

**RELIANCE**

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FUND

# Markets for You

16 Oct 2018

Indices Performance

Global Indices	15-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,251	25,340	-89	-0.35
Nasdaq	7,431	7,497	-66	-0.88
FTSE	7,029	6,996	33	0.48
Nikkei	22,271	22,695	-423	-1.87
Hang Seng	25,445	25,801	-356	-1.38
Indian Indices	15-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	34,865	34,734	132	0.38
Nifty 50	10,513	10,473	40	0.38
Nifty 100	10,713	10,671	41	0.39
Nifty Bank	25,388	25,396	-8	-0.03
SGX Nifty	10,531	10,508	24	0.22
S&P BSE Power	1,962	1,947	15	0.76
S&P BSE Small Cap	14,353	14,159	194	1.37
S&P BSE HC	14,775	14,455	320	2.22

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
15-Oct	22.28	1.29	25.42	1.28
Month Ago	24.64	1.16	28.00	1.16
Year Ago	24.33	1.19	26.41	1.12

Nifty 50 Top 3 Gainers

Company	15-Oct	Prev_Day	% Change <sup>#</sup>
Lupin	887	846	4.79
Dr.Reddy	2567	2451	4.75
Cipla	648	623	4.01

Nifty 50 Top 3 Losers

Company	15-Oct	Prev_Day	% Change <sup>#</sup>
Bajaj Finserv	5634	5814	-3.08
HUL	1526	1570	-2.76
HPCL	213	218	-2.70

Advance Decline Ratio

	BSE	NSE
Advances	1634	1251
Declines	976	582
Unchanged	175	85

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1108	-31873
MF Flows**	1355	98215

\*15<sup>th</sup> Oct 2018; \*\*11<sup>th</sup> Oct 2018

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.77%	4.92%	3.28%
	(Sep-18)	(Jun-18)	(Sep-17)
IIP	4.30%	3.80%	4.80%
	(Aug-18)	(May-18)	(Aug-17)
GDP	8.20%	7.70%	5.60%
	(Jun-18)	(Mar-18)	(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 remained low because of global trade worries and concerns over higher U.S. interest rates. Problems between the U.S. and Saudi Arabia over the disappearance of an important Saudi journalist weighed sentiment down. Also, investors remained cautious ahead of a European Union summit and the release of Federal Open Market Committee's (FOMC) Sep 2018 meeting minutes and a series of Chinese data in the week. Today (as of Oct 16), Asian markets opened higher following positive close on the Wall Street overnight. Both Nikkei and Hang Seng were trading higher 0.22% and 0.56%, respectively (as at 8 a.m. IST).

• As per the last close, European markets ended majorly on a positive note after hovering between gains and losses during the session. Concerns over Brexit progress and rise in bond U.S. treasury yields kept investors' appetite limited.

• As per the last close, U.S markets fell after moving in a range during the session. Market fell following weaker than expected U.S. retail sales growth in Sep 2018.

Indian Equity Market

• Indian equity market gained as investors resorted to value buying in the pharma and information technology sectors. Gains were restricted on concerns over rising oil prices, weakening rupee and rising inflation. Asian cues were weak too as China-U.S. trade dispute, a possible slowdown in the Chinese economy and higher U.S. borrowing costs dampened sentiment.

• Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.38% each to close at 34,865.10 and 10,512.50, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 0.62% and 1.37%, respectively.

• The overall market breadth on BSE was strong with 1634 scrips advancing and 976 scrips declining. A total of 175 scrips remained unchanged.

• On the BSE sectoral front, S&P BSE Healthcare stood as the major gainer, up 2.22% followed by S&P BSE Information Technology that grew 2.71%. S&P BSE Teck and S&P BSE Telecom grew 1.96% and 1.09%, respectively. S&P BSE Consumer Durables and S&P BSE Auto were the major losers, down 1.21% and 0.46%.

Domestic News

• Government data showed that India's Wholesale Price Index-based inflation (WPI) increased to 5.13% in Sep 2018 from 4.53% in Aug 2018. Wholesale price inflation was at 3.14% in Sep 2017. Inflation in potato increased 80.13% as against an increase of 71.89% in Aug 2018. Inflation in wheat and cereals increased to 8.87% and 5.54% from 8.39% and 5.05%, respectively. The WPI Food Index came in at 0.14% in Sep from -2.25% in Aug 2018.

• According to media reports, India's trade deficit in Sep 2018 fell to \$13.98 billion as against \$17.39 billion in Aug 2018. Exports decreased 2.2% while imports increased 10.5%. For the six months ended Sep 2018, trade deficit stood at \$94.32 billion, exports rose 12.5% and imports increased 16.2%.

• Diesel prices have gone up for the 10th straight day on Oct 15, 2018, which has offset the Rs. 2.50 per litre cut in rates announced at the beginning of the month. The government had cut excise duty on petrol and diesel by Rs 1.50 per litre and asked oil companies to provide subsidy of another Rs. 1 per litre. Diesel prices were raised by 8 paise per litre.

• The corporate affairs ministry said competition law would be designed to remove high entry barriers. These reforms would provide easy access to those being hurt by anti-competitive conduct. Corporate affairs secretary said competition law should be demystified by hardwiring the principles into business philosophy and government policy framework.

• The National Highway Authority of India (NHAI) may invite bids for civil works for the satellite town ring road (STRR) project by Mar 2018. NHAI targets to take possession of four-fifths of the land needed for first phase of the project by Mar. The total STRR project involves a 367 km around Bengaluru that will connect the eight major satellite towns. Of this, NHAI will build 240-km expressway.

FII Derivative Trade Statistics		15-Oct		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	4885.65	4356.99	22235.90	
Index Options	70586.41	69325.66	79867.09	
Stock Futures	15725.44	15200.54	84737.64	
Stock Options	7805.88	8025.15	8553.57	
Total	99003.38	96908.34	195394.20	

Derivative Statistics- Nifty Options			
	15-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.20	1.21	0.00
Put Call Ratio(Vol)	0.80	0.88	-0.09

Debt Watch				
	15-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.32%	6.40%	6.43%	5.83%
CBLO	6.16%	6.13%	5.57%	5.14%
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%	6.85%	7.05%	6.00%
364 Day T-Bill	7.50%	7.50%	7.65%	6.18%
10 Year Gilt	7.92%	7.97%	8.13%	6.73%
G-Sec Vol. (Rs.Cr)	21354	36438	32969	56503
FBIL MIBOR	6.50%	6.48%	6.50%	5.93%
3 Month CP Rate	7.80%	7.85%	7.95%	6.74%
5 Year Corp Bond	8.81%	8.86%	8.93%	7.49%
1 Month CD Rate	6.82%	6.85%	6.99%	6.05%
3 Month CD Rate	7.14%	7.03%	7.40%	6.18%
1 Year CD Rate	8.42%	8.38%	8.40%	6.59%

Currency Market			
Currency	15-Oct	Prev_Day	Change
USD/INR	73.97	73.80	0.17
GBP/INR	97.08	97.65	-0.57
EURO/INR	85.49	85.55	-0.07
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	15-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	71.79	74.22	68.93	51.38
Brent Crude(\$/bl)	81.50	84.56	77.81	55.95
Gold(\$/oz)	1227	1188	1193	1304
Gold(Rs./10 gm)	31892	31156	30558	29675

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty Oct 2018 Futures settled at 10,517.45, a premium of 44.95 points, above the spot closing of 10,512.50. The turnover on NSE's Futures and Options segment increased to Rs. 6,92,766.23 on Oct 15 compared with Rs. 6,34,995.10 on Oct 12.
- The Put-Call ratio stood at 0.79, compared with the previous session's close of 0.80.
- The Nifty Put-Call ratio stood at 1.20 compared with the previous session's close of 1.21.
- Open interest on Nifty Futures stood at 22.05 million as against the previous session's close at 21.50 million.

#### Indian Debt Market

- Bond yield eased as inflation came in at 3.77%, which is lower than the central bank's expectation of 4%. This alleviated concerns over future interest rate hikes in the country.
- Yield on the 10-year benchmark paper (7.17% GS 2028) reduced 6 bps to 7.92% compared with the previous closing of 7.98% after trading in the range of 7.92% to 7.98%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 19,722 crore (gross) on Oct 15 compared with a borrowing of Rs. 7,128 crore (gross) on Oct 12. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 38,912 crore on Oct 12.
- Banks borrowed Rs. 1,215 crore under the central bank's Marginal Standing Facility on Oct 12 compared with borrowing of Rs. 350 crore on Oct 11.

#### Currency Market Update

- The Indian rupee declined following high greenback demand from importers with the recovery in oil prices. However, losses were capped on reports of narrowing trade deficit with decreased to a five-month low in Sep. The rupee closed at 73.83 a dollar from the previous close of 73.56.
- The euro moved up against the greenback with the later trading nearly flat. The euro's movement will get impacted by the Italian government's 2019 budget. The euro was last seen trading at 1.1583 a dollar compared with the previous close of 1.1562.

#### Commodity Market Update

- Gold prices increased as the Asian and European equity market slid after a rebound in the previous session.
- Brent crude prices surged following the news of disappearance of a well-known Saudi journalist that triggered geopolitical tension between U.S. and Saudi Arabia.

#### International News

- Preliminary figures the Federal Statistical Office showed that German manufacturers added more employees during Aug compared to the same period of the previous year. The number of employees in the manufacturing units with 50 or more persons grew by about 149,000 persons or 2.7% from the same period last year to 5.7 million.
- Business inventories in U.S. rose by 0.5% in Aug 2018 after climbing by an upwardly revised 0.7% (0.6% originally reported) in Jul 2018.



Thank you for  
your time.