

RELIANCE

MUTUAL  
FUND

# Markets for You

11 Oct 2018

**Indices Performance**

Global Indices	10-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,599	26,431	-832	-3.15
Nasdaq	7,422	7,738	-316	-4.08
FTSE	7,146	7,238	-92	-1.27
Nikkei	23,506	23,469	37	0.16
Hang Seng	26,193	26,173	20	0.08
Indian Indices	10-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	34,761	34,299	461	1.35
Nifty 50	10,460	10,301	159	1.54
Nifty 100	10,658	10,474	184	1.76
Nifty Bank	25,322	24,528	794	3.24
SGX Nifty	10,447	10,314	133	1.28
S&P BSE Power	1,926	1,876	50	2.69
S&P BSE Small Cap	13,998	13,502	496	3.67
S&P BSE HC	14,673	14,414	259	1.80

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
10-Oct	22.33	1.29	25.30	1.28
Month Ago	24.39	1.18	27.81	1.17
Year Ago	23.88	1.21	26.02	1.14

**Nifty 50 Top 3 Gainers**

Company	10-Oct	Prev_Day	% Change <sup>#</sup>
Bajaj Finance	2271	2061	10.19
Bajaj Finserv Limited	5962	5429	9.81
Eicher Motors	22582	21086	7.10

**Nifty 50 Top 3 Losers**

Company	10-Oct	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	258	267	-3.10
Infosys	700	718	-2.41
TCS	2044	2092	-2.30

**Advance Decline Ratio**

	BSE	NSE
Advances	2058	1538
Declines	611	316
Unchanged	132	80

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-823	-26928
MF Flows**	1064	95622

\*10<sup>th</sup> Oct 2018; \*\*9<sup>th</sup> 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**

- The Asian equity markets were mixed as IMF's downgrade of world and China growth outlook still irked investors and U.S. Treasury yields kept them on their toes. Treasury yields have been hovering around multi-year highs. Markets became cautious after the U.S. President iterated his plans to impose tariffs on all of Chinese imports if China took retaliatory measures. Today (as of Oct 11), Asian markets opened lower and were poised for losses following decline in Wall Street in the last session. Nikkei and Hangseng fell 3.59% and 2.97%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower as worries over slowing Chinese growth weighed on investor sentiment. Technology and mining stocks remained under pressure, thereby weighing on the indices. Meanwhile, investors remained focused on developments around Brexit and Italy's budget.
- As per the last close, U.S markets closed lower following steep decline in technology stocks and lingering concerns about the outlook for interest rates amid recent increase in treasury yields. Substantial weakness in energy and semiconductor stocks also weighed on the indices.

**Indian Equity Market**

- Indian equity markets gained as the rupee recovered a bit from lifetime lows, crude oil prices eased, and investors welcomed Reserve Bank of India's (RBI) announcement of injecting Rs. 12,000 crore into the system. RBI had on Oct 9, 2018, made the announcement. The step will help ease the tight liquidity condition that has been bothering investors after the financial sector was rocked by a series of debt defaults by a leading infrastructure and finance company. The government has since then taken control of the company's management to steer it away from any catastrophe.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.35% and 1.54% to close at 34,760.89 and 10,460.10, respectively. S&P BSE Mid-Cap increased 4.23% and S&P BSE Small Cap gained 3.67%.
- On the BSE sectoral front S&P BSE Realty was the major gainer, up 4.44%, followed by S&P BSE Consumer Durables and S&P BSE Finance, up 3.77% and 3.55%, respectively. S&P BSE Bankex and S&P BSE Industrials gained 3.53% and 3.44%, respectively. The major loser was S&P BSE Information Technology, down 1.52%, and the only other loser was S&P BSE Teck, down 1.07%.

**Domestic News**

- The Reserve Bank of India will put Rs. 12,000 crore liquidity into the system by means of purchase of government bonds under open market operations on Oct 11, 2018. The central bank is doing this to meet the festival season demand for funds. The bonds will be with maturity ranging between 2020 to 2030, RBI said in a statement.
- A major global rating agency has said the recent cut in excise duty on fuel by the government will affect fiscal deficit. The agency has called it credit negative for the country. The government had a few days ago reduced excise duty on petrol and diesel by Rs. 1.50/litre and oil marketing companies were asked to subsume Rs. 1/litre cuts and state governments to match the Rs. 2.5/litre relief. The reduction would cost Rs. 10,500 crore in the rest of FY19, according to government estimates. The government's fiscal deficit target is at 3.3% of GDP for FY19.
- The government will rebuild the task force that was set up in Nov 2018 to draft a new direct taxes code. The current panel could not submit a report after a series of disagreements on many aspects such as exemptions for individual taxpayers. The panel's responsibilities included drafting an appropriate direct tax legislation with an eye on the systems present in various countries, international best practices and economic needs. The committee's deadline was six months which was extended by three months till Aug 2018.
- The government could soon make changes to the Companies Act through an ordinance. This is being done to encourage ease of doing business and corporate compliance and speed up insolvency proceedings. The government could ease various penal provisions in the Act and introduce measures to unblock National Company Law Tribunal (NCLT) and special courts. The main aim is to decentralise power to regional directors and build an in-house e-adjudication mechanism, which will free up the overburdened NCLT and special courts.

FII Derivative Trade Statistics		10-Oct	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3962.50	3882.53	20775.68
Index Options	90533.34	91980.83	75822.05
Stock Futures	14768.73	14391.92	82767.00
Stock Options	6389.79	6405.67	6656.35
Total	115654.36	116660.95	186021.08

Derivative Statistics- Nifty Options			
	10-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.16	1.11	0.05
Put Call Ratio(Vol)	0.84	0.68	0.17

Debt Watch				
	10-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.45%	6.32%	6.54%	5.88%
CBLO	6.35%	5.88%	6.54%	5.91%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.90%	7.08%	6.87%	6.05%
364 Day T-Bill	7.52%	7.77%	7.45%	6.20%
10 Year Gilt	8.03%	8.11%	8.16%	6.74%
G-Sec Vol. (Rs.Cr)	35386	31813	42665	39206
FBIL MIBOR	6.51%	6.49%	6.54%	6.05%
3 Month CP Rate	7.80%	8.20%	7.70%	6.75%
5 Year Corp Bond	8.88%	9.03%	8.92%	7.53%
1 Month CD Rate	6.82%	6.58%	6.97%	6.06%
3 Month CD Rate	7.04%	7.26%	7.30%	6.16%
1 Year CD Rate	8.45%	8.58%	8.25%	6.60%

Currency Market			
Currency	10-Oct	Prev_Day	Change
USD/INR	74.13	74.10	0.03
GBP/INR	97.63	96.99	0.64
EURO/INR	85.26	85.11	0.16
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	10-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	73.13	76.35	67.50	50.88
Brent Crude(\$/bl)	84.16	85.79	76.76	56.41
Gold( \$/oz)	1194	1197	1195	1287
Gold(Rs./10 gm)	31021	30997	30402	29732

Source: Thomson Reuters Eikon

#### Disclaimer:

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Reliance Nippon Life Asset Management Company Limited (RNLAM) (formerly Reliance Capital Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; RNLAM does not in any manner assure the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect RNLAM's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

Readers are requested to click here for ICRON disclaimer - <http://www.icronline.com/legal/standard-disclaimer.html>

**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

#### Derivatives Market

- Nifty Oct 2018 Futures settled at 10,465.75, a premium of 5.65 points, above the spot closing of 10,460.10. The turnover on NSE's Futures and Options segment grew to Rs. 11,94,244.77 on Oct 10 against Rs. 7,12,977.40 on Oct 9.
- The Put-Call ratio stood at 0.86, compared with previous close of 0.72.
- The Nifty Put-Call ratio stood at 1.16 compared with previous close of 1.11.
- India VIX declined 8.83% to 18.0100 from 19.7550 in previous session.
- Open interest on Nifty Futures stood at 21.76 million as against the previous session's close at 21.41 million.

#### Indian Debt Market

- Bond yield lowered following the recovery in rupee after witnessing six sessions of continued fall. In addition, the central bank's declaration of bond purchase under open market operation boosted the market sentiment and helped the yield ease.
- Yield on the 10-year benchmark paper (7.17% GS 2028) reduced 5 bps to 8.03% compared with the previous closing of 8.08% after trading in the range of 8.02% to 8.07%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,798 crore (gross) on Oct 10 compared with a borrowing of Rs. 2,928 crore (gross) on Oct 9. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 22,307 crore on Oct 9.
- Banks borrowed Rs. 1 crore under the central bank's Marginal Standing Facility on Oct 9 compared with borrowing of Rs. 4 crore on Oct 8.

#### Currency Market Update

- The Indian rupee rebound against dollar as the latter weakened with the decline in U.S. Treasury yield. The local unit also gained from the finance minister and the central bank's supportive proposal to gather funds from NRIs. The rupee closed at 74.20 a dollar from the previous close of 74.39.
- The euro was steady to slightly higher against dollar as the latter weakened due to the fall in U.S. Treasury yield. The euro was last seen trading at 1.1497 a dollar compared with the previous close of 1.1489.

#### Commodity Market Update

- Gold prices remained steady against the greenback with the decline in U.S. Treasury yield.
- Brent crude prices were nearly steady ahead of the looming U.S. sanction on Iran that poses global supply threat.

#### International News

- According to the Organisation for Economic Co-operation and Development (OECD), unemployment rate for OECD countries was unchanged for the second consecutive month in Aug 2018. The jobless rate came in at 5.3% in Aug, same as in Jun and Jul 2018. The rate was 5.2% in May. The youth unemployment rate, applicable to the 15-24 age group, was 11%.
- Office for National Statistics data showed U.K.'s merchandise trade deficit widened in Aug 2018 from the previous month. It beat market expectations.



Thank you for  
your time.