%
3 Month CP Rate	8.35%	8.15%	7.65%	6.71%
5 Year Corp Bond	8.93%	9.02%	8.80%	7.48%
1 Month CD Rate	7.11%	6.62%	6.36%	6.05%
3 Month CD Rate	7.42%	7.43%	7.18%	6.14%
1 Year CD Rate	8.52%	8.40%	8.07%	6.58%

Currency Market			
Currency	05-Oct	Prev_Day	Change
USD/INR	73.58	73.75	-0.17
GBP/INR	95.89	95.39	0.50
EURO/INR	84.70	84.63	0.07
JPY/INR	0.65	0.64	0.00

Commodity Prices				
Commodity	05-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	74.21	73.11	68.64	50.74
Brent Crude(\$/bl)	85.16	83.21	76.75	56.98
Gold(\$/oz)	1202	1192	1196	1268
Gold(Rs./10 gm)	31216	30296	30274	29405

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty Oct 2018 Futures settled at 10,347.15, a premium of 30.70 points, above the spot closing of 10,316.45. The turnover on NSE's Futures and Options segment declined to Rs. 7,69,990.23 on Oct 5 compared with Rs. 20,26,271.53 on Oct 4.
- The Put-Call ratio stood at 0.68, compared with the previous session's close of 0.76.
- The Nifty Put-Call ratio stood at 1.07 compared with the previous session's close of 1.21.
- Open interest on Nifty Futures stood at 21.90 million as against the previous session's close at 20.01 million.

Indian Debt Market

- Bond yield plunged and witnessed the biggest single day fall in more than six months after the Monetary Policy Committee kept key policy repo rate unchanged in its fourth bi-monthly monetary policy review which surprised market participants. Market participants were expecting a rate hike in the backdrop of higher crude oil prices and persisting weakness rupee. The MPC however changed its stance to 'calibrated tightening' from 'neutral'.
- Yield on the 10-year benchmark paper (7.17% GS 2028) declined 14 bps to 8.02% compared with the previous closing of 8.16% after trading in the range of 8.01% to 8.16%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,646 crore (gross) on Oct 5 compared with a borrowing of Rs. 3,401 crore (gross) on Oct 4. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 91,071 crore on Oct 4.

Currency Market Update

- The Indian rupee plunged to another record low with consistent surge in global crude oil prices. Losses were extended after the MPC surprisingly left key interest rate unchanged but changed its stance to "calibrated tightening" from neutral. The rupee declined 0.26% to close at 73.77 a dollar from the previous close of 73.58.
- The euro inched up against the greenback after the U.S. nonfarm payroll employment data for Sep 2018 fell short of market expectations. The euro was last seen trading at 1.1523, up 0.09% compared with the previous close of 1.1513.

Commodity Market Update

- Gold prices rose ahead of the U.S. government's Sep payroll report.
- Brent crude prices slipped as reports on rise in U.S. crude oil inventory and Russia-Saudi Arabia private deal to increase crude output provided supply comfort.

International News

- According to a report from the Labor Department U.S. employment rose less than expected by 134,000 jobs in Sep 2018 as against upwardly revised growth of 270,000 jobs in Aug 2018. Another report from the Labor Department showed that unemployment rate fell to 3.7% in Sep 2018, lowest level since Dec 1969, from 3.9% in Aug 2018.
- According to the Labor Department U.S. initial jobless claims for the week ended Sep 29 fell by 8,000 to 207,000 from the previous week's revised level of 215,000. Meanwhile, less volatile four-week moving average inched up by 500 to 207,000 from the previous week's revised average of 206,500.

Thank you for
your time.